

TCI Co., Ltd.

Notice of 2019 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 2019 Annual Shareholders' Meeting (the Meeting) of TCI Co., Ltd. (the Company) will be convened at 10 am, May 16, 2019 (Thursday) at TCI's Precise iManufacturing – Rock (Panshi) Park (located at No. 12, Shennong Rd., Changzhi Township, Pingtung County, Taiwan).

- I. The agenda for the Meeting is as follows:
 1. Management Presentation (Company Reports)
 - (1) 2018 Business Report
 - (2) 2018 Audit Committee's Review Report
 - (3) Directors' Compensation and Employee Profit Sharing Plans
 - (4) Review Report on the 2nd Issuance of Unsecured Convertible Bonds
 2. Proposals
 - (1) Adoption of the 2018 Business Report and Financial Statements
 - (2) Adoption of the Proposal for Distribution of 2018 Profits
 3. Discussion
 - (1) Proposal for the 1st New Share Issuance of Restricted Stock Awards in 2019
 - (2) Proposal for the 2018 New Share Issue through Capitalization of Retained Earnings Transferred to Capital
 - (3) Amendment to the Operational Procedures for Acquisition or Disposal of Assets
 - (4) Amendment to the Rules of Procedure for Shareholders' Meetings
 4. Questions and Motions

- II. The proposal for distribution of 2018 earnings adopted at the meeting of the Board of Directors convened on February 20, 2019 is as follows:
 1. The stock dividend is NT\$1.5 per share, and the total number of new shares is 15,391,134.
 2. The amount of cash dividends to common share holders is 718,252,913 (NT\$7 per share). Upon the approval of the Annual Shareholders' Meeting, it is proposed that the Board of Directors will be authorized to

resolve the ex-dividend date and other relevant issues.

3. The amount of stock dividend distributed to shareholders shall be reported to the Meeting for approval first. Upon the approval of the 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.
 4. In the event that, after the 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.
- III. The proposal for the 1st New Share Issuance of Restricted Stock Awards in 2019 is shown as the Attachment 1 in this Notice.
- IV. As expressly provided for in Article 165 of the Company Act: Transfer of shares/convertible bonds is discontinued during the period starting from March 18, 2019 to May 16, 2019.
- V. In the Meeting, shareholders may exercise voting powers in electronic means. The timeframe for exercising e-voting: Start from April 16, 2019 to May 13, 2019. Please log in to the Taiwan Depository & Clearing Corporation (TDCC) "shareholder e-voting" and vote as instructed [website: <http://www.stockvote.com.tw>]. If a shareholder who exercises voting powers in electronic means wants to get his/her souvenir for the Meeting, he/she shall obtain his/her souvenir at the Stock Agent of Fubon Securities pursuant to the paragraph VI, the Notice for Acquiring the Souvenir of the Meeting in this Notice.
- VI. The Notice for Acquiring the Souvenir of the Meeting:
1. The Principle for the Distribution of Souvenirs for the Meeting
If a shareholder whose shareholding is less than 1,000 shares, except he/she attends the Meeting or exercises his/her voting powers in electronic means, he/she is ineligible to acquire a souvenir.
 2. The Acquisition of Souvenir (with attendance):
If you attend the Meeting, please acquire your souvenir at the meeting site with this Notice by the adjournment of the meeting or acquire your souvenir at the Stock Agent of Fubon Securities (by pm 12, May 16, 2019).

The Company will not provide any souvenir after the Meeting.

3. The Acquisition of Souvenir (without attendance, with exercising voting powers):

If a shareholder who exercises voting powers in electronic means wants to get his/her souvenir for the Meeting, he/she shall obtain his/her souvenir for the Meeting at the Stock Agent of Fubon Securities from May 17, 2019 to May 21, 2019 with the identity document or the proof of E-voting on TDCC Stockvote. The time period of acquisition is specified for the shareholders who exercise voting powers in electronic means.

4. The souvenir for the Meeting is the Lucky Bag of luxurious facial sheets (exclusive version for the Meeting). If souvenirs are insufficient to distribute, the Company will provide alternative product(s) with the same value.

- VII. In pursuant to the Article 172 of the Company Act, the Article 26-1, the Article 43-6 of the Securities and Exchange Act, and the relevant provisions, any investors who are interested in the major content of the proposals in an Annual Shareholders' Meeting can refer to the Market Observation Post System (MOPS) and find the category: [Electronic Books] -> [Shareholders' Meetings] on the website of MOPS [website: <http://mops.twse.com.tw>].

Attachment 1

TCI Co., Ltd.

Rules of the 1st New Share Issuance of Restricted Stock Awards in 2019

Article 1 Purpose

The purpose of the issuance of restricted stock awards is to retain and attract employees/executives with great performance and ensures that our employees share the mutual benefits with our shareholders. It is proposed to issue the 1st Restricted Stock Awards 2019 in accordance with Article 267 of the Company Act and the Regulations Governing the Offering and Issuance of Securities by Securities Issuers (the "Offering Regulations") issued by Financial Supervisory Commission.

Article 2 Period of Issuance

It is allowed to register multiple issuances over a period of 1 year from the date of receiving the approval from the competent authority. The Chairman of the Company is authorized by the Board of Directors to determine the date(s) of issuance(s).

Article 3 Eligibility

1. The eligible employees are regular staff members of the Company who joined the Company before the vesting date and have satisfied the performance requirements. The eligible employees have to receive approvals both from the Compensation Committee and the Board of Directors.
2. The three exclusive categories of employees are eligible to receive RSAs:
 - (1) The key persons for the Company's future development
 - (2) His/her personal performance provides great value for the Company
 - (3) The new employees in management
3. All members of the Compensation Committee are ineligible to receive RSAs.
4. The employee whose shareholding is more than 10% is ineligible to receive RSAs.
5. The RSAs paid to eligible employees are based on each employee's seniority, rank, performance, contribution, special contribution, and other factors shall be taken as considerations in business management. Upon receiving the approval from the Chairman, the proposal will be sent to the Compensation Committee and the Board of Directors for its final confirmation.
6. The Company grants employee stock option certificates to determine the amount of RSAs based on paragraph 1, Article 56-1 in the Offering Regulations. The total amount of RSAs for an employee shall not exceed 0.3% of the total number of issued shares. The total granted amount of RSAs which can be bought on a special price subject to employee stock option certificates for an employee shall

not exceed 1% of the total number of issued shares based on paragraph 1, Article 56 in the Offering Regulations. If the Company gets the approval from the Industrial Development Bureau, Ministry of Economic Affairs based on Article 60-9 in the Offering Regulations, it will be an exception.

Article 4 Amount to be Issued

The total amount of common shares is NT\$9,000,000, and the par value is NT\$10 per share. 900,000 shares will be issued.

Article 5

1. Issue price:

The issuance of RSAs is based on the par value. The par value is NT\$10 per share.

2. All RSAs in this issuance are ordinary shares. Its rights and the obligations are the same as other ordinary shares except the restriction on the rights formulated in paragraph 6, this Article and the regulations formulated in paragraph 7, this Article.

3. Vesting conditions and the number of shares to be awarded

(1) The eligible employees for RSAs shall meet the below vesting conditions:

- i. The RSAs will be vested in three consecutive years respectively. Upon the first anniversary of receiving RSAs, the Company's financial statements have to be evaluated to check whether the financial statements meet the requirements or not. Upon the second/third anniversary of receiving RSAs, the Company's financial statements also have to be evaluated to check whether the financial statements meet the requirements or not by March 31 in each year. The Criterion is shown as follows:
The pretax profit margin has to be higher than 20%.
(The pretax profit margin = pretax profit / revenue)
- ii. Upon the first anniversary of receiving RSAs, if the Company's financial statements of that year meet the requirements specified in the preceding (i) paragraph, the eligible employees will be awarded with 300,000 shares of RSAs on the date of issuance. Upon the second anniversary of receiving RSAs, if the Company's financial statements of that year meet the requirements specified in the preceding (i) paragraph, the eligible employees will be awarded with 300,000 shares of RSAs on March 31, 2020. Upon the third anniversary of receiving RSAs, if the Company's financial statements of that year meet the requirements specified in the preceding (i) paragraph, the eligible employees will be awarded with 300,000 shares of RSAs by March 31, 2021.
- iii. The delivery of notification and in-service identity
Upon the first anniversary of receiving RSAs, the Company's financial statements have to be evaluated to check whether the financial

statements meet the requirements or not on the vest date (issuance date). Upon the second/third anniversary of receiving RSAs, the Company's financial statements also have to be evaluated to check whether the financial statements meet the requirements or not by March 31 in each year. If the financial statements meet the requirements, the Company will inform the eligible employees to obtain the RSAs vested for them from security trust accounts. If there is an employee who is not in-service on the issuance date, he/she will be ineligible to receive RSAs.

4. Non-compliance with the vesting conditions

- (1) Where employees resigned at their own will, dismissed, retired, death due to non-occupational hazard, leave of absence (LOA) and non-compliance with the vesting conditions in the following three years from the issuance date, the Company will buy out the remaining RSAs (the vested RSAs excluded) at the issuance price.
- (2) If an employee breaches the regulations formulated in paragraph 7, this Article, his/her RSAs will be bought out at the issuance price.
- (3) If the below circumstances occur, the RSAs will be treated in accordance with the following provisions:
 - i. Where employees, whom are unable to continue the employment due to injury from occupational hazards but had been informed to be eligible for the RSAs during the period of employment, are entitled to exercise in full for the portion RSAs awarded that year. The employees are eligible to exercise the RSAs before the effective date of resignation.
 - ii. Where employees, whom are unable to continue the employment due to death from occupational hazards but had been informed to be eligible for the RSAs during the period of employment, are entitled to exercise in full for the portion RSAs awarded that year. The employees are eligible to exercise the remaining RSAs on the date of death. The heir/heirress to each employee is the eligible person to obtain the remaining RSAs.
 - iii. Where employees, whom are retired but had been informed to be eligible for the RSAs during the period of employment, are entitled to exercise in full for the portion RSAs awarded that year. The employees are eligible to exercise the RSAs before the effective date of retirement.
 - iv. Where employees, whom are transferred to an affiliated company which 50% of shareholding is owned by the Company, are not entitled to exercise the RSAs awarded that year. The Company will buy out the remaining RSAs which had been granted to the employees but had not been exercised in accordance with the average closing price of the preceding 30 days before the effective date of transfer.

5. The RSAs have been bought out will be forfeited by the Company.
6. The restriction on the rights associated with shares that have not yet vested:
 - (1) During the vesting period, employee may not sell, pledge, transfer, give to another person, create any encumbrance on, or otherwise dispose of, restricted employee shares.
 - (2) During the vesting period, the new restricted employee shares can still participate in stock and cash dividends and subscription to cash rights issues.
 - (3) After the RSAs have been granted, each eligible employee has to transfer the RSAs to a security trust account. The employees are ineligible to ask getting RSAs back from the security trust accounts, before the vesting conditions have been fulfilled.
7. Other stipulations:
 - (1) In the period of the RSAs commissioned to the trust custodian, the Company is fully authorized to exercise the rights of negotiation, signing, revision, extension, cancellation, and termination and the execution, the delivery and the disposal of trust property (the above items are essential items but not the only items authorized).
 - (2) Employees have been vested RSAs during the lawful book closure period: If there is an employee has been vested RSAs during the lawful book closure period, he/she is ineligible to have the voting rights. If there is an employee has been vested RSAs from the 15 days before the book closure date for issuance of bonus shares/the book closure date for cash dividends to the record date for distribution of entitlements, he/she is ineligible for the distribution of annual profits.

Article 6 Contract signing and confidentiality

1. The eligible employees for RSAs shall comply with terms and conditions of confidentiality and not to disclose the number of shares to be awarded and the relevant content of the proposal to others.
2. If an employee acquiring RSAs breaches the contract, the RSAs distributed to him/her have not yet vested will be bought out with nothing and be forfeited by the Company. The employee will become ineligible to receive RSAs immediately.

Article 7

The eligible employees for RSAs shall comply with the Rules and the relevant provisions of integrity specified under "Restricted Stock Awards Consent Form". If an employee breaches the contract, the RSAs distributed to him/her have not yet vested will be bought out with nothing and be forfeited by the Company.

Article 8 Other important matters

1. After the Regulations have been approved by the Board of Directors, with two-thirds directors attending the meeting and the majority of attending directors

reach agreement, the Regulations shall be submitted to the competent authority for approval. The same procedures shall apply to the revision before the Restricted Stock Awards are to be granted. In case a revision is requested by the competent authority, the Chairman is authorized to amend the Regulations and submit to the Board of Directors for ratification afterwards prior to the grant.

2. Prior to meeting vested conditions, the attendance, proposal, speaking, right to vote and other shareholder's equity related matters for the shareholder's meeting shall all be commissioned to the trust custodian for exercise.
3. With respect to any other matters not set forth here, it is proposed that the Chairman of the Company will be authorized to deal with in accordance with the applicable laws and regulations.
4. Definitions of relevant dates:
 - (1) Issuance date:

In accordance with the description of the explanation letter, the Letter No. Accounting-Research-and-Development-Foundation-Secretary-General-139 (2012) which describes the operational means for the relevant issues of RSAs, the issuance date is the vest date.
 - (2) Notification date:

The notification date is the date that the Company's financial statements have to be evaluated to check whether the financial statements meet the requirements or not. If the financial statements meet the requirements, the Company will determine the number of shares listed in the notification. Upon the second/third anniversary of receiving RSAs, the Company's financial statements also have to be evaluated to check whether the financial statements meet the requirements or not by March 31 in each year.
 - (3) Vesting date:

The vesting date is the date of transfer of RSAs from a security trust account to employees' personal accounts.