

**TCI Co., Ltd.**

**Notice of 2021 Annual Shareholders' Meeting**

**(Summary Translation – In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.)**

Dear Shareholders,

Please be informed that the 2021 Annual Shareholders' Meeting (the Meeting) of TCI Co., Ltd. (the Company) will be convened at 9 am, June 29, 2021 (Tuesday) at TCI's Precise iManufacturing – Rock (Panshi) Park (located at No.21, Nongke Rd., Changzhi Township, Pingtung County 90846, Taiwan (R.O.C.)).

- I. The agenda for the Meeting is as follows:
  1. Management Presentation (Company Reports)
    - (1) 2020 Business Report
    - (2) 2020 Audit Committee's Review Report
    - (3) 2020 Directors' Compensation and Employee Profit Sharing Plans
    - (4) Review Report on the 2nd Issuance of Unsecured Convertible Bonds
    - (5) Review Report on the Repurchase of Treasury Stock
  2. Proposals
    - (1) Adoption of the 2020 Business Report and Financial Statements
    - (2) Adoption of the Proposal for Distribution of 2020 Profits
  3. Discussion
    - (1) Amendments to the Articles of Incorporation
    - (2) Amendments to the Operational Procedures for Acquisition or Disposal of Assets
    - (3) Removal of Non-Competition Restrictions for Directors and Their Representatives
  4. Questions and Motions

## **Management Presentation (Company Reports)**

### **Report No.1**

2020 Business Report

Explanation: The 2020 Business Report is attached as pp. 7-8, Attachment 1.

### **Report No.2**

2020 Audit Committee's Review Report

Explanation: The 2020 Audit Committee's Review Report is attached as pp. 9, Attachment 2.

### **Report No.3**

Directors' Compensation and Employee Profit Sharing Plans

Explanation:

- (1) In accordance with Article 18 of the Articles of Incorporation of TCI Co., Ltd., after TCI Co., Ltd. offsets its losses in previous years, TCI Co., Ltd. shall set aside not more than 3% of its annual profits as compensation to its directors, and not less than 5% and not more than 15% as profit sharing bonuses to its employees. The annual profits are defined as its annual profit before tax.
- (2) The Directors' Compensation and Employee Profit Sharing Plans have been approved at the meeting of the Board of Directors on March 8, 2021. The amount of 2020 directors' compensation is NT\$ 4,200,000, and the amount of 2020 employees' profit sharing bonus is NT\$163,401,000. The compensation and the profit sharing bonus will be distributed by cash, and shall be distributed through one or several payments.

### **Report No. 4**

Review Report on the 2<sup>nd</sup> Issuance of Unsecured Convertible Bonds

Explanation:

- (1) The 2<sup>nd</sup> issuance of unsecured convertible bonds which value NT\$1.2 billion has been approved at the 2<sup>nd</sup> meeting of the Board of Directors in 2018. The issuance date is June 8, 2018. It has a validity of 3 years.
- (2) Until the printing day date of this handbook, there are 2,102,840 shares have been converted to common shares in this issuance.

### **Report No. 5**

Review Report on the Repurchases of Treasury Stock

- (1) TCI's Repurchase of Shares (Executed)

May 1, 2021

Serial Number of Repurchase	1
Purpose of repurchase	Maintenance of the Company's creditability and the shareholders' rights
Repurchase period	2020/02/07-2020/04/06
Repurchase price range	NT\$148.75-406.59
Type and number of repurchased shares	2,000,000 common shares
Total price of repurchased shares	NT\$ 438,143,659
Number of purchased shares as a percentage of number of shares to be repurchased (%)	100%
Number of shares cancelled or transferred	2,000,000 shares
Accumulated number of shares held by TCI	0 shares
Accumulated number of shares held by TCI as a percentage of total number of issued shares	0%

(2) TCI's Repurchase of Shares (Executed)

May 1, 2021

Serial Number of Repurchase	2
Purpose of repurchase	For the transfer to employees
Repurchase period	2020/03/24-2020/05/22
Repurchase price range	108.5-319.5
Type and number of repurchased shares	1,016,000 common shares
Total price of repurchased shares	NT\$ 227,419,497
Number of purchased shares as a percentage of number of shares to be repurchased (%)	33.87%
Number of shares cancelled or transferred	0 shares
Accumulated number of shares held by TCI	1,016,000 shares
Accumulated number of shares held by TCI as a percentage of total number of issued shares	0.86%

## **Proposals**

### **1. Proposed by the Board**

Proposal: Adoption of the 2020 Business Report and Financial Statements

Explanation:

(1) TCI Co., Ltd.'s Financial Statements, including Consolidated Financial Statements, and Business Report, were audited by independent auditors, Ming-Chuan Hsu and Ping-Chun Chih of PwC Taiwan. Also, Financial Statements and Consolidated Financial Statements have been approved by the Boards of Directors and examined by the Audit Committee on March 8, 2021.

(2) The 2020 Business Report, Independent Auditors' Report, Financial Statements, and Consolidated Financial Statements are attached as pp. 8-9, Attachment 1, and pp. 10-35, Attachment 3.

(3) Please resolve.

Resolution:

### **2. Proposed by the Board**

Proposal: Adoption of the Proposal for Distribution of 2020 Profits

Explanation:

(1) The Board has adopted the proposal of for distribution of 2020 Profits on March 8, 2021. The 2020 Profit Distribution Proposal is attached as pp.36, Attachment 4.

(2) The distribution of 2020 profits is calculated based on the total number of issued shares (118,220,169 shares). The cash dividend payment is NT\$8.88 per share, and the total amount of cash dividend is NT\$1,040,755,261. The amount of cash dividend payment per share is rounded down to the nearest whole number. The amount of the remaining cash dividend which cannot be distributed (less than NT\$1 per share) will be disturbed in accordance with the percentage of current shareholding to meet the total amount of distribution of 2020 profits.

(3) In the event that, after this meeting, the proposed profit distribution is affected by any changes in equity like convertible bonds or the execution of employee stock options, it is proposed that the Board of Directors will be authorized to adjust each shareholder's percentages of the cash dividend and the stock dividend.

(4) The amount of dividend is distributed to shareholders on the basis of the shareholding recorded in the shareholders list on the ex-dividend date. Upon the approval of the Annual Shareholders' Meeting and the competent authority, it is proposed that the Board of Directors will be authorized to resolve the ex-dividend date and other relevant issues.

(5) Please resolve.

Resolution:

## **V. Discussion**

### **1. Proposed by the Board**

Proposal: Proposal for the amendments to the Articles of Incorporation

Explanation:

(1) In order to meet the operational requirements, it is proposed to amend some provisions of the Articles of Incorporation of TCI. For the Table for Comparison of Amendments to the Articles of Incorporation with the Current Version, please refer to pp.37-39 Attachment 5.

(2) Please discuss.

Resolution:

### **2. Proposed by the Board**

Proposal: Proposal for the amendments to the Operational Procedures for Acquisition or Disposal of Assets

Explanation:

(1) In order to meet the operational requirements, it is proposed to amend some provisions of the Operational Procedures for Acquisition or Disposal of Assets. For the Table for Comparison of Amendments to the Operational Procedures for Acquisition or Disposal of Assets with the Current Version, please refer to pp. 40-43, Attachment 6.

(2) Please discuss.

Resolution:

### **3. Proposed by the Board**

Proposal: Proposal for the removal of non-competition restrictions for directors and their representatives.

Explanation:

(1) The removal is proposed in accordance with Article 209 of Company Act that “a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.”

(2) In view of the fact that the Directors may happen to concurrently serve as directors of companies with the same or similar business scope as TCI, it is proposed, according to Article 209 of Company Act, that the non-competition restrictions for the Directors shall be removed on the premise that TCI's interests will not be jeopardized.

(3) Please discuss.