



**Meeting Notice
of
Annual General Shareholders Meeting
(Summary Translation)**

The 2015 Annual General Shareholders Meeting (the "Meeting") of HTC Corporation (the "Company") will be convened at Chuto Hotel, Jin Long Room (Address: No. 398, Taoying Road, Taoyuan City, Taiwan) at 9:00 a.m., Tuesday, June 2, 2015.

A. The agenda for the Meeting is as follows:

(1) Matters to Report:

1. Fiscal 2014 Business Report
2. Supervisors Audit Report

(2) Adoption and Discussion Matters:

1. Adoption of the Fiscal 2014 Business Report and Financial Statements
2. Adoption of the Fiscal 2014 Earnings Distribution Proposal
3. Discussion on the proposal to partially amend the Articles of Incorporation
4. Discussion on the proposal to partially amend the Procedures for the Acquisition or Disposal of Assets
5. Discussion on the proposal to partially amend the Procedures for the Handling of Derivatives Trading
6. Discussion on the proposal to partially amend the Bylaws for the Election of Directors and Supervisors
7. Discussion on the proposal on the issuance of 7,500,000 New Restricted Employee Shares

(3) Extraordinary Motions

B. The major items of the fiscal 2014 earnings distribution adopted at the meeting of the Board of Directors are as follows:

The Board of Directors has proposed to distribute cash dividends of NT\$ 0.38 per share. It is proposed that shareholders authorize the Board of Directors to make the required adjustments to the actual earnings distribution ratio on the basis of the number of issued and outstanding stocks registered in the Common Stockholders' Roster as of the date of record.

C. Proposal on the issuance of 7,500,000 New Restricted Employee Shares, please refer to the relevant illustration listed below:

(1) It is proposed to issue new restricted employee shares per Article 267 of the Company Act and



the Regulations Governing the Offering and Issuance of Securities by Securities Issuers (the "Offering Regulations") issued by the Financial Supervisory Commission.

(2) Total amount to be issued: a total of 7,500,000 common shares, each share having a par value of NT\$ 10, for a total amount of NT\$ 75,000,000.

(3) Issue terms:

1. Issue price: The current issue is gratuitous. The issue price is NT\$ 0.

2. Vesting conditions:

Category A: executive level managers of HTC who achieve below-mentioned years of continuous employment and meet company's financial performance evaluation index, shall be entitled to vesting of shares in ratio described below. Board of Directors shall be authorized to determine the applicable the index of Company's financial performance.

(I) An employee who remains employed at HTC after 1 year has elapsed from the time of the award of the new restricted employee shares will be eligible for vesting of an installment of 25% of the shares.

(II) An employee who remains employed at HTC after 2 years have elapsed from the time of the award of the new shall be entitled to vesting of shares in ratio described below restricted employee shares will be eligible for vesting of an installment of 25% of the shares.

(III) An employee who remains employed at HTC after 3 year has elapsed from the time of the award of the new restricted employee shares will be eligible for vesting of an installment of 25% of the shares.

(IV) An employee who remains employed at HTC after 4 year has elapsed from the time of the award of the new restricted employee shares will be eligible for vesting of an installment of 25% of the shares.

Category B: full-time regular employees of HTC who achieve below-mentioned years of continuous employment and required individual performance rating shall be entitled to vesting of shares in ratio described below.

(I) An employee who remains employed at HTC after 1 year has elapsed from the time of the award of the new restricted employee shares, and who in the then-current fiscal year has a performance rating equal to or higher than "Satisfactory", will be eligible for vesting of an installment of 30% of the shares.

(II) An employee who remains employed at HTC after 2 years have elapsed from the time of the award of the new restricted employee shares, and who in the then-current fiscal year has a performance rating equal to or higher than "Satisfactory", will be eligible for vesting of an installment of 30% of the shares.

(III) An employee who remains employed at HTC after 3 year has elapsed from the time of the award of the new restricted employee shares, and who in the then-current fiscal



year has a performance rating equal to or higher than “Satisfactory”, will be eligible for vesting of an installment of 40% of the shares. After issuance, the new restricted employee shares must immediately be deposited in trust.

3. Handling of an employee's failure to meet the vesting conditions: HTC will withdraw issuance without compensation and cancel the full number of the shares.
 4. Restrictions on the rights associated with shares that have not yet vested:
 - (I) During the vesting period, an employee may not sell, pledge, transfer, give to another person, create any encumbrance on, or otherwise dispose of, new restricted employee shares.
 - (II) During the vesting period, the new restricted employee shares can still participate in stock and cash dividends and subscription to cash rights issues and such cash dividends and subscription is not required to be deposited in trust and will not be subject to restrictions.
 5. After issuance, the new restricted employee shares must immediately be deposited in trust.
- (4) Conditions of Eligibility for Award and the number of shares to be awarded or subscribed:
1. Restricted to full-time regular employees of HTC who are already employed on the date that the new restricted employee shares are awarded.
 2. The employees who will be awarded new restricted employee shares and the numbers of such shares awarded will be decided by the chairperson and then approved by the board of directors, with consideration given to factors such as seniority, job rank, work performance, overall contribution, special merit, or other administrative conditions requiring consideration. However, for employees who are officers or hold management positions, the award of such shares is subject to approval by the Compensation Committee.
 3. The sum of the cumulative number of shares subscribable under any new restricted employee shares issued by HTC to a single employee shall be in accordance with the relevant restrictions in the Offering Regulations.
- (5) Necessary reason to issue the new restricted employee shares:
To attract and retain professional talents needed by HTC, and to provide incentive to employees and enhance employee commitment, so as to jointly create benefit to the company and its shareholders.
- (6) Potential expenses, dilution to the earnings per share and other effects towards shareholders' equity:
The number of current outstanding shares is 827,988,925 shares, and the estimated restricted employee shares to be issued constitute 0.91% of the current outstanding shares. The estimated total possible expenses for the issuance of the restricted employee shares is approximately NT\$ 1,001,250,000 calculated based on the closing share price on April 10, 2015 (one trading day prior to the date of notice for Board meeting) being NT\$ 133.5 per share. Factoring the



vesting period and the current outstanding shares, it is estimated that the expenses generated (after tax) can dilute the earnings per share by approximately NT\$ 0.97 per share. Therefore, these expenses should not have a critical impact on shareholder's equity.

(7) Unless otherwise provided in the applicable governmental regulations, the Board of Directors is authorized to amend or execute any matter which is not specifically prescribed in this proposal after it is approved.

- D. Each attending notification and proxy form will be attached in the meeting notice. If the shareholder(s) is attending the meeting in person, please sign or stamp on the attending notification and carry it to the check-in desk on the day of the meeting. However, in the case that an agent(s) is entrusted to attend the meeting, the shareholder(s) shall sign or stamp on the proxy and after the shareholder(s) personally fills out the name and address of the agent, the proxy shall be delivered to the Transfer Agency Department of CTBC Bank Co., Ltd at least 5 days prior to the day of the meeting. The signed proxy will serve as the sign-in card for agent(s) to represent your vote at the meeting.
- E. If a proxy is solicited by the shareholder(s), HTC is required to compile details on the proxy solicitation parties and disclose such information on the Securities & Futures Institute (SFI) website no later April 30, 2015. Shareholder(s) can make queries on proxy solicitation parties by access to the "Free proxy disclosure & related information system" (<http://free.sfi.org.tw>), via the "proxy disclosure and meeting notices" search page.
- F. Shareholders may exercise their voting rights through the STOCKVOTE platform of Taiwan Depository & Clearing Corporation (<http://www.stockvote.com.tw>) during the period from May 3, 2015 to May 30, 2015.
- G. The proxy tallying and verification institution for this annual general meeting is Transfer Agency Department of CTBC Bank Co., Ltd.
- H. Please observe and abide by these regulations.

Sincerely,

Board of Directors
HTC CORPORATION