



**CHROMA ATE INC.**  
**Notice of 2022 Annual General Shareholders' Meeting**  
**(Summary Translation)**

I. Information of the Meeting

Time: 9:30am, June 9, 2022

Venue: No. 88, Wenmao Rd., Guishan Dist., Taoyuan City, Taiwan (Chroma Headquarters)

Type of Meeting: Physical Meeting

II. Meeting Agenda

1. Report Items

- (1) Business report of 2021
- (2) Audit Committee's review report of 2021
- (3) Profit distribution report of 2021
- (4) Distribution of employee bonuses and directors' remunerations in 2021
- (5) Itemized list of endorsements and guarantees in 2021

2. Acknowledgement Items

- (1) Acknowledge the 2021 Business Report and Financial Statements
- (2) Acknowledge the 2021 Earnings Distribution Proposal

3. Discussion Items

- (1) Amendments to Articles of Incorporation
- (2) Amendments to Operational Procedures for Acquisition or Disposal of Assets
- (3) Employee Restricted Stock Awards (RSAs) Proposal

4. Special motions

III. The major items of the proposal for distribution of 2021 profits has been resolved by the Board of Directors meeting are as follows:

The total cash dividend proposed by the Board of Directors is NT\$2,970,000,000 on February 23, 2022. Each common shareholder will be entitled to receive a cash dividend of NT\$7 per share. Henceforth, if the dividend rate changes as a result of a change in the number of outstanding shares due to the exercise of employee stock options or other reasons, the Chairman of the Board is fully authorized to address the matter.

IV. Please refer to the website of MOPS at (<https://mops.twse.com.tw>) or (<https://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 11, 2022 to June 9, 2022, is the share transfer prohibition period.

VI. The Transfer Agency Department of Taishin Securities Co., Ltd. is the proxy tallying and verification institution for the Meeting.

VII. If a proxy is solicited by the shareholders, the Company is required to compile details on the proxy solicitation parties and disclose such information on the Securities & Futures Institute (SFI) website at (<https://free.sfi.org.tw>) no later than May 9, 2022. Shareholders can obtain information on the "Free proxy disclosure & related information system".

VIII. 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, Taishin Securities Co., Ltd., at least five (5) days prior to the Meeting.

IX. The shareholders voting right could be exercised through the internet from May 10, 2022 to June 6, 2022. Please login to the TDCC (Taiwan Depository & Clearing Corporation) website [<https://www.stockvote.com.tw>] to exercise voting rights in accordance with the online instruction.

X. Please bring identification documents for verification.

XI. Employee Restricted Stock Awards (RSAs) Proposal

The detailed information of RSAs stated as below:

1. Amount of Issuance:

The total amount of issuance is NT\$30,000,000 at the par value of NT\$ 10, equals to total of 3,000,000 ordinary shares.

The Company may grant the plan in one or more tranches within one (1) year from the date of receipt of notice from the relevant authority ("Authority") indicating that the Company's filing of the Plan with the Authority has become effective. The actual issue date shall be determined by the Chairman of the Board of Directors under the authorization of the Board.

2. Determination of the terms and conditions:

(1) Expected issue price: NT\$40

(2) The period of RSAs plan is four (4) years. The plan will not vest in the first year ("waiting period") and may be granted in accordance with the

following schedule. The award plan will be vested to the qualified grantee when the Company overall performance has reached the targets and grantee meets its achievements. The qualified grantee shall be a full-time employee and still working in the Company at each granted date.

The percentage of shares eligible for vesting is as follows:

Years after the plan started effective	Grant percentage
1 years	10%
2 years	20%
3 years	30%
4 years	40%

- (3) Type of the shares: The Company's ordinary shares.
- (4) Disqualification process: when employees do not meet the vesting conditions, the Company will buy the issued new restricted employee shares at the original issue price in accordance with the law and process the cancellation.
- (5) In the event of inheritance: new restricted employee shares that have not yet been vested may be fully vested, and the inheritor may apply to receive the shares or disposed interests that he or she should inherit after completing the necessary legal procedures and providing relevant documents.

3. Qualification requirements for employees:

- (1) The RSAs only grants to full-time employees and full-time employees of associate companies at the effective date.
- (2) The numbers of share granted is subject to employee's seniority, job grade, achievements, overall performance and special achievements etc. which have been approved by the Chairman to resolute by Board of Directors, except the senior managements and employees represented as board of directors need to be approved by Remuneration Committee beforehand.
- (3) In accordance with Article 60-9 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the cumulative number of shares granted to a single subscriber through the issuance of employee stock options under Article 56-1, paragraph 1, plus the cumulative number of new restricted employee shares acquired by the subscriber shall not exceed 3% of the total number of shares issued. And the cumulative number of shares granted to a single subscriber through the issuance of employee stock options under Article 56, paragraph 1,

shall not exceed 1% of the total number of shares issued.

4. The reason why it is necessary to issue restricted stocks for employees:

To attract and retain the necessary professionals, incentive and to strengthen employees coherence in order to maximize the Company profit and shareholders' value.

5. Calculated expense amount:

- (1) The Company should assess the fair value of the shares on the date of grant (issuance date) and recognize the related expense in annual installments over the vesting period. The 3,000,000 new restricted employee shares are proposed to be issued at NT\$40 per share in the year 2022. If all the vesting conditions are met, the estimated amount of possible expenses is NT\$350,865,000 (based on the closing price of NT\$194.5 on February 22, 2022). As if RSAs issued in July 2022, the expenses breakdown into each year is stated as follow:

Year	Expenses Amount (in NT\$)
2022	73,637,000
2023	126,184,000
2024	85,904,000
2025	49,248,000
2026	15,892,000

- (2) Dilution of the Company's earnings per share (EPS) and other effects on shareholders' equity: As end of 31st December 2021, the Company's total outstanding shares are 421,874,537 shares. The EPS dilution to each year is stated as follow:

Year	Reduce in EPS (in NT\$)
2022	0.17
2023	0.30
2024	0.20
2025	0.12
2026	0.04

The dilution of the Company's earnings per share is limited and therefore has no significant impact on shareholders' equity.

Sincerely,

Board of Directors  
CHROMA ATE INC.