



Meeting Notice
for
Annual Shareholders' Meeting
(Summary Translation)

The 2022 Annual Shareholders' Meeting (the "Meeting") of APAQ TECHNOLOGY CO., LTD. (the "Company") will be convened at 9:00 a.m., Thursday, June 21, 2022 at 202 Vocational Training Room, 2nd Floor, Administrative Service Center, Jhunan Science Park, Hsinchu Science Park Bureau, Ministry of Science and Technology (No. 36-2, Keyan Rd., Zhunan Township, Miaoli County 350).

If a change in meeting venue is warranted due to COVID-19 epidemic prevention reasons, we will make the related public announcements on Market Observation Post System*.

I. The agenda for the Meeting is as follows:

(I) Matters Reported on

1. 2021 Business Report.
2. Audit Committee's Audit Report on the 2021 Business Report and Financial Statements.
3. Report on material transactions of the Company's investments, financing endorsements, and derivatives overseas and in China in 2021.
4. Report on the distribution status of the remuneration to employees and directors.

(II) Proposals

1. 2021 Business Report and Financial Statements.
2. 2021 Earnings Distribution Plan.

(III) Discussions

1. Amendments to the Articles of Association of the Company.
2. Amendments to the Procedures Governing the Acquisition or Disposition of Assets.
3. Discussion on the issuance of new restricted employee shares.

(IV) Extraordinary Motions and Proposals

- II. Distribution proposed by the board of directors: cash dividend of NTD 2 yuan per share. As for the dividend distribution, the Chairman shall be authorized to set the ex-dividend date, distribution date and other relevant matters. If the number of shares outstanding of the Company is affected by the change of the capital stock, and the dividend ratio of the shareholders is changed and needs to be revised, it is proposed that the Chairman shall be authorized to make the corresponding adjustment.

- III. Employee restricted stock awards for year 2022:

Offer amount

It is up to 3,000,000 ordinary shares at a par value of NT\$10 per share, with a total amount of NT\$30,000,000. The company may, within one year from the date of the resolution of the shareholders' meeting, register in installments.

Within one year from the date of delivery of the effective reporting notification by the competent authority, the shares may be issued once or in installments, depending on actual needs. The chairman shall be authorized by the Board of Directors to set the actual issuance date.

Conditions for Issuing

(I.) Offering price: Stock grants.

(II.) Type of shares to be issued: New ordinary shares of the Company.

(III.) Vesting conditions:

1. After the issuance of new restricted employee shares (i.e., the base date of capital increase), any employee remains in office whose personal performance met the target set by the company in the year prior to the expiration, is eligible for the new shares under the following vesting conditions respectively:

- (1) 1 year of service: 20% of the allotted shares.
- (2) 2 years of service: 20% of the allotted shares.
- (3) 3 years of service: 20% of the allotted shares.
- (4) 4 years of service: 20% of the allotted shares.
- (5) 5 years of service: 20% of the allotted shares.

2. The aforementioned "personal performance" refers to the annual assessment of B+ or above.

3. After the allotment of new restricted employee shares, in case of gross negligence such as violation of labor contract, work rules or company regulations, the employee shall be deemed to have not satisfied the vesting conditions.

(IV.) Handling of employee's failure to meet the vesting conditions or inheritance: In case of any employee fails to meet any of the vesting conditions after being allocated with new restricted employee shares issued by the company, the Company shall have the right to take back such granted shares not satisfy with the vesting conditions without compensation and cancel the shares. All other matters shall be handled in accordance with the issuance rules formulated by the Company.

(V.) Restricted rights of employees after allotment of new shares but before the vesting conditions are met:

1. During the vesting period, employees shall not sell, pledge, transfer, donate, set up, or otherwise dispose of the restricted employee shares.
2. The rights and obligations of attendance, proposal, speech and voting rights at the shareholders' meeting shall be the same as those of the company's issued ordinary shares and shall be governed by the trust custody contract.

3. Restrictions on share allotment (subscription) and dividends distribution rights of shareholders: The rights and obligations such as allotment of shares, dividends distribution and participation in cash subscription for capital increase during the vesting period shall be the same as those of the company's issued ordinary shares, and are not required for trust custody.
4. During the period from the closing date of the company's stock grants, the closing date of cash dividends, the closing date of cash subscription for capital increase, the share transfer registration suspension period of shareholders' meeting as stipulated in Article 165, Item 3 of the Company Act, or any other transfer closing period as a matter of fact to the base date of rights allotment, the time and procedure for lifting restrictions on the vested shares of employees who satisfy the vesting conditions shall be governed by the trust custody contract or relevant regulations.

Employee Qualifications and the Eligible Number of Shares Allocated

- (I.) Qualifications are limited to the full-time employees of the company and affiliated companies both at home and abroad on the grant date of the new restricted employee shares.
- (II) The employees eligible for granting and the actual number of new restricted employee shares granted shall be approved by the chairman and submitted to the board of Directors for resolution after taking into account such factors as seniority, title, work performance, overall contribution, special merits or other conditions for management reference, as well as the company's strategic needs for operation and business development; provided that, it shall be subject to the approval of the Remuneration Committee for directors who are also a manager and an employee of the company.
- (III.) The number of shares allotted to a single employee shall be governed by the Regulations Governing the Offering and Issuance of Securities by Securities Issuers.

Necessary Reasons for the Issuance of New Restricted Employee Shares

To retain and attract professional talents needed by the company, motivate employees and enhance the cohesion-force of employees, so as to create the common interests of the company and its shareholders

Amount that may be Expensed, the Dilution of Earnings per Share of the Company and Other Matters Affecting Shareholders' Equity

I. Amount that may be expensed:

The company shall measure the fair value of the shares on the date of grant, and recognize the related expenses by year during the vesting period. The possible expensed amount estimated based on the closing price on May 9, 2022 (the day before the board meeting) is approximately NT\$150,600 thousand. The amount of expenses to be apportioned each year from 2022 to 2027 is estimated to be NT\$20,080 thousand, NT\$30,120 thousand, NT\$30,120 thousand, NT\$30,120 thousand, NT\$30,120 thousand and NT\$10,040 thousand respectively.

II. Dilution of earnings per share of the company and other matters affecting shareholders' equity:

Based on the 88,953,514 shares issued by the company on May 9, 2021, the impact on earnings per share from 2022 to 2027 is calculated as NT\$0.23, NT\$0.34, NT\$0.34, NT\$0.34, NT\$0.34 and NT\$0.11 respectively, which would have no material impact on shareholders' equity.

Other Important Agreements (Including Stock Trust Custody, etc.)

The new restricted employee shares issued by the company shall be handled in the form of stock trust custody.

- IV. Please refer to the website of MOPS at (<http://mops.twse.com.tw>) or (<http://emops.twse.com.tw>) (English version) for essential contents of items specified under Article 172 of the Company Law.
- V. In accordance with Article 165 of the Company Law, April 23, 2022 to June 21, 2022, is the share transfer prohibition period.
- VI. Please find the Notice of attendance and Proxy Form enclosed with the notice. If you plan to attend the Meeting in person, please affix your signature or seal to the Sign-in card and submit it on the day of the Meeting. If you wish to appoint a proxy to attend the Meeting, please fill out the name and relevant information of the proxy, affix your signature or seal to the Proxy Form. Such the Proxy Form shall be delivered to the Company's securities agent, Grand Fortune Securities Co., Ltd., at least five (5) days prior to the Meeting so that a Sign-in card can be issues to the proxy. If you have not received the attendance card one day before the meeting, please bring your original ID card and seal to attend the shareholders' meeting on the day of the meeting.
- VII. If a proxy is solicited by the shareholder(s), the Company is required to compile details on the proxy solicitation parties and disclose such information on the Securities & Futures Institute (SFI) website at (<http://free.sfi.org.tw>) no later than May 20, 2022. Shareholder(s) can obtain information on the "Free proxy disclosure & related information system".
- VIII. Shareholders may exercise his/her voting rights through electronic votes at the STOCKVOTE platform of Taiwan Depository & Clearing Corporation (<http://www.stockvote.com.tw>) during the period from May 21, 2022 to June 18, 2022.
- IX. The Transfer Agency Department of Grand Fortune Securities Co., Ltd. is the proxy tallying and verification institution for this Annual meeting.

NOTE : Annual Shareholders' Meeting Souvenir: 7-11 NTD50 Merchandise Card.

Board of Directors

APAQ TECHNOLOGY CO., LTD.