



## Meeting Notice of 2025 Annual Shareholders' Meeting (Translation)

The 2025 Annual Shareholders' Meeting (the "Meeting") of Sercomm Corporation (the "Company") will be convened at 9:00 a.m., Thursday, May 29, 2025 at No.81, Youyi Rd., Zhunan Township, Miaoli County, Taiwan (reception begins at 8:30 a.m.).

- Meeting Agenda:

1. **Report Items**

- (1) Business Report for the Year of 2024
- (2) Audit Committee's Review Report
- (3) Report on the Distribution of Remuneration to Employees and Directors for 2024
- (4) Report on the Distribution Status of Cash Dividends from 2024 Earnings
- (5) Report on the Unexecuted Matters of Privately Placed Common Stocks or Privately Placed Domestic/Overseas Convertible Corporate Bonds Approved by the Shareholders' Meeting in 2024
- (6) Report on the Issuance and Conversion Status of Convertible Corporate Bonds
- (7) Report on the Execution of the Company's Share Buyback

2. **Election Items** : Election of Eight Directors, Including Four Independent Directors

3. **Recognition and Discussion Items**

- (1) Acceptance of the 2024 Business Report and Financial Statements
- (2) Acceptance of the Proposal for the Distribution of 2024 Earnings
- (3) Approval of the Amendment to the Articles of Incorporation
- (4) Approval of the Private Placement of Common Shares or Domestic/Overseas Convertible Corporate Bonds
- (5) Approval of the Issuance of Employee Restricted Stock Awards
- (6) Approval of the Release of Non-Compete Restrictions on Newly Elected Directors and Their Representatives

4. **Extemporaneous Motions**

- The proposal for 2024 earnings distribution has been approved by the Board of Directors. A cash dividend of NT\$4.6 per common share will be distributed. The ex-dividend date is April 4, 2025, and the cash dividend payment date is April 30, 2025.
- Should any proposals of this Shareholders' Meeting involve matters stipulated in Article 172 of the Company Act or Article 26-1 of the Securities and Exchange Act, the main contents (other than those listed in the meeting notice) are available on the Market Observation Post System (<https://mops.twse.com.tw>).
- For details regarding the Company's private placement of common shares or domestic/overseas convertible corporate bonds, and the issuance of employee restricted stock awards, please refer to P.3-P.6 of the meeting agenda.
- Pursuant to Article 165 of the Company Act, the shareholders' register shall be closed for changes from March 31, 2025 to May 29, 2025. For account opening procedures (e.g., submission of specimen seal card), please contact the Stock Transfer Agency Department of Taishin Securities Co., Ltd.
- If any shareholder solicits proxies, the Company will prepare a summary statement of solicitors and disclose it on the Securities and Futures Institute website (<https://free.sfi.org.tw>) no later than April 28, 2025. Investors may search by entering relevant criteria. The proxy verification agent is the Stock Transfer Agency Department of Taishin Securities Co., Ltd.
- The election of eight directors (including four independent directors) will be held during this Shareholders' Meeting. The director candidates are: Mr. James Wang (representative of Chao Yue Investment Co., Ltd.), Mr. Paul Wang (representative of Pacific Venture Partners Co. Ltd.), Mr. Ben Lin (representative of Zhuo Jian Investment Co., Ltd.), and Ms. Nicola Palmer (representative of Yun Zhou Investment Co., Ltd.). The independent director candidates are: Ms. Rose Tsou, Mr. Paul Yang, Mr. Hilo Chen, and Mr. Feng Zhu. For details regarding their educational background and professional experience, please visit the Market Observation Post System (<https://mops.twse.com.tw>).
- In addition to announcements on the Market Observation Post System, this notice is hereby formally delivered. An attendance card and proxy form are enclosed. Shareholders who intend to attend in person should sign or stamp the "Attendance Card" and bring it to the venue on the day of the meeting (do not mail it back). If a proxy is appointed, the proxy form should be duly signed or stamped, the proxy's information should be completed, and the form must be delivered to the Stock Transfer Agency Department of Taishin Securities Co., Ltd. no later than five days before the meeting.
- Shareholders may exercise their voting rights electronically via the "Shareholder eServices / eVoting" platform of the Taiwan Depository & Clearing Corporation (<https://stockservices.tdcc.com.tw>) during the period from April 29 to May 26, 2025.
- Shareholders attending the meeting in person are requested to bring valid identification for verification.
- Please kindly take note and proceed accordingly.

Sincerely,

Board of Directors

Sercomm Corporation

## Details of Method and Terms of the Private Placement of Securities

### 1. Private Placement of Common Shares

#### (1) The basis and reasonableness of the private placement pricing

- A. The issue price of the private placement common shares may not be lower than 85 percent of the price calculated in the following two items, whichever of the two is higher.
  - a. The simple average closing price of the common shares of the Company for either the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction.
  - b. The simple average closing price of the common shares of the Company for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.
- B. The Company proposes to the shareholders' meeting to authorize the Board of Directors to determine the actual private placement price based on the above-mentioned pricing principles, specific persons, and market conditions within the range not lower than the resolution of the shareholders' meeting.
- C. In addition to considering the three-year transfer restriction of private placement securities imposed by the Securities and Exchange Act, the pricing of this private placement is determined by referring to relevant laws and regulations and the closing price of common shares. It should be reasonable and shall not have a major impact on shareholders' equity.

#### (2) The method for selecting the specific persons:

The selection is performed in accordance with the relevant provisions of Article 43-6 of the Securities and Exchange Act, and it is limited to strategic investors. Individuals or legal persons who will help the Company expand its business and product, strengthen customer relationships, enhance product development integration, or improve technology, will be selected, leveraging their advantages in experience, product technology, knowledge, brand reputation and distribution channel. Through strategic collaboration, joint product development, market integration or cooperative business development, it is expected the Company can reduce the production costs, improve product technology, increase market shares for an improvement in the Company's future operating performance.

#### (3) The reasons for the necessity for conducting the private placement:

The Company proposes to raise capitals through private placement with the considerations in factors such as capital market conditions, issuance costs, timeliness of financing, and equity stability. When introducing strategic investors in the private placement, consideration should be given to the transfer restriction of private placement securities to ensure a long-term relationship between the Company and strategic investors, and in view of the fact that the use of private placement capital is to meet the needs of the Company's operation and development, the private placement is beneficial to the stability of the Company's operation and shareholders' equity.

#### (4) Except for the transfer restrictions stipulated in Article 43-8 of the Securities and Exchange Act, the rights and obligations in this private placement are the same as those of common shares issued by the Company.

### 2. Private Placement of Domestic or Overseas Convertible Corporate Bonds

#### (1) Period: Less than 5 years from the date of issuance.

#### (2) Coupon rate: The Board of Directors is authorized to determine it according to market conditions.

#### (3) The basis and reasonableness of the private placement pricing

- A. The issue price of the private placement convertible corporate bonds may not be lower than 85 percent of the theoretical price and the conversion price may not be lower than 85 percent of the

price calculated in the following two items, whichever of the two is higher.

- a. The simple average closing price of the common shares of the Company for either the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction.
- b. The simple average closing price of the common shares of the Company for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.

B. The Company proposes to the shareholders' meeting to authorize the Board of Directors to determine the actual private placement price based on the above-mentioned pricing principles, specific persons, and market conditions within the range not lower than the resolution of the shareholders' meeting.

C. In addition to considering the three-year transfer restriction of private placement securities imposed by the Securities and Exchange Act, the pricing of this private placement is determined by referring to relevant laws and regulations and the closing price of common shares. It should be reasonable and shall not have a major impact on shareholders' equity.

(4) The method for selecting the specific persons:

The selection is performed in accordance with the relevant provisions of Article 43-6 of the Securities and Exchange Act, and it is limited to strategic investors. Individuals or legal persons who will help the Company expand its business and product, strengthen customer relationships, enhance product development integration, or improve technology, will be selected, leveraging their advantages in experience, product technology, knowledge, brand reputation and distribution channel. Through strategic collaboration, joint product development, market integration or cooperative business development, it is expected the Company can reduce the production costs, improve product technology, increase market shares for an improvement in the Company's future operating performance.

(5) The reasons for the necessity for conducting the private placement:

The Company proposes to raise capitals through private placement with the considerations in factors such as capital market conditions, issuance costs, timeliness of financing, and equity stability. When introducing strategic investors in the private placement, consideration should be given to the transfer restriction of private placement securities to ensure a long-term relationship between the Company and strategic investors, and in view of the fact that the use of private placement capital is to meet the needs of the Company's operation and development, the private placement is beneficial to the stability of the Company's operation and shareholders' equity.

(6) The transfer restrictions of the private placement convertible corporate bonds are handled in accordance with Article 43-8 of the Securities and Exchange Act.

3. It is proposed to authorize the Chairman or his designate to represent the Company in handling all matters related to the private placement of common stocks or domestic or overseas convertible corporate bonds, and to sign related contracts and documents.

## Details of the Issuance of Employee Restricted Stock Awards (RSAs)

1. Expected Issue Price: NT\$80 per share.
2. Total Number of Shares to be Issued: The total issuance amount is NT\$50,000,000, with a par value of NT\$10 per share, totaling 5,000,000 common shares.
3. Vesting Conditions:
  - (1) Employees who are granted RSAs must remain employed as of the vesting date(s) following the record date of the capital increase. Additionally, they must meet the following conditions: The Company's EPS, as audited or reviewed in the most recent four quarters' consolidated financial statements, must meet the ranking criteria among peer companies in the networking industry; the employee's most recent annual performance evaluation must be P2 or above; and the employee must adhere to the Company's Code of Conduct, without violating the labor contract, work rules, non-compete agreement, confidentiality agreement, Employee Code of Ethics, or any other agreements with the Company.
  - (2) The peer companies in the networking industry include a total of 15 companies: MTI, D-Link, Accton, Hitron, Zinwell, Cybertan, Alpha, Senao Networks, Arcadyan, Azurewave, Zyxel Group, Gemtek, Prime, WNC, and Sercomm. The ranking criteria among these peers are as follows:

If ranked in the top 1/3 (inclusive), 100% of the shares vest.

If ranked below the top 1/3 but within the top 2/3 (inclusive), 50% of the shares vest.

If ranked below the top 2/3, 0% of the shares vest.
  - (3) Vesting Date: October 6 of the issuance year – 100% vesting. If the vesting date falls on a holiday, it will be deferred to the next business day.
4. Measures to Be Taken When Employees Fail to Meet Vesting Conditions or in the Event of Inheritance:

If an employee is no longer employed on the vesting date or violates any terms of the Company's labor contract, work rules, non-compete agreement, confidentiality agreement, Employee Code of Ethics, or other Company agreements, the unvested RSAs shall be fully repurchased by the Company at the original issue price and canceled. In exceptional cases (including but not limited to inheritance), such situations shall be handled in accordance with the RSAs issuance rules.
5. Other Issuance Terms: In accordance with the issuance rules of the Employee Restricted Stock Awards.
6. Eligibility Criteria for Employees:
  - (1) Limited to full-time employees of the Company or its domestic/foreign subsidiaries in which the Company directly or indirectly holds more than 99% of the voting rights, and who are employed before the grant date.
  - (2) The actual recipients and allocation amounts of RSAs will be determined based on seniority, job level, work performance, overall contribution, special achievements, or other relevant managerial factors, in alignment with the Company's operational needs and business strategy. The allocation standards will be approved by the Chairman. If the recipient is a managerial officer, the allocation must first be reviewed by the Compensation Committee. If the recipient is a non-managerial officer, the allocation must first be reviewed by the Audit Committee before submission to the Board of Directors for approval.
7. Rationale for the Issuance:

The purpose of the issuance is to attract and retain essential talents, motivate employees, enhance cohesion, align employee interests with those of shareholders, and jointly create value for the Company and its shareholders.
8. Estimated Expense Recognition:

Assuming a provisional share price of NT\$125 and full vesting conditions being met, and subject to the effective registration by the Financial Supervisory Commission, the total maximum expense to be recognized over 2025 to 2027 is estimated at approximately NT\$225 million.

9. EPS Dilution Impact:

Based on the current total number of outstanding shares, the estimated total expense would result in an approximate cumulative EPS dilution of NT\$0.74 over three years, which is considered limited and should not have a material impact on shareholder equity.

10. Other Matters Affecting Shareholder Equity:

Based on the current outstanding shares, the RSAs are expected to account for approximately 1.67% of the total issued shares, which is not expected to have a material impact on shareholder equity.

11. Restrictions Before Vesting:

Before meeting the vesting conditions, employees are prohibited from selling, pledging, transferring, gifting, or otherwise disposing of the RSAs.

12. Other Important Terms (Including Stock Trust Custody):

- (1) After issuance, all RSAs must be immediately placed in trust, and under no circumstances may employees request their return prior to vesting.
- (2) During the trust period, the Company or its designated representative shall act as the agent on behalf of the employees in all matters concerning the stock trust, including but not limited to negotiating, signing, amending, extending, terminating trust agreements, and managing the custody, use, or disposition of trust assets.

13. Other Required Disclosures:

- (1) If revisions are required during regulatory review, the Chairman is authorized to amend the plan, subject to ratification by the Board of Directors before issuance.
- (2) For matters not covered in this plan, unless otherwise stipulated by law, full authority is granted to the Board of Directors or its designated representatives to amend or execute the plan in accordance with relevant laws and regulations.