

# **MediaTek Inc.**

## **Article of Incorporation**

*Date: June 14, 2019*  
*Approved by the Annual General Shareholders' Meeting 2019*

### **Section One – General Provisions**

#### **Article 1**

The Company shall be incorporated as a company limited by shares under the Company Act of the Republic of China, and its name shall be MediaTek Inc. (in the English language).

#### **Article 2**

The scope of business of the Corporation shall be as follows:

- CC01080: Electronic parts and components manufacture.
- F401010: International Trade.
- I301010: Software Design Services
- I501010: Product designing.
- F401021: Restrained Telecom Radio Frequency Equipments and Materials Import.
- F601010: Intellectual Property

1. Researching, developing, producing, manufacturing, and sales the following products:
  - (1). Multimedia integrated circuits (ICs);
  - (2). PC peripheral ICs;
  - (3). High-end consumer electronic ICs;
  - (4). Other Application-Specific ICs;
  - (5). Patents or IC layout copyright licensing related to the abovementioned ICs.
2. Providing hardware and software design, development, testing, maintenance and technology consulting services for the abovementioned products.
3. Conducting import and export trade for the abovementioned products.

#### **Article 2-1**

When the Company becomes a shareholder of limited liability of another company, the total amount of the Company's investment will not be subject to the restriction of not more than 40% of the Company's paid-in capital as provided in Article 13 of the Company Act.

#### **Article 3**

The Company is headquartered in the Hsinchu Science-Based Industrial Park in Taiwan, Republic of China, and shall be free, upon approval of the Board of Directors and government authorities in charge, to set up representative or branch offices at various locations within or outside the territory of the Republic of China, whenever the Company deems it necessary.

#### **Article 4**

Public announcements of the Company shall be made in accordance with Article 28 of the Company Act.

**Article 4-1**

The Company may provide endorsement and guarantee to other companies. The process shall be handled in accordance with the Company's Operating Procedures of Endorsement/Guarantee.

**Section Two – Capital Stock****Article 5**

The total capital stock of the Company shall be in the amount of 20 Billion New Taiwan Dollars, divided into 2 billion shares at NT\$10 par value each share, and may be paid-up in installments. Among which Two Hundred Million New Taiwan Dollars of the total capital stock (divided into 20 million shares at NT\$10 par value each share) will be reserved for issuing stock options, and may be issued in installments in accordance with the resolution of the Board of Directors.

**Article 6**

The share certificates of the Company shall all be name-bearing share certificates, and shall be signed by or affixed with seals of Director(s) representing the Company, and authenticated by the competent authorities of the government or the certification organization approved by the competent authorities. The Company may be exempted from printing share certificates if the shares are registered with a domestic securities depository enterprise.

**Article 7**

Registration for transfer of shares shall be suspended 60 days immediately before the date of annual general shareholders' meeting, and 30 days immediately before the date of any special shareholders' meeting, or within 5 days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Company.

**Article 7-1**

Where the Company issues any employee stock options, the employees who are qualified to subscribe to such employee stock options shall include employees of subordinate companies that meet certain qualification(s).

Where the Company issues any new shares, the employees who are qualified to subscribe to such shares shall include employees of subordinate companies that meet certain qualification(s).

Where the Company issues any employee restricted shares, the employees who are qualified to subscribe to such shares shall include employees of subordinate companies that meet certain qualification(s).

Where the Company proposes to transfer any treasury shares purchased in accordance with the laws, the transferees shall include the employees of subordinate companies that meet certain qualification(s).

**Section Three – Shareholders' Meeting****Article 8**

Shareholders' meetings of the Company are of two types, namely: (1) Annual General Shareholders' Meetings – which shall be convened by the Board of Directors within 6 months after the end of each fiscal year, and (2) Special Shareholders' Meetings – which shall be convened whenever necessary in accordance with the relevant laws, rules and regulations of the Republic of China.

**Article 9**

The shareholders' meeting shall be presided by the Chairman of the Board of Directors of the Company. In case the Chairman is on leave or otherwise cannot exercise his duty and authority for any reason, the

vice chairman shall act on his behalf. In case there is no vice chairman or the vice chairman is also on leave or otherwise cannot exercise his duty, the Chairman shall appoint a director to act as his deputy; otherwise, the directors shall elect from among themselves a chairman to preside over the shareholders' meeting. If a shareholders' meeting is convened by a person other than the Board of Directors, the shareholders' meeting shall be chaired by that convener. If there are two or more conveners for a shareholders' meeting, one of them shall be elected to chair the meeting.

#### **Article 10**

Notices shall be sent to all shareholders for the convening of annual general shareholders' meetings – at least 30 days in advance for annual general shareholders' meetings and at least 15 days in advance for special shareholders' meetings. The meeting date, venue and the purpose(s) for convening such shareholders' meeting shall be clearly stated in the meeting notices.

#### **Article 11**

If a shareholder is unable to attend a shareholders' meeting, he/she may appoint a representative to attend it, with a Shareholder Proxy Form issued by the Company, in accordance with the Company Act of the Republic of China, and the Rules Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies.

#### **Article 12**

Except as otherwise provided by other laws or regulations, each share is entitled to one voting right.

#### **Article 13**

Except as otherwise provided by other laws or regulations, shareholders' meetings may be held if attended by shareholders in person or by proxy representing more than 50% of the total issued and outstanding capital stock of the Company, and resolutions shall be adopted at the meeting with the concurrence of a majority of the votes held by shareholders present at the meeting. Shareholders of the Company can vote through the electronic voting system, the details of which shall be handled in accordance with relevant laws and regulations.

#### **Article 13-1**

The resolutions of the shareholders' meeting shall be recorded in the minutes, and such minutes shall be signed by or sealed with the chop of the Chairman of the meeting. Shareholders shall be notified of the minutes within 20 days after the meeting. The minutes specified above shall be distributed in accordance with the provisions of the Company Act.

### **Section Four – Directors and Audit Committee**

#### **Article 14**

The Company shall have five to nine Directors, with the actual number to be determined by the Board. There shall be at least three Independent Directors in the Board. The election of Directors and Independent Directors shall be conducted in accordance with Article 192-1 of the Company Act, where the system of nomination of candidates shall be adopted. The relevant professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination, and other matters for compliance with respect to Independent Directors shall be governed by the relevant provisions of the Company Act and Securities and Exchange Act. The independent and non-Independent Directors shall be elected at the same time, and the number of elected directors shall be calculated separately.

The term of Directors is three years, and shall be elected in the shareholders' meetings. Their term of office shall be three years, and shall be eligible for re-election. After the company went public, the total number of shares that all Directors shall hold should be in accordance with the requirements of the competent authorities. The Board of Directors is authorized to determine the compensation for the Directors, taking into account the standards of the industry. The Company may, in accordance with applicable laws and regulations or rules issued by competent authorities, purchase Directors and Officers Liability Insurance with respect to liabilities resulting from exercising directors' duties during their terms of office.

#### **Article 14-1**

If the Director(s) also serve(s) other position(s) in the Company, his/her compensation for such duties shall be set forth by the competent authority in charge of securities.

#### **Article 14-2**

The following relationship shall not be permitted for more than a majority of the Company's Director:

1. Spouse
2. Relative within the Second Degree of relationship.

#### **Article 15**

The Board of Directors shall be formed by elected Directors and shall have the following responsibilities:

1. Preparing business report.
2. Proposing allocation plans of earnings or proposals to make up loss.
3. Proposing plans for increasing or decreasing capital.
4. Drafting important rules and contracts.
5. Appointing or discharging the Company's managers.
6. Setting up or dissolving branches.
7. Compiling Budget Reports and Final Reports.
8. Performing other duties authorized by the Company Act or shareholders' meeting.

#### **Article 16**

The Directors shall elect from among themselves a Chairman of the Board of Directors, and a Vice Chairman of the Board of Directors based on business need, by a majority vote in a meeting attended by over two-thirds of the Directors. The Chairman of the Board of Directors shall be the chairman of shareholders' meetings, and shall have the authority to represent the Company.

#### **Article 17**

Meetings of the Board of Directors shall be convened by the Chairman of the Board of Directors, unless otherwise regulated by the Company Act. Directors may be notified of the Board of Directors meeting via written notices, as E-mail or fax. Except as otherwise provided in the Company Act of the Republic of China, a meeting of the Board of Directors may be held if attended by a majority or more of total Directors and resolutions shall be adopted with the concurrence of the majority or more of the Directors present at the meeting.

#### **Article 18**

Meetings of the Board of Directors shall be presided over by the Chairman of the Board of Directors of the Company. In case the Chairman is on leave or otherwise cannot exercise his duty, the vice chairman shall act on his behalf. In case there is no vice chairman or the vice chairman is also on leave or otherwise cannot exercise his duty, the Chairman shall appoint a director to act as his deputy; otherwise the directors shall

elect from among themselves a chairman to preside over the Meeting of the Board of Directors. Directors shall attend the Meeting of the Board of Directors. When a Director is unable to attend any Meeting of the Board of Directors, he may appoint another Director to attend on his behalf, but no Director may act as proxy for more than one Director.

#### **Article 19**

The Company shall form an Audit Committee, which is composed of all Independent Directors. Details including number of members, terms, responsibilities and rule of meeting shall be stipulated separately in the Organization Rules of Audit Committee in accordance with the rules in the “Regulations Governing the Exercise of Powers by Audit Committees of Public Companies”.

### **Section Five – Management of the Company**

#### **Article 20**

The Company may, by resolution of the Board of Directors, appoint one or more managers.

#### **Article 21**

The scope of duties and power of managers of the Company may, in addition to what are specified in the Articles of Incorporation, also be defined in the contract.

### **Section Six – Financial Reports**

#### **Article 22**

The Company’s fiscal year shall be from January 1<sup>st</sup> of each year to December 31<sup>st</sup> of the same year. After the end of each fiscal year, the Company shall prepare final accounts for that year.

#### **Article 23**

After the end of each fiscal year, in accordance with Article 228 of the Company Act, the following reports shall be prepared by the Board of Directors, and be submitted to the shareholders’ meeting for acceptance.

1. Business Report.
2. Financial Statements.
3. Proposal Concerning Appropriation of Profits or Covering of Losses.

#### **Article 24**

If there is any profit for a specific fiscal year, the Company shall allocate no less than 1% of the profit as employees’ compensation and shall allocate at a maximum of 0.5% of the profit as remuneration to Directors, provided that the Company’s accumulated losses shall have been covered in advance.

Employee’s compensation may be distributed in the form of shares or in cash, and employees qualified to receive such compensation may include employees from affiliates companies who meet certain qualification. The Board of Directors is authorized to determine the qualification of such employees. The remuneration to Directors shall be paid in cash.

#### **Article 24-1**

If there is any profit in an annual general financial statement of the Company, such profit shall be distributed in the following orders:

1. Reserve for tax payments.

2. Offset accumulated losses in previous years, if any.
3. Legal reserve, which is 10% of leftover profits. However, this restriction does not apply in the event that the amount of the accumulated legal reserve equals or exceeds the Company's total capital stock.
4. Allocation or reverse of special reserves as required by law or government authorities.
5. The remaining net profits and the retained earnings from previous years will be allocated as shareholders' dividend. The Board of Directors will prepare a distribution proposal and submit the same to the shareholders' meeting for review and approval by a resolution.

Since the Company is in an industry in a growth phase, the dividend policy shall take into consideration factors such as the Company's current and future investment environment, needs for capital, domestic and overseas competition, capital budgeting plans, etc., to come out with a proposal that strike a balance among shareholders' benefits and the Company's long-term financial plans. Each year the Board of Directors shall prepare a profit distribution proposal and report it at the shareholders' meeting. After considering financial, business and operational factors, the Company may distribute the whole of distributable profits for the year; dividends to shareholders may be distributed in cash or in stock, and the cash dividends shall not be lower than 10% of total dividends to shareholders.

## **Section Seven – Supplementary Provisions**

### **Article 25**

The organization of the Company shall be defined in separate internal regulations.

### **Article 26**

For matters not provided for in the Articles of Incorporation, it shall be handled in accordance with the Company Act of the Republic of China.

### **Article 27**

These Articles of Incorporation were resolved on May 21, 1997. The first amendment was made on September 1, 1997, the second amendment was made on July 3, 1998, the third amendment was made on June 21, 1999, the fourth amendment was made on June 9, 2000, the fifth amendment was made on September 28, 2000, the sixth amendment was made on June 8, 2001, the seventh amendment was made on June 3, 2002, the eighth amendment was made on May 16, 2003, the ninth amendment was made on June 9, 2004, the tenth amendment was made on June 13, 2005, the eleventh amendment was made on June 21, 2006, the twelfth amendment was made on June 11, 2007, the thirteenth amendment was made on June 15, 2010, the fourteenth amendment was made on June 15, 2011, the fifteenth amendment was made on June 13, 2012, the sixteenth amendment was made on June 12, 2015, the seventeenth amendment was made on June 24, 2016, the eighteenth amendment was made on June 15, 2017, and the nineteenth amendment was made on June 14, 2019.