

Company code : 2332

No : 1

Subject : To announce that resolution made by the Board of Directors on the issuance of restricted stock awards

To which item it meets : paragraph 11

Date of events : 2022/04/12

Contents :

1. Date of the board of directors resolution: 2022/04/12

2. Expected issue price: The issue is gratuitous.

3. Expected total amount (shares) of issuance:

The total number of shares issued by the Company under the Plan shall not exceed 6,000,000 common shares, each share having a par value of NT\$10, for a total amount not exceeding NT\$60,000,000.

4. Vesting conditions:

Employee's continuous employment by the company through the vesting dates, having his or her annual performance graded no lower than B+ and with no violation of the our employment agreement, working rules, non-compete and confidentiality agreement or any agreement mutually agreed upon shall be required after a restricted stock award is granted.

Subject to the above, the percentage of shares granted under the vesting conditions shall be 40% for continuous employment of 1 year after RSA is granted; 30% for continuous employment of 2 years after RSA is granted; 30% for continuous employment of 3 years after RSA is granted.

5. Measures to be taken when employees fail to meet the vesting conditions or in the event of inheritance:

The company shall redeem without compensation and cancel all unvested shares of any RSA granted in the event the employees fail to meet the vesting conditions and take care of like situations in accordance with the 2022 RSA plan.

6. Other issuance criteria: None.

7. Qualification criteria for employees:

7.1 To protect shareholders' interests, the company shall cautiously manage the RSA plan. A full-time employee of the company, or a subsidiary of the company, who are already employed on the date that the RSA is granted and meet certain performance requirements shall be eligible to participate in the RSA plan. The RSA will only be available to employees who are highly related to the Company's future strategy and development, critical to the Company's business operation or key technical talents.

7.2 The number of shares granted shall be determined by the employee's

seniority, position, performance, overall contribution, special contribution and other meaningful factors from a management perspective. The number of shares granted shall be reviewed by the BOD chairman and approved by the BOD. However, for any employee who is managerial officers or members of the BOD, the award of such shares shall be subject to approval from the remuneration committee.

7.3 Employees holding over 10% of the company's outstanding common shares are not eligible for the RSA plan, and neither are members of the remuneration committee.

7.4 The sum of the cumulative awarded shares of RSA to an employee shall be regulated according to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers.

8. The necessary reason of the current issuance of RSA:

The necessary reason of the RSA plan is to attract and retain talents, motivate and engage employees for the best interests of the company and our shareholders, so as to align the interests of employees and shareholders.

9. Calculated expense amount:

The total number of shares issued under the RSA plan shall not exceed 6,000,000 common shares. Calculated tentatively based on the market closing

price of NT\$16.85 per share on March 31, 2022 (one day before issuing the BOD meeting notice), the estimated maximum expense in total shall be NT\$101,100,000. The amortized expenses are estimated to be in the amount of NT\$0, NT\$65,715,000, NT\$25,275,000 and NT\$10,110,000 for 2022, 2023, 2024 and 2025, respectively, under the assumption of issuance beginning from January 2023.

10. Dilution of the Company's earnings per share (EPS):

Based on the calculation of the company's outstanding shares and no more than 6,000,000 common shares issued under the RSA plan, the maximum dilution of the company's EPS is estimated to be in the amount of NT\$0, NT\$0.11, NT\$0.04 and NT\$0.02 for 2022, 2023, 2024 and 2025, respectively.

There is a limited dilution of the company's future EPS.

11. Other matters affecting shareholder's equity: None.

12. Restrictions before employees meet the vesting conditions once the RSA are received or subscribed for:

Before the fulfillment of vesting conditions, except in the event of inheritance, employees may not sell, pledge, transfer, give, create any encumbrance on, or otherwise dispose of, the RSA.

13. Other important terms and conditions (including stock trust custody, etc.):

The issued RSA should be deposited in a security trust account.

14. Any other matters that need to be specified:

14.1 Further approval by the BOD shall be required in the event any amendment to the RSA plan is necessary due to regulation adjustment, review and requirement by the competent authority after the initial approval of the RSA plan.

14.2 For matters not stipulated in the RSA plan, except as otherwise specified by regulations, the BOD or the person authorized by the BOD shall have full authorization to amend or implement pursuant to applicable regulations.