

# Silergy Corp.

## 2019 Annual Shareholders' Meeting Minutes

### (Translation)

1. **Time:** 9:00 a.m., June 13<sup>th</sup> , 2019
2. **Place:** RSL Hotel Taipei Zhonghe, 3F conference room  
( No.631, Zhongzheng Rd., Zhonghe Dist., New Taipei City 23552, Taiwan )
3. **Attendees:**  
Total outstanding Silergy shares: 90,426,141 shares  
Total shares represented by shareholders present in person or by proxy: 82,120,763 shares  
(including 62,385,117 shares casted electronically)  
Percentage of shares held by shareholders present in person or by proxy: 90.81 %  
**Directors present:** WEI CHEN, BUDONG YOU, RYAN JIUN-HUEI SHIH, KO SHUN-HSIUNG, TSAI YONG-SONG
4. **Chairman:** Mr. Wei Chen Recorder : Ms. Maggie Liang
5. **Call Meeting to Order:** The aggregate shareholding of the presenting shareholders constituted a quorum. The Chairman called the meeting to order.
6. **Chairman's Address:** Omitted
7. **Reporting Items:** Omitted
8. **Election Items:**  
Proposal 1 (Proposed by the Board of Directors)  
Purpose: To elect seven directors (including three independent directors) being the third term of directors.  
Explanation:  
1. Upon the expiration of the second term of Directors, it is proposed to elect seven directors (including three independent directors) at the 2019 Annual General Shareholders' Meeting. The term of the new directors (including independent directors) is three years from the date on which they are elected at the 2019 Annual General Shareholders' Meeting, commencing on June 13, 2019 and expiring on June 12, 2022. The second term of directors will leave office on the date the new directors are elected.  
2. Directors shall be elected by adopting candidate nomination system and nomination. Shareholders shall elect the directors from the nominated candidates. The academic background, experience and relevant information of the nominated candidates are attached hereto as Attachment 3. (Attachment is omitted)  
Results of the election: The list of the newly elected directors with indication of votes received by each was as listed below:

Title	Name	Votes Received
Director	Wei Chen	131,704,787
Director	Budong You	80,222,625
Director	Jiun-huei Shih	63,706,232

Director	Lai-Juh Chen	63,625,732
Independent Director	Shun-hsiung Ko	57,328,012
Independent Director	Yong-Song Tsai	57,232,257
Independent Director	Henry King	57,209,986

## 9. Recognition and Discussion Items :

Proposal 1 (Proposed by the Board of Directors)

Purpose: To accept 2018 Business Report and Consolidated Financial Statements.

Explanation:

1. The 2018 Consolidated Financial Statements were audited by the independent auditors, Tzu-Jung Kuo and Cheng-Chun Chiu of Deloitte & Touche.
2. For the 2018 Business Report, Independent Auditors' Report, and the 2018 consolidated Financial Statements, please refer to Attachments 1 and 4. (Attachment is omitted)

Voting Results: 81,489,383 shares were represented at the time of voting

Voting Condition	Voting rights	% of the total represented at the time of voting
Votes in favor	76,501,498	93.87%
Votes against	2	0.00%
Votes abstained	4,987,883	6.12%
Votes invalid	0	0%

RESOLVED, that the above proposal be and hereby was approved as proposed.

Proposal 2 (Proposed by the Board of Directors)

Purpose: To accept the proposal for the distribution of 2018 Earnings.

Explanation:

1. The proposed distribution is allocated from the 2018 earnings available for distribution. The cash dividends for common shares will be distributed a total of NT\$586,667,692, in which each common share holder will be entitled to receive a cash dividend of NT\$6.5 per share. (Actual amount of cash dividends distributed in USD to shareholders will be based on the average USD spot foreign exchange closing price of Bank of Taiwan on the record date for the common share dividends.) If the dividend distribution ratio is adjusted due to change of the Company's total number of outstanding common shares it is proposed that the Chairman of Board of Directors is authorized to adjust the ratio of dividend to be distributed to each common share based on the total amount approved by the 2019 Annual General Shareholders' Meeting to be distributed and the number of actual common shares outstanding on the record date for distribution.
2. For the Proposal for 2018 Earnings Distribution, please refer to Attachment 5. (Attachment is omitted)

Voting Results: 81,489,383 shares were represented at the time of voting

Voting Condition	Voting rights	% of the total represented at the time of voting
Votes in favor	76,501,498	93.87%
Votes against	2	0.00%
Votes abstained	4,987,883	6.12%

Votes invalid	0	0%
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RESOLVED, that the above proposal be and hereby was approved as proposed.

Proposal 3 (Proposed by the Board of Directors)

Purpose: To revise the "Articles of Association".

Explanation:

1. To comply with the amendments to the Checklist for the Protection of Shareholders' Rights/Interests provided by a Foreign Issuer's Country of Registration) by the Taiwan Stock Exchange Corporation (TWSE) and to meet the Company's operation needs, it is proposed to revise the Articles of Association.
2. Please refer to Attachment 6 for the comparison table of amendments to "Articles of Association". (Attachment is omitted)

Voting Results: 81,489,383 shares were represented at the time of voting

Voting Condition	Voting rights	% of the total represented at the time of voting
Votes in favor	76,196,498	93.50%
Votes against	305,002	0.37%
Votes abstained	4,987,883	6.12%
Votes invalid	0	0%

RESOLVED, that the above proposal be and hereby was approved as proposed.

Proposal 4 (Proposed by the Board of Directors)

Purpose: To revise the "Handling Procedures for Acquisition or Disposal of Assets", "Procedures for Loaning of Funds", and "Procedures for Endorsements and Guarantees".

Explanation:

1. To comply with the amendments to "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" and "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" and to meet the Company's operation needs, it is proposed to revise the "Handling Procedures for Acquisition or Disposal of Assets", "Procedures for Loaning of Funds", and "Procedures for Endorsements and Guarantees"
2. Please refer to Attachment 7 to 9 for the comparison table of the amendments. (Attachment is omitted)

Voting Results: 81,489,383 shares were represented at the time of voting

Voting Condition	Voting rights	% of the total represented at the time of voting
Votes in favor	76,500,300	93.87%
Votes against	1,200	0.00%
Votes abstained	4,987,883	6.12%
Votes invalid	0	0%

RESOLVED, that the above proposal be and hereby was approved as proposed.

Proposal 5 (Proposed by the Board of Directors)

Purpose: To approve the Issuance of New Employee Restricted Shares.

Explanation:

1. To attract and retain professionals needed by the Company, incentive employees and augment the employees' loyalty to jointly create the interest of the Company and its shareholders, it is hereby proposed that the shareholders' meeting to resolve 2019 New Employee Restricted Shares Plan and to issue the new employee restricted shares accordingly.
2. Below are the total amounts to be issued and the conditions for their issuance:
  - (1) The total amount to be issued is NT\$3,500,000, with the face value of NT\$10 for each share. A total of 350,000 shares will be issued. The restricted shares shall be issued at NT\$ 0 per share in common shares.
  - (2) The employees who qualify for the employee restricted shares will be full-time employees of the Company and its domestic and foreign subsidiaries are eligible participants of this Plan. The actual number of distributable restricted shares to employees will take the following factors into consideration: work performance, overall contribution, special contribution, pay grade and/or years of experience. The Chairman will approve of the restricted shares and submit to the Board for approval. The number of restricted shares that each individual employee can be awarded with will follow the regulations from Article 60-9 in the Regulations Governing the Offering and Issuance of Securities by Securities Issuers.
  - (3) Vesting conditions shall be divided into Category A and Category B:

Category A: 280,000 shares shall be issued and granted. As long as an eligible employee being granted the Restricted Shares has been employed by the Company or its subsidiaries for 1 year since the Grant Date, and where this Company has achieved all company business objectives, all Restricted Shares granted to him/her on the Grant Date shall be vested.

Category B: 70,000 shares shall be issued and granted. As long as an eligible employee being granted the Restricted Shares has been employed by the Company or its subsidiaries for 3 years since the Grant Date, and where this Company has achieved all company business objectives, all Restricted Shares granted to him/her on the Grant Date shall be vested.

The company business objectives shall be that both the gross margin and operating margin of this Company for the year before the vesting date do not fall below the average of those of MediaTek Inc., Novatek Microelectronics Corp., and Realtek Semiconductor Corp. for the same year.
  - (4) The employees holding unvested Restricted Shares are entitled to the rights to participate in stock dividends distribution but are not entitled to the rights to participate in cash dividends distribution, the preemptive rights to subscribe for new shares issued for capital increase and the rights to vote.
3. Amounts that can be monetized, dilution to the Company's EPS and other possible impacts on shareholders' interests:
  - (1) The total of 350,000 new employee restricted shares to be issued are calculated on the basis of the market value of NT\$505 per share as of March 18, 2019. The Company estimates that possible monetization value is approximately NT\$176,750K.
  - (2) The dilution effect on the Company's annual EPS from the first to the third year after issuance are NT\$1.70, NT\$0.13, and NT\$0.13 respectively (calculated on the basis of the 90,257K issued shares of this Company by March 18, 2019). However, as the Company predicts continuing growth to profitability in the future, this round of issuance will exert only

limited EPS dilution.

4. Please refer to Attachment 10 for 2019 Employee Restricted Shares Plan. It is proposed for the shareholders meeting to authorize the Board full rights to handle relevant matters and to apply to the governing institution for all shares at one time or in batches. If relevant legal regulations shall change or the governing institution's directives shall change in the future, it is also proposed for the Board to receive all rights to handle accordingly. (Attachment is omitted)

Voting Results: 81,489,383 shares were represented at the time of voting

Voting Condition	Voting rights	% of the total represented at the time of voting
Votes in favor	76,016,428	93.28%
Votes against	485,072	0.59%
Votes abstained	4,987,883	6.12%
Votes invalid	0	0%

RESOLVED, that the above proposal be and hereby was approved as proposed.

Proposal 6 (Proposed by the Board of Directors)

Purpose: To lift non-competition restrictions on board members and their representatives.

Explanation:

It is proposed for the shareholders meeting to lift non-competition restrictions on new board members and their representatives. The list of competition restrictions on Directors Candidates proposed to be released is attached hereto as Attachment 11. (Attachment is omitted)

Voting Results: 81,489,383 shares were represented at the time of voting

Voting Condition	Voting rights	% of the total represented at the time of voting
Votes in favor	74,344,517	91.23%
Votes against	1,200	0.00%
Votes abstained	7,143,666	8.76%
Votes invalid	0	0%

RESOLVED, that the above proposal be and hereby was approved as proposed.

**10. Extraordinary Motions :** None

**11. Adjourn Meeting :** The meeting was adjourned at 9:43 a.m.