

# Z-COM Inc.

## Reference Materials for Each Proposal at the 2025 Annual General Meeting of Shareholders

**Convening method : Entity shareholders meeting**

**Meeting time : May 27, 2025**

**Place : 2F., No. 2, Zhanye 1st Rd., Hsinchu Science Park, Hsinchu City  
(The Allied Association for Science Park Industries Room 201)**

## Management Presentations (Company Reports)

### Report No. 1

#### 2024 Business Report

Explanation: The 2024 Business Report is attached as Annex (I) in the meeting handbook.

### Report No. 2

#### Audit Committee's Review Report on the 2024 Financial Statements

Explanation: The 2024 Audit Committee's Review Report is attached as Annex (II) in the meeting handbook..

## Proposals

### Proposal 1:(Proposed by the Board)

#### Adoption of the 2024 Business Report and Financial Report

Explanation:

1. Z-COM, Inc. Company's Financial Statements were audited by independent auditors, LIU,JUNG-CHIN and CHANG, CHENG-TAO of Taiwan Ernst & Young Private Limited Firm. Also Business Report and Financial Statements have been approved by the Board and examined by the audit committee of Z-COM, Inc.
2. The 2024 Business Report, independent auditors' audit report, and the above-mentioned Financial Statements are attached in the Meeting Agenda, Annex (I), and Annex(III)-(IV).

Resolution:

### Proposal 2:(Proposed by the Board)

#### Adoption of the Proposal for 2024 Deficit Compensation

Explanation:

1. In accordance with Article 27 of the company's articles of association, the company shall distribute employee remuneration based on 10% to 15% of the current year's profit status and shall distribute director's remuneration no more than 3% of the current year's profit status. However, if the company still has accumulated losses, it should be made up.
2. The net profit after tax for the year 2024 was NTD 30,804,724, with the subtract of the accumulated deficit at the beginning of the year of NTD 195,414,765, resulting in an accumulated deficit of NTD 164,610,041 at the end of the year. If there is net income in the future fiscal years, the deficit will be compensated first according to Article 28 of the company's articles of association.
3. The Deficit Compensation Statement for 2024 has been approved by the Board of Directors and submitted for audit by the Audit Committee, please refer to Annex (V).

Resolution:

## Discussion

### 1 Proposal ( Proposed by the Board)

Amendment to the " Article of Incorporation".

Explanation:

1. According to the letter No. 1130077296 of the Republic of China Securities OTC Trading Center on November 11, 2024, it is proposed to amend some provisions of the company's " Article of Incorporation".
2. For the comparison table before and after the amendments, please refer the table below.

Amendment article	Existing article	Explanation
<p>Article 27: The company shall distribute employee compensation at a rate of 10% to 15% of the profits of the current fiscal year, and shall distribute director compensation at a rate not exceeding 3% of the profits of the current fiscal year. However, if the company has accumulated losses, they shall be compensated first.</p> <p><u>If the company has profits in a fiscal year, 7% to 12% of the profits shall be allocated for salary adjustments or remuneration distribution to grassroots employees based on the profit status of that year. However, if the company still has accumulated losses, the losses should be covered first.</u></p> <p>Employee compensation may be in the form of stocks or cash, and recipients of stocks or cash may include employees of controlling or subsidiary companies who meet certain conditions.</p> <p>The profits of the current fiscal year referred to in the first paragraph mean the pre-tax profit for the current fiscal year before deducting employee and director compensation.</p> <p>The distribution of employee and</p>	<p>Article 27: The company shall distribute employee compensation at a rate of 10% to 15% of the profits of the current fiscal year, and shall distribute director compensation at a rate not exceeding 3% of the profits of the current fiscal year. However, if the company has accumulated losses, they shall be compensated first.</p> <p>Employee compensation may be in the form of stocks or cash, and recipients of stocks or cash may include employees of controlling or subsidiary companies who meet certain conditions.</p> <p>The profits of the current fiscal year referred to in the first paragraph mean the pre-tax profit for the current fiscal year before deducting employee and director compensation.</p> <p>The distribution of employee and</p>	<p>According to the letter No. 1130077296 of the Republic of China Securities OTC Trading Center on November 11, 2024, it is proposed to amend some provisions of the company's " Article of Incorporation".</p>

Amendment article	Existing article	Explanation
director compensation shall be approved by a resolution of the board of directors with the attendance of at least two-thirds of the directors and the agreement of a majority of the attending directors, and shall be reported to the shareholders' meeting.	director compensation shall be approved by a resolution of the board of directors with the attendance of at least two-thirds of the directors and the agreement of a majority of the attending directors, and shall be reported to the shareholders' meeting	
<p>Article 31: This Articles of Incorporation were established by the initiators' meeting and agreed upon by all initiators on February 23, 1995. It shall take effect from the date of approval and registration by the competent authority.</p> <p>Slightly</p> <p>The Articles of Incorporation were seventeenth revised on May 26, 2022. <u>The Articles of Incorporation were eighteenth revised on May 27, 2025.</u></p>	<p>Article 31: This Articles of Incorporation were established by the initiators' meeting and agreed upon by all initiators on February 23, 1995. It shall take effect from the date of approval and registration by the competent authority.</p> <p>Slightly</p> <p>The Articles of Incorporation were seventeenth revised on May 26, 2022.</p>	Added revision date and number

Resolution:

## Election Matters

### 1 Proposal ( Proposed by the Board)

#### Election of the 11th Board of Directors

Explanation:

1. The current term of office for the company's directors (including independent directors) will expire on May 25, 2025. In accordance with Article 16 of the company's Articles of Association, it is proposed to re-elect seven directors (including three independent directors).
2. The term of office for the directors (including independent directors) elected this time will be three years, starting from May 27, 2025, to May 26, 2028, and they will assume office after the adjournment of the 2025 Annual General Meeting.
3. According to the company's Articles of Association, directors are elected through a candidate nomination system. Please refer the table below for the list

of nominated candidates. Shareholders are requested to elect the directors from the list of nominated candidates.

4. Having served as an independent director of the company for three consecutive terms, and in accordance with Article 5 of the 'Regulations Governing Appointment of Independent Directors for Public Companies and Matters to be Complied With,' the company is required to announce the reasons for continuing to nominate him as an independent director. Mr. Chou Yi-Heng is the Executive Director of the 'Accreditation Council for Chinese Business Education (ACCBE),' under the Management Science Society of the Republic of China. Considering his expertise in business management and extensive experience, he can provide crucial advice and contributions to the company's operational direction. Although he has already served as an independent director for more than three terms, the company still relies on his expertise. Beyond fulfilling his responsibilities as an independent director, he continues to leverage his professional strengths to provide industry development insights and supervise company operations, which is of significant benefit to the company. Therefore, in this election, he is proposed for continued nomination as an independent director.

Candidate Category	Name	Gender	Main education and experience	Number of shares held
Director	Fan En Technology Co., Ltd.	Not applicable	<u>Education:</u> Not applicable <u>Experience:</u> Not applicable	3,866,909
Director	CHEN, YU AN	Male	<u>Education:</u> Master's degree in Engineering from the Transportation Research Institute at National Chiao Tung University. <u>Experience:</u> Vice Chairman of Ablrex Electronic Co., Ltd. Director , Supervisor of United Integrated Services Co., Ltd Director , Supervisor of Z-COM, Inc. Director of United Integrated Services Co., Ltd	894,935

Candidate Category	Name	Gender	Main education and experience	Number of shares held
Director	WU, CHIA-FANG	Female	<u>Education:</u> Bachelor of English, National Changhua University of Education. ITI Ministry of Economic Affairs Foreign Trade Association Trade Talent Development Program-Master's degree equivalent. <u>Experience:</u> Marketing and Sales Director, Z-COM, Inc. Deputy General Manager, Z-COM, Inc. Legal Representative and Director, Z-COM, Inc. Chairman of Fan En Technology. Co., Ltd. Director, Z-Wireless Technology, LTD.	925,027
Director	SU, YUAN-LIANG	Male	<u>Education:</u> Georgia Institute of Technology PHD in Industrial & Systems Engineering <u>Experience:</u> Independent Director of Z-COM, Inc. Independent Director of Ablrex Electronic Co., Ltd. Legal Representative and Director of ARIMA PHOTOVOLTAIC & OPTICAL CORP.	0
Director	Tearoom Bowie CO., LTD.	Not applicable	<u>Education:</u> Not applicable <u>Experience:</u> Not applicable	1,000
Independent Director	CHOU, YIH-HENG	Male	<u>Education:</u> Ph.D. in Business Administration from National Chengchi University. <u>Experience:</u> Professor at the Department of Business Administration, National Sun Yat-sen University. Founding Dean of the College of Management, National Chiayi University.	0

Candidate Category	Name	Gender	Main education and experience	Number of shares held
			<p>Dean of Academic Affairs and Vice President of National Sun Yat-sen University.</p> <p>Guest Professor at Kaohsiung Medical University.</p> <p>Executive Director of Chinese Management Association.</p> <p>CEO of Accreditation of Chinese Collegiate School of Business (ACCBE)</p>	
Independent Director	ZHENG SHENG-QING	Male	<p><u>Education:</u></p> <p>Ph.D. in Computer Science and Engineering from National Chiao Tung University.</p> <p><u>Experience:</u></p> <p>Technical Director of the Information and Communications Research Division, ITRI.</p> <p>Deputy Director of the Information and Communications Research Division, ITRI.</p> <p>Technical Director of Visual Communication, Office of the Director, Information and Communications Research Division, ITRI.</p> <p>Group Leader of Video and Optical Communication Technology / Optical Communication and Broadband Integration Technology, Information and Communications Research Division, ITRI.</p> <p>Executive Secretary of the Communication Industry Development Task Force, Ministry of Economic Affairs.</p> <p>Executive Secretary of the Digital Video Industry Promotion Task Force, Ministry of Economic Affairs.</p> <p>Deputy Group Leader of the Communication Systems Group, Electronics and Telecommunications Research Division, ITRI.</p> <p>Deputy Group Leader of the Computer Communications Group, Electronics and Telecommunications Research Division, ITRI.</p> <p>Manager / Deputy Manager of the Network Management Systems Department, Electronics and Telecommunications Research Division, ITRI.</p>	0



Candidate Category	Name	Gender	Main education and experience	Number of shares held
			Recipient of the Ten Outstanding Engineers Award (September 2003).	
Independent Director	CHAI WAN-HUI	Female	<u>Education:</u> MS, Baruch College, the City University of New York <u>Experience:</u> Regional Treasury Chief Risk Officer, HK Hub (Greater China and North Asia), Standard Chartered Bank Hong Kong	0
Independent Director	XU YIN-ZHU	Female	<u>Education:</u> Master's Degree in Business Management, Cheng Shiu University. <u>Experience:</u> Independent Director of Golden Win International CORP. Independent Director of Jia Jie Biomedical Co., Ltd. Manager of DAILY POLYMER CORP.	0

Election Results:

## Other Matters

1 Proposal (Proposed by the Board)

Release the Prohibition on Directors from Participation in Competitive Business.

Explanation:

1. According to Article 209 of the Company Law, "If a director engages in activities within the company's business scope for themselves or others, they must explain the important contents of such activities to the shareholders' meeting and obtain approval."
2. At the 2025 Annual General Meeting, our company will re-elect directors in accordance with the law. To leverage the expertise and related experience of the newly appointed directors (including independent directors), it is proposed, in accordance with Article 209 of the Company Law, that the 2025 Annual General Meeting approves the lifting of the non-competition restrictions on



the newly appointed directors (including independent directors) after the re-election.

3. For information on the concurrent positions held by the director (including independent director) candidates at other companies, please refer to Annex (VIII) of the handbook.

Resolution:

Questions and Motions

Adjournment