

## Notice for 2019 Annual Meeting of Shareholders

I. The 2019 annual meeting of shareholders shall convene at 9:30 a.m. on Wednesday, June 26, 2019, at No. 22, Changxing Road, Luzhu District, Kaohsiung City (Art Center of the Lu-Chu Plant).

Registration of shareholders will start at 9:00 a.m. at the same address specified for the meeting.

The meeting agenda is as follows:

1. Management Presentation (Company Reports): (1) 2018 Business Report, (2) Audit Committee's Review Report on 2018 Financial Statements, (3) 2018 Endorsements/Guarantees for Others, (4) Distribution of 2018 Compensation for Directors of the Board and Employees, and (5) Amendments to the Ethical Corporate Management Best Practice Principles.
2. Proposals: (1) 2018 Financial Statements and (2) 2018 Earnings Distribution.
3. Discussions: (1) Amendments to the Articles of Incorporation and (2) Amendments to the Procedures for the Acquisition or Disposal of Assets.
4. Election Matters: Election of the 18th Directors of the Board.
5. Other Matters: Release of the 18th Directors of the Board from Non-compete Restrictions.
6. Questions and Motions.

II. The proposal for 2018 earnings distribution has been approved in the meeting of the Board of Directors on March 27, 2019 as follows:

Cash dividends of NT\$1,116,251,510 at NT\$0.9/share should be distributed to shareholders. Cash dividends should be rounded to nearest integer. Odd dividends should be transferred to the Employee Welfare Committee. Upon approval of the shareholders' meeting, the Chairman should be authorized to set the date of distribution separately.

III. A total of 11 directors of the Board should be elected (including 3 independent directors). The nomination system should be adopted in the election. For the list of candidates for directors and independent directors, refer to Section 3. For information on the education and work experience of candidates for directors and independent directors, please visit the Market Observation Post System (MOPS) at <http://mops.twse.com.tw/mops/web/t146sb10> and enter "Stock Code: 1717" and "Type of Announcement: Candidates for Directors and Supervisors (Listed Companies)" for inquiries.

IV. The release of the 18th directors of the Board from non-compete restrictions is explained below:

The 18th directors of the Board are subject to the non-compete restrictions set forth in Paragraph 1, Article 209 of the Company Act. According to Paragraphs 2 and 3, Article 209 of the Company Act, the 18th directors of the Board concurrently hold a position in an investee company, which is within the scope of the Company's business, and the release of non-compete restrictions is proposed for approval of the 2019 annual meeting of shareholders. The main content of the release of non-compete restrictions is as follows:

Candidate	Concurrent Company	Concurrent Position
Kwang Yang Motor Co, Ltd.	New E Materials Co., Ltd.	Director of the Board

Representative: Ko, Chun-Ping		
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- V. For more information on the essential contents of proposals that shall be itemized in the meeting agenda in accordance with Article 172 of the Company Act, please visit the MOPS at <http://mops.twse.com.tw> and access Basic Information/Electronic Books/Annual Report and Shareholders' Meetings, enter "Stock Code: 1717" and "Year: 2019", and select "Meeting Agenda References".
- VI. According to Article 165 of the Company Act, share transfer registrations shall not be available from April 28, 2019 to June 26, 2019.
- VII. In addition to the meeting announcement, we hereby attach a copy of the shareholder registration card and the proxy form, respectively. Your presence is cordially requested. Please sign or seal on the **Section One of the personal attendance notice and the Section Two of the shareholder registration card** and bring them with you on the day of the meeting for registration. If a proxy has been appointed to attend the meeting of shareholders, please sign or seal on the **Section Five of the proxy form and the Section Two of the shareholder registration card** and mail them to President Securities Corporation's Shareholder Services Department, the stock agent of the Company, at least five days before the meeting. After verifying the signature or seal, the stock agent will seal the shareholder registration card accordingly and send it to the shareholder or proxy so that the proxy may bring it to the meeting of shareholders.
- VIII. If any shareholder requires solicitation of proxies for attendance, the Company shall compile a summary statement of the solicitor and solicitation information for disclosure via the Securities and Futures Institute (SFI) website at <http://free.sfi.org.tw> before May 24, 2019. Investors may refer to the section "Free Inquiry of Solicitors" on the website for inquiries.**
- IX. Shareholders may exercise their voting rights through the stockvote platform of Taiwan Depository & Clearing Corporation at <http://www.stockvote.com.tw> during the period from May 25, 2019 to June 23, 2019.**
- X. The Company has appointed President Securities Corporation's Shareholder Services Department for the statistical verification of the meeting of shareholders.
- XI. Please follow the instructions and attend the meeting of shareholders accordingly.
- To:  
Shareholder

Sincerely,  
Board of Directors of Eternal Materials Co., Ltd.