

Memorandum of Incorporation

Chapter 1 General Rules

Article 1

The Company shall be established in accordance with the regulations governing corporations with limited liabilities and shall be named Yageo Corporation.

Article 2

The authorized scope of business include:

1. The manufacturing, processing and sales of resistors and the production equipment therefore;
2. The manufacturing, processing and sales of vacuum sputtering, laser trimming and other electrical equipment;
3. The manufacturing, processing and sales of electronic components, electronic equipment and machinery;
4. The sales of automobiles and automobile components, equipment and related products;
5. The sales of tobacco, liquor, food and drinks;
6. The sales of construction materials, furniture and related products;
7. The distribution of products by domestic and foreign manufacturers (excluding futures) and the pricing, quoting and bidding therefore;
8. The import and export of all the products mentioned above. The Company shall manage neither prohibited nor restricted business by the Laws, unless the business is permitted.

Article 3

The Company shall make endorsements to external parties as required by corporate businesses.

Article 4

The Company shall be a shareholder of other limited corporation. Total investment made by the Company shall not be restricted to 40% of the Company's paid-in capital as stipulated in Article 13 of the R.O.C. Company Law.

Article 5

The Company shall establish its headquarters and production plants in Taipei County, Taiwan and shall establish branches in Taiwan and overseas if necessary.

Chapter 2 Shares

Article 6

The Company's capital shall be NT\$40 billion divided into 4 billion shares at NT\$10 par. The Company shall issue special shares. Outstanding shares shall be issued with the Board of Directors' prior approval. NT\$3.25 billion out of the afore-mentioned capital, totaled 0.325 billion shares, shall be reserved for issuance of share certificates applicable to the employees and shall be issued in installments with the Board of Directors' prior approval.

Article 7

The Company shall issue and serial numbered the shares, which shall be signed or sealed by at least three members of the Board and certified by the competent authorities or authorized underwriters in accordance with the law. The Company may issue dematerialized shares or print one share certificate for the total number of shares issued and shall register the new shares with Taiwan Securities Central Depository Co., Ltd. (TSCD) or keep the shares under TSCD's custody. The Company shall issue bonds in accordance with the above regulations.

Article 8

The Company shall attend to affairs pertinent to its shares in accordance with the Guidelines Governing the Affairs Related to the Shares Issued by Publicly Companies and other relevant laws and regulations.

Article 9

Change of titles to the Company's shares shall be suspended within 60 days before the Annual Regular Shareholders Meeting, within 30 days before the Provisional Shareholders Meeting or within 5 days prior to the cut off date after which the Company shall distribute stock dividends, bonus or other benefits.

Chapter 3 Shareholders Meeting

Article 10

There are regular and provisional shareholders meeting: The Company shall hold 1. the Annual Regular Shareholders Meeting within six months after the close of each fiscal year; 2. The Provisional Shareholders Meeting as deemed necessary by the Board of Directors in accordance with relevant laws and regulations.

Article 11

The Company shall make public announcement and notify the shareholders within 30 days before the Annual Regular Shareholders Meeting and within 15 days before the Provisional Shareholders Meeting of the date, venue and agenda of discussion of such meeting. However, the Company may notify the shareholders holding less than 1000 shares with public announcement only.

Article 12

The Shareholders Meeting shall pass resolutions with a quorum representing over half of the issued shares and the agreement of over half of the quorum unless otherwise stipulated in the R.O.C. Company Law. The Company's proposed merger with other companies shall not require the approval of the Special Shareholders Meeting on matters pertaining to the merger.

Article 13

Shareholders may assign proxy to attend the Shareholders Meeting on his or her behalf. The proxy shall present the proxy statement issued and sealed with company chop by the Company specifying the scope of proxy. Except in trust business or share affairs agencies authorized by the competent authority, in the case where a proxy is assigned by two separate shareholders with total holdings in excess of 3%, the proxy is only entitled to voting rights up to 3%. Voting rights derived from the portion above the 3% shall be void. The Company shall exercise proxy policy in accordance with the Regulations Governing the Proxy Used in Shareholders Meetings hold by Public Company.

Article 14

The shareholders Meeting shall be conducted following the relevant rules established by the Company unless otherwise provided for in the R.O.C. Company Law and in the Company's Memorandum of Incorporation.

Article 15

The Company shall make meeting minutes of the resolutions passed in the Shareholders Meeting with the signature and seal of the chair person and shall distribute the minutes to the shareholders within 20 days after the Shareholders Meeting. The Company may publish the afore-mentioned minutes publicly as notice to holders of less than 1000 bearer's shares. The meeting minutes shall specify the date, venue, the name of the chairperson, the way in which the resolutions are passed, summarize events taken place during the meeting and the resolutions. The meeting minutes shall be signed and sealed by the chairperson and shall be kept by the Company together with the shareholders register book and proxies.

Chapter 4 Board Members, the Supervisors and the Managers

Article 16

The Company shall elect at the Shareholders Meeting 9 board members, 2 supervisors from among the competent shareholders to serve up to a term of three years and shall extend their terms if re-elected. The shares held by the board members and supervisors shall be within the levels stipulated by the competent authority. The Company may take out liability insurance for directors and supervisors to provide coverage for their legal liabilities arising from the performance of their duties as they relate to the Company.

Article 17

The Board of Directors shall appoint a Chairman to represent the Company and a Vice Chairman from among the board members. In the case where the Chairman is on leave or unable to perform his or her duty, the Vice Chairman shall take the place of the Chairman. In the case where the Vice Chairman is also on leave or unable to perform his or her duty, the Chairman shall designate one of the board member to take his or her place. If the Chairman fails to make designation, the board members shall appoint a member among themselves to take the place of the Chairman.

Article 18

The Board of Directors shall pass resolutions with over 1/2 quorum and the approval of over half of the quorum present, unless otherwise provided for in the R.O.C. Company Law and the Company's Memorandum of Incorporation.

In the case where the Board of Directors meeting is held via video conferencing, the board members who so attended shall be considered present in person. In the case where the board member is unable to attend, he or she may assign other board members to attend on his or her behalf with a proxy and shall specify the authorized scope of the proxy.

Article 18-1

The Board of Directors' meeting notices shall be written and sent seven days before the conventions. In case of urgent circumstances, the meeting notices could be in any form of phone calls, facsimile, or E-Mail.

Article 19

The duties of the board members shall include:

1. Composing the business plan;
2. Proposing earnings distribution plan or plan for making up the losses;
3. Proposing plan for capital increase or decrease;
4. Approving important corporate policies and contracts;
5. Electing and terminating the President and Managers of the Company;
6. Establishing and withdrawing the branch offices;
7. Approving the budget and financial accounts;
8. All matters shall be decided by resolutions of the board of directors, unless the Law or Memorandum of Incorporation provide certain matters shall be resolved at the Shareholders Meeting.

Article 20

The duties of the supervisors shall include:

1. Supervising the execution of the corporate businesses;
2. Investigating the business and financial condition of the Company;
3. Auditing all forms and books submitted to the Shareholders Meeting by the Board of Directors;
4. Other authorities provided in Company Law.

Article 21

The Supervisors may attend the meetings of the board of directors to state their opinions when appropriate, but shall have no ability to make decisions.

Chapter 5 Managers

Article 22

The Company shall appoint one to be CEO, one to be President and some to be Managers of the Company. The appointment, dismissal and remuneration packages for the Managerial officers of the Company are determined in accordance with the Article 29 of the R.O.C. Company Law. Managerial officers shall be empowered to manage the Company's matters and sign relevant business documents, which are authorized by the Company's Memorandum of Incorporation or the employment contract.

Chapter 6 Accounting

Article 23

The Company's fiscal year shall be from January 1 to December 31. The Company shall make final accounts at the end of each fiscal year and the Board of Directors shall submit all reports in accordance with Article 228 of the R.O.C. Company Law to the Supervisors within 30 days prior to the Shareholders Meeting. The Supervisors shall submit the audit report of the afore-mentioned accounts to the Shareholders Meeting for approval.

Article 24

In anticipation of the CAPEX requirement during the growing stage of the industrial cycle, the Company shall distribute earnings, if any, to paying the income tax and making up accumulated loss first and shall appropriate 10% legal reserve from the balance. After deducting the legal reserve, the Company shall distribute the remainder and the remainder from the special reserve in the orders that follows: 1. Appropriating 2% or more for employee bonus; 2. Appropriating 2% or more for Board of Directors compensation; 3. Appropriating the remainder and the remainder from previous years for stock dividends, for which the Board of Directors shall submit the plan to the Shareholders Meeting for approval. The Company shall adopt dividend policy in the best interest of the shareholders and shall take into consideration factors including the Company's prospect competing in the current and future market, the investment environment, funding requirement, etc. in striking a balance between cash dividend and stock dividend. In the case where there is funding demand for important CAPEX project, the Company shall distribute at least

80% of dividend in stocks. In the absence of important CAPEX plan, the Company shall distribute only cash dividend and the Board of Directors shall submit earnings distribution plan to the Shareholders Meeting in accordance with the law. Distribution of employee bonus as stipulated in Item 1 above in stocks shall cover the employees of subsidiaries. Employee bonus plan shall be approved by the Board of Directors.

Article 25

In regard to all matters not provided for in the Memorandum of Incorporation, the R.O.C. Company Law shall govern.

Article 26

The Company's Memorandum of Incorporation (MOI) was established on July 23, 1987. First amendment of the MOI was May 2, 1988; Second amendment of the MOI was June 12, 1989; Third amendment of the MOI was September 25, 1989; Fourth amendment of the MOI was November 22, 1989; Fifth amendment of the MOI was March 15, 1990; Sixth amendment of the MOI was September 29, 1990; Seventh amendment of the MOI was November 3, 1990; Eighth amendment of the MOI was April 29, 1991; Ninth amendment of the MOI was April 14, 1992; Tenth amendment of the MOI was June 3, 1993; Eleventh amendment of the MOI was April 19, 1994; Twelfth amendment of the MOI was April 28, 1995; Thirteenth amendment of the MOI was April 23, 1996; Fourteenth amendment of the MOI was May 14, 1997; Fifteenth amendment of the MOI was June 2, 1998; Sixteenth amendment of the MOI was June 5, 1999; Seventeenth amendment of the MOI was June 14, 2000; Eighteenth amendment of the MOI was May 15, 2001; Nineteenth amendment of the MOI was June 18, 2002; Twentieth amendment of the MOI was June 25, 2003; Twenty-first amendment of the MOI was June 18, 2004; Twenty-two amendment of the MOI was June 20, 2005; Twenty-three amendment of the MOI was June 14, 2006.; Twenty-four amendment of the MOI was June 13, 2007.; Twenty-five amendment of the MOI was June 16, 2009.