

# Chaun-Choung Technology Corporation

## 2020 First Extraordinary Shareholders Meeting Handbook

(Translation Version)

Date of meeting : December 9, 2020 (Wednesday), 9:00 am

Place : No. 67, Section 1, GuangFu Road, Sanchong District, New Taipei City  
(Jen Hour Restaurant, Conference Room)

# Table of Contents

	Page
<b>I. Meeting Agenda.....</b>	<b>1</b>
(I) Matters for Discussion .....	2
(II) Extempore Motions .....	2
(III) Meeting Adjourned .....	2
<b>II · Annex</b>	<b>3</b>
(I) Comparison Table of the provisions for the “Articles of Incorporation” Before and After Amendment.....	3
<b>III. Appendices</b>	<b>4</b>
(I) Articles of Incorporation Before Amendment .....	4
(II) Rules of Procedure for Shareholders Meeting.....	10
(III) Shareholdings of Directors and Supervisors.....	13

# **I. Meeting Agenda**

## **Chaun-Choung Technology Corporation 2020 First Extraordinary Shareholders Meeting Agenda**

**Date of meeting:** December 9, 2020 (Wednesday), 9:00 am

**Place:** No. 67, Section 1, GuangFu Road, Sanchong District, New Taipei City  
(Jen Hour Restaurant, Conference Room)

### **Meeting Agenda:**

- I. Call the Meeting to Order (report on number of shareholders present)**
- II. Chairman's Address**
- III. Matters for Discussion**
  - (I) Amendment of the Articles of Incorporation.
- IV. Extempore Motions**
- V. Meeting Adjourned**

## **(I) Matters for Discussion**

**Item No. 1:**

(Proposed by the Board)

**Agenda: Amendment of the "Articles of Incorporation" of the Company for discussion and resolution.**

Description: (I) Since the Company became a subsidiary (group member) of Nidec Corporation (hereinafter referred to as Nidec), Nidec currently has more than 67% shareholding in the Company. In order to enhance the recognition of the Company as a member of the Nidec's group and for the needs of Company's operation and business, it is proposed to change Chinese name of the Company from "超眾科技股份有限公司" to "尼得科超眾科技股份有限公司" as well as change English name of the Company from "Chaun-Choung Technology Corporation" to "Nidec Chaun-Choung Technology Corporation".

(II) In line with the above, it is proposed to amend the "Articles of Incorporation" of the Company. The Comparison Table of the provisions for Before and After amendment, please refer to Annex I (page 3).

(II) For resolution.

Resolution:

## **(II) Extempore Motions**

## **(III) Meeting Adjourned**

## II. Annex

### [Annex I]

#### Chaun-Choung Technology Corporation Comparison Table of the provisions for the Articles of Incorporation Before and After Amendment

Sequence number	Provision after amendment	Provision currently in effect	Reasons for amendment
Article 1	The Company is duly incorporated in accordance with the Company Act and bears the name of <b>尼得科</b> 超眾科技股份有限公司. The name in English is <b>NIDEC</b> CHAUN-CHOUNG TECHNOLOGY CORPORATION.	The Company is duly incorporated in accordance with the Company Act and bears the name of 超眾科技股份有限公司. The name in English is CHAUN-CHOUNG TECHNOLOGY CORPORATION.	The Company has been a group member of Nidec Corporation. In order to enhance the recognition of Nidec's group member and for the needs of Company's operation and business, it is proposed to change Chinese and English name of the Company.
Article 22	(above skipped) Amended for the 31st version on June 20, 2017. Amended for the 32nd version on June 22, 2020. <b><u>Amended for the 33rd version on December 9, 2020.</u></b>	(above skipped) Amended for the 31st version on June 20, 2017. Amended for the 32nd version on June 22, 2020.	Addition of the date of amendment in line with the amendment of the provision in part.

### **III. Appendices**

#### **[Appendix I]**

### **Chaun-Choung Technology Corporation Articles of Incorporation (Before amendment)**

Passed by the Shareholders Meeting on June 22 ,2020

#### **Chapter I General Provisions**

- Article 1: The Company is duly incorporated in accordance with the Company Act and bears the name of 超眾科技股份有限公司. The name in English is CHAUN-CHOUNG TECHNOLOGY CORPORATION.
- Article 2: The Company is engaged in the following business:
- I. C805050 Industrial plastic products manufacturing.
  - II. C805070 Tempered plastic products manufacturing.
  - III. C805990 Other plastic products manufacturing.
  - IV. C901020 Glass and glass products manufacturing.
  - V. CA02010 Metallic structures and constructions components manufacturing.
  - VI. CB01990 Other machine manufacturing.
  - VII. CC01030 Electric appliances and audiovisual electronic products manufacturing.
  - VIII. CC01080 Electronic components manufacturing.
  - IX. CC01990 Other electrical and electronic machine manufacturing (heat conducting tubes, heat sink, thermal radiation and conduction equipment).
  - X. CD01030 Automotive and parts manufacturing.
  - XI. CH01040 Toy manufacturing.
  - XII. CQ01010 Mold manufacturing.
  - XIII. F113010 Wholesale of machines.
  - XIV. F113020 Wholesale of electrical appliances.
  - XV. F114030 Wholesale of automotive, motorcycle parts and equipment.
  - XVI. F119010 Wholesale of Electronic Materials.
  - XVII. F219010 Retail of Electronic Materials.
  - XVIII. CA02990 Other metallic products manufacturing.
  - XIX. CB01010 Machine and equipment manufacturing.
  - XX. CD01040 Motorcycles and parts manufacturing.
  - XXI. F401010 International trade.
  - XXII. ZZ99999 All business items that are not prohibited or restricted by law,

except those that are subject to special approval.

Article 2-1: The Company may undertake guarantees for others.

Article 3: The Company is headquartered in New Taipei City and may establish branches in Taiwan and other countries in accordance with the resolutions of the Board where necessary.

Article 4: The Company may make investments as necessary of the business. Acting as a limited liability shareholder of other companies in accordance with the resolutions of the Board. The total amount of investments may not be subject to the restrictions on the amount of investment prescribed by Article 13 of the Company Act.

Article 4-1: (Deleted)

## **Chapter II Shares**

Article 5: The Company has stated total capital of NT\$1,200,000,000 evenly split up into 120,000,000 shares, all of which are common shares with NT\$10 per share. Regarding the unissued shares, the Board is authorized to issue the shares in tranches. Of all these shares, 500,000 will be reserved for stock options, preferred shares with warrants or corporate bonds with warrants which are exercised the options.

Article 6: (Deleted)

Article 7: The Company issues registered shares and is not required to print physical share certificates and shall contact Taiwan Depository and Clearing Corporation for registration and custody. The same procedure is applicable to the offering of other securities.

Article 7-1: The Company shall handle stock affairs in accordance with the “Regulations Governing the Administration of Shareholder Services of Public Companies” promulgated by the competent securities authorities.

Article 8: Shares transfer is prohibited within 60 days prior to the convening date of a regular shareholders meeting, or within 30 days prior to the convening date of a special shareholders meeting, or within 5 days prior to the target date for distribution of dividends, bonus or other benefits.

## **Chapter III Shareholders Meeting**

Article 9: The Shareholders Meeting may convene in regular session and special session. A Regular session will be held within 6 months after the end of a fiscal year. A Special session will be held at any time where necessary.

Article 10: If a specific shareholder cannot attend Shareholders Meeting in person, such shareholder may use the power of attorney prepared by the Company and specify the scope of authorization to appoint a proxy to attend the meeting. The regulations governing the appointment of proxy to attend a Shareholders Meeting shall be in compliance with Article 177 of the Company Act and also the “Regulations Governing the Use of Proxies for Attendance at Shareholders Meetings of Public Companies” promulgated by the competent authority.

Article 11: Shareholders shall have one voting power in respect of each share in his/her/its possession. However, there is no voting power if there are restrictions imposed by

relevant laws and regulations.

Article 12: Resolutions of the Shareholders Meeting shall be made by a simple majority of the shareholders or proxies in session and representing more than half of the outstanding shares unless the law provides otherwise.

Article 12-1: Where the Board may call for the Shareholders Meeting, the presiding officer shall comply with Paragraph 3 of Article 208 of the Company Act. Where a third party (parties) may convene the Shareholders Meeting, the convener shall act as the presiding officer. If there are 2 or more parties calling for the meeting, 1 should be nominated from among these parties to preside over the Shareholders Meeting.

Article 12-2: The resolutions of the Shareholders Meeting shall be made as minutes of meeting on record, confirmed by the presiding officer with signature or seal, and release to the shareholders within 20 days after the convention. The composition of the minutes of the meeting on record may be released electronically.

#### **Chapter IV Directors and Supervisors**

Article 13: The Company shall have 5 to 9 Directors and 2 to 3 Supervisors. They shall be elected by the shareholders meeting from among the persons with disposing capacity. Each shall have tenure of 3 years and may assume a new term of office if re-elected. The election of Independent Directors and Directors will be held simultaneously, but in separately calculated numbers.

The candidate nomination system is adopted for the election of Directors and Supervisors in accordance with Article 192-1 of the Company Act and other applicable laws. Shareholders shall elect from the candidates on the list.

The ratio of shareholdings by all Directors and Supervisors shall be governed by the rules and regulations of the competent authority of securities.

Of all the numbers mentioned in paragraph 1, Independent Directors shall not less than two in number and not less than one-fifth of the total number of directors.

Article 13-1: If 1/3 of Directors were left vacant, or the all Supervisors were discharged, the Board shall call for a special session of the Shareholders Meeting to elect new candidates to fill the vacancies within 60 days. The tenure for the new Directors and Supervisors shall cover the rest of the term left behind by their predecessors.

Article 14: The Directors shall be organized into the Board of Directors and the Chairman, Vice Chairman shall be elected among the Directors with the presence of at least 2/3 of the Directors and approved by a simple majority of the Board. The Chairman shall externally act on behalf of the Company.

The reasons for calling a Board of Directors Meeting shall be notified to each director and supervisor at least seven days in advance. In emergency circumstances, Board of Directors Meeting may be called at any time. The notice for Board of Directors Meeting may be made by fax or e-mail instead of paper notice.

All directors shall attend the Board of Directors Meeting in person. Attendance via video conference is deemed as attendance in person.

If specific Director cannot attend the Board of Directors Meeting in person, such Director may issue a power of attorney specifying the scope of authorization, and appoint another Director to act as proxy to attend the Board of Directors Meeting. However, a proxy can accept a proxy from one person only.

Article 15: In case the chairman of the board of directors is on leave or absent or can not exercise



his power and authority for any cause, the proxy mechanism shall be governed by Article 208 of the Company Act. If specific Director cannot attend the Board of Directors Meeting, the proxy shall be proceed to Article 205 of the Company Act.

Article 15-1: Unless otherwise provided for in the Company Act, resolutions of the Board of Directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors.

Article 16: The Board shall be authorized to determine the remuneration of the Chairman, Directors and Supervisors on the basis of their frequency of participation in the operation and contribution value to the Company with reference to the standards of industry peers.

The Company shall take professional liability insurance for the protection of the Directors and Supervisors within the term and their scope of assigned duties with the aspect of their legal liability.

## **Chapter V Managerial Officers**

Article 17: The Company shall establish the positions for several managerial officers. The appointment, dismissal and remuneration of whom shall be handled in accordance with the Article 29 of the Company Act.

## **Chapter VI Accounting**

Article 18: At the end of each fiscal year, the Board shall prepare the following reports and statements and shall forward the same to Supervisors for reviewing 30 days prior to the date of the regular Shareholders Meeting and propose to the Shareholders Meeting for recognition. 1. Business Report 2. Financial Statements. 3. Proposal for the Earnings Distribution or loss off-setting.

Article 19: (Deleted)

Article 20: The Company shall appropriate not less than 3% of its profit, where applicable, as employees' compensation (the profit before taxes and before the deduction of employees' compensation and Directors and Supervisors' compensation), the Board shall determine the employees' compensation payment by cash or stock, and the employees of subsidiaries who meet the criteria determined by the Board of Directors are also entitled to get the compensation. The Company may also appropriate Directors and Supervisors' compensation not more than 3% of the above profit in accordance with the resolutions of the Board. However, if the Company still has accumulated losses, it should take the profit to cover the cumulative losses at first, then appropriate the remainder as employees' compensation and Directors and Supervisors' compensation.

Article 20-1: If the Company has net profit after tax the current period after the annual accounting settlement, the Company shall take the profit to cover the cumulative losses (including adjustment of the undistributed earnings) at first, then distribute as the following priorities:

(1) Appropriation of 10% as a legal reserve until the amount of legal reserve is equivalent to the paid-in capital.

- (2) Appropriation or reversal of special reserve in accordance with applicable laws or requirements of the competent authority.
- (3) Add to the undistributed earnings accumulated in the preceding fiscal years to pool up as distributable earnings. The Board shall submit the proposal of earnings distribution subject to the approval of the Shareholders Meeting.

The Company is still at the growth stage. In consideration of the Company's environment and industrial growth, capital requirements in the future and the long-term financial planning as well as maintaining sustainable and stable business development, the Company adopts the policy of dividend payment from earnings. In general, earnings for distribution will not less than 15% of the after tax profit of current period. Further to the aforementioned requirements, stock dividends shall not be higher than 80% and cash dividends shall not less than 20% of the total dividends amount.

## **Chapter VII Miscellaneous**

Article 21: Anything not covered by the Articles of Incorporation shall be governed by the Company Act.

Article 22: The Articles of Incorporation are instituted on December 14th, 1973.

- Amended for the 1st version on July 5th, 1976.
- Amended for the 2nd version on January 25th, 1977.
- Amended for the 3rd version on April 12th, 1980.
- Amended for the 4th version on July, 26th, 1982.
- Amended for the 5th version on August 26th, 1982.
- Amended for the 6th version on September 20th, 1982.
- Amended for the 7th version on March 4th, 1985.
- Amended for the 8th version on July 12th , 1986.
- Amended for the 9th version on October 3rd, 1986.
- Amended for the 10th version on September 5th, 1990.
- Amended for the 11th version on March 26th, 1991.
- Amended for the 12th version on June 15th, 1995.
- Amended for the 13th version on December 19th, 1995.
- Amended for the 14th version on November 16th, 1998.
- Amended for the 15th version on July 29th, 1999.
- Amended for the 16th version on August 31st, 1999.
- Amended for the 17th version on April 25th, 2000.
- Amended for the 18th version on June 9th, 2000.
- Amended for the 19th version on June 14th, 2002.
- Amended for the 20th version on June 25th, 2003.
- Amended for the 21st version on June 25th, 2003.
- Amended for the 22nd version on June 21st, 2004.
- Amended for the 23rd version on February 25th, 2005.
- Amended for the 24th version on June 10th, 2005.
- Amended for the 25th version on June 9th, 2006.
- Amended for the 26th version on June 13th, 2007.
- Amended for the 27th version on June 16th, 2009.
- Amended for the 28th version on June 4th, 2010.
- Amended for the 29th version on June 21st, 2012.

Amended for the 30th version on June 13th, 2016.  
Amended for the 31st version on June 20th, 2017.  
Amended for the 32nd version on June 22nd, 2020.

## [Appendix II]

### **Chaun-Choung Technology Corporation Rules of Procedure for Shareholders Meeting**

Passed by the Shareholders Meeting on June 21st, 2012

- Article 1: The rule of procedure for Shareholders Meeting of the Company, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in this Rules.
- Article 2: Shareholders under this Procedure are shareholders themselves and the proxy appointed by the shareholders to attend the Meeting in accordance with the law.
- Article 3: The shareholders or proxies shall hand over attendance cards instead of signing to attend the Shareholders Meeting. The number of shares in attendance shall be calculated according to the attendance cards handed over. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.
- Article 4: Attendance and vote at Shareholders meeting shall be calculated based on numbers of shares.
- Article 5: The chair shall call the Meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still not represent enough, the chair shall declare the meeting adjourned. However, if the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another Shareholders Meeting shall be convened within 1 month. When, prior to conclusion of the meeting, the attending shareholders represent one third or more of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the Shareholders Meeting pursuant to Article 174 of the Company Act.
- Article 6: If a Shareholders Meeting is convened by the Board of Directors, the meeting shall be chaired by the chairperson of the Board. When the chairperson of the Board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.
- Article 7: The Company may appoint its attorneys, Certified Public Accountants, or related persons retained by it to attend a Shareholders Meeting in a non-voting capacity.
- Article 8: Staffs handling administrative affairs of a Shareholders Meeting shall wear

identification cards or arm bands.

- Article 9: The Company shall make an audio or video recording through the entire procedure of the Shareholders Meeting and retain the recorded materials for at least 1 year.
- Article 10: If a Shareholders Meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the Shareholders Meeting.
- Article 11: Before speaking, the chair may ask an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders' speak will be set by the chair.
- Article 12: A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.
- Article 13: Shareholders may restrain the authority of proxies in the power of attorney or through other means, and whether such restraint is known to the Company or not, the speech and votes of the proxies shall prevail.
- Article 14: Each shareholder may express an opinion on the same motion for no more than twice unless with the consent of the chair. Five minutes are allowed for each expression, shareholders violate the forementioned regulations or exceed the scope of the agenda, the chair shall stop the shareholder from going on with the expression.
- Article 15: When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the Shareholders Meeting.
- Article 16: When a juristic person shareholder appoints two or more representatives to attend a Shareholders Meeting, only one of the representatives appointed may speak on the same proposal.
- Article 17: After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
- Article 18: Regarding the discussion of motions, when the chair considers the motion has been discussed sufficiently and shall put it to a vote, the chair may announce the discussion closed and call for a vote.
- Article 19: If it is not a motion, it will not be discussed or voted. When the chair considers the motion has been discussed sufficiently and shall put it to a vote, the chair may announce the discussion closed.
- Article 20: When the chair announces for the discussion of particular motion closed and proceed to vote, several motions may be voted simultaneously, but shall vote separately.
- Article 21: The venue for a Shareholders Meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a Shareholders Meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.
- Article 22: Except as otherwise provided in the Company Act and in the Articles of Incorporation, the passage of a motion shall require an affirmative vote of a majority

of the voting rights represented by the attending shareholders. If the chair consults without dissent, it shall be deemed as passed its effect shall be the same as that of the vote.

- Article 23: When there is an amendment or an alternative to a motion, the chair shall present the amended or alternative motion together with the original motion and decide the order in which they will be put to a vote. When any one among them is passed, the other motions will then be deemed rejected, and no further voting shall be required.
- Article 24: A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under the related laws or regulations.
- Article 25: Regarding the monitoring and counting personnel for the voting on a motion shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. The results of the voting shall be announced on-site at the meeting, and a record made of the vote.
- Article 26: (Deleted)
- Article 27: When a meeting is in progress, the chair may announce a break based on time considerations.
- Article 28: When a meeting is in progress, if there is an air raid warning, earthquake or other force majeure events, the chair shall announce the meeting discontinued at once and evacuate from the meeting place. After the reason of the discontinuation of the meeting is eliminated, the chair shall determine if the meeting shall be continued.
- Article 29: Anything not covered by the Procedure shall be governed by the Company Act, the Articles of Incorporation of the Company and other applicable laws.
- Article 30: This Procedure shall be implemented after the approval of the Shareholders Meeting. The same procedure is applicable to any amendments thereto.

**[Appendix III]**

**Chaun-Choung Technology Corporation  
Shareholdings of Directors and Supervisors**

- I. The Company has paid-in capital of NT\$863,433,960 with the outstanding of 86,343,396 shares.
- II. According to Article 26 of the “Securities and Exchange Act” and the “ Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies”, the minimum quantity of shareholdings held by all Directors is 6,907,471 shares and held by all Supervisors is 690,747 shares.
- III. As of the day on which share transfer is prohibited before the Extraordinary Shareholders Meeting, the individual and total shareholdings of all Directors and Supervisors showed on the list of the shareholders is as following,

November 10, 2020; Unit: shares

Title	Name	Shareholdings as of the day of prohibition of share transfer	
		Shares Held	Shareholdings Percentage
Chairman	Nidec Corporation Representative: Junichi Nagai	57,872,550	67.03%
Vice Chairman	Yo Chang Investment Co., Ltd. Representative: Shih-Ling Wu	2,945,000	3.41%
Director	Yo Chang Investment Co., Ltd. Representative: Chien-Hung Wu	2,945,000	3.41%
Director	Nidec Corporation Representative: Masashi Takao	57,872,550	67.03%
Director	Nidec Corporation Representative: Kazuhito Kaise	57,872,550	67.03%
Director	Nidec Corporation Representative: Mitsuru Tsuyoshi	57,872,550	67.03%
Director	Nidec Corporation Representative: Hidetoshi Matsuhashi	57,872,550	67.03%
Independent Director	Ke-Wei Hsu	0	0.00%
Independent Director	Ya-Ping Chiang	0	0.00%
<b>Total quantity of shares held by all Directors</b>		<b>60,817,550</b>	<b>70.44%</b>

November 10, 2020; Unit: shares

Title	Name	Shareholdings as of the day of prohibition of share transfer	
		Shares Held	Shareholding Percentage
Supervisor	Yi Cen Investment Co., Ltd. Representative: Chun-Yu Yen	2,235,000	2.59%
Supervisor	Isao Takahashi	0	0
<b>Total quantity of shares held by all Supervisors</b>		<b>2,235,000</b>	<b>2.59%</b>