



# **HOLTEK SEMICONDUCTOR INC.**

## **2016 Regular Shareholders' Meeting**

### **Meeting Agenda**

**Date: May 27, 2016**

Edison, HSP link

No.1, Gongye E. 2nd Rd., East Dist., Hsinchu City 300, Taiwan (R.O.C.)

-----Disclaimer-----

THIS IS A TRANSLATION OF THE AGENDA FOR THE 2016 SHAREHOLDERS' MEETING ("THE AGENDA") OF HOLTEK SEMICONDUCTOR INC. ("THE COMPANY"). THE TRANSLATION IS INTENDED FOR REFERENCE ONLY AND NO OTHER PURPOSE. THE COMPANY HEREBY DISCLAIMS ANY AND ALL LIABILITIES WHATSOEVER FOR THE TRANSLATION.

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## **HOLTEK SEMICONDUCTOR INC.**

### **2016 Regular Shareholders' Meeting Procedure**

Time: Friday, May 27, 2016 9:00 a.m.

Location: Edison, HSP link (No.1, Gongye E. 2nd Rd., East Dist., Hsinchu City 300,  
Taiwan (R.O.C.))

1. Commencement
2. Chairman takes seat
3. Chairman's address
4. Discussion items
5. Reporting items
6. Proposal items
7. Discussion items and Election of Directors
8. Special motions
9. Adjournment

## **HOLTEK SEMICONDUCTOR INC.**

### **2016 Regular Shareholders' Meeting Agenda**

1. Time: Friday, May 27, 2016 9:00 a.m.
2. Location: Edison, HSP link (No.1, Gongye E. 2nd Rd., East Dist., Hsinchu City 300, Taiwan (R.O.C.))
3. Attendants: All shareholders and their proxy holders
4. Chairman's address: Wu, Chi-Yung
5. Discussion items
  - (1) Amendment to the Company's Articles of Incorporation
6. Reporting items
  - (1) Business Report of 2015
  - (2) Supervisors' review report on the 2015 Financial Statements
  - (3) Employees' bonus and directors' compensation from 2015 profits
7. Proposal items
  - (1) Adoption of the 2015 Business Report and Financial Statements
  - (2) Adoption of the Proposal for Distribution of 2015 Profits
8. Discussion items and Election of Directors
  - (1) Proposal of the distribution of cash dividends from legal reserve
  - (2) Amendment to the Procedures for Acquisition or Disposal of Assets and Financial Derivatives Transactions
  - (3) Amendment to the Procedures for Lending Funds to Other Parties
  - (4) Amendment to the Procedures for Endorsements/ Guarantees
  - (5) Amendment to the Regulations Governing the Election of Directors and Supervisors
  - (6) Election of the 7th term Directors (including independent directors)
  - (7) Permit of directors' engagement in competitive conducts
9. Special motions
10. Adjournment

## **Discussion items**

### **(1) Amendment to the Company's Articles of Incorporation**

1) The Company plans to revise certain provisions in the Company's Articles of Incorporation in conformity with the Company Law and other regulations and to establish the Audit Committee and to purchase Liability Insurance for directors.

2) Please see the comparison table of the Company's Articles of Incorporation before and after revision (Attachment 1).

## **Reporting items**

### **(1) Business report of 2015**

1) Chairman Wu, Chi-Yung reports.

2) Please refer to the 2015 business report (Attachment 2).

### **(2) Supervisors' review report on the 2015 financial statements**

Please refer to the supervisors' review report (Attachment 3).

### **(3) Employees' bonus and directors' compensation from 2015 profits**

In accordance with the Company Act and the Company's Articles of Incorporation, 2015 employees' bonus and directors' compensation will be NT\$ 98,026,894 and NT\$ 10,891,877, respectively, and paid by cash.

## **Proposal items**

(1) Adoption of the 2015 business report and financial statements

1) 2015 financial statements were audited by Emily Tsai and Allan Yu, the Certified Public Accountants of KPMG and an audit report was issued relating to the financial statements. Also 2015 business report and financial statements have been approved by the Board of Directors and reviewed by supervisors.

2) Please refer to the 2015 business report (Attachment 2) and Holtek's website ([www.holtek.com.tw](http://www.holtek.com.tw)) for financial statements.

Resolution:

(2) Adoption of the proposal for distribution of 2015 profits

1) The proposal for distribution of 2015 profits in accordance with the Company's Articles of Incorporation and had been approved by the meeting of the Board of Directors and reviewed by supervisors.

2) Please refer to the 2015 Surplus Earnings Distribution Chart (Attachment 4).

Resolution:

## **Discussion items and Election of Directors**

(1) Proposal of the distribution of cash dividends from legal reserve

1) The portion of legal reserve which exceeds 25 percent of the paid-in capital was proposed to distribute cash of NT\$92,548,027 to shareholders. Each common shareholder will be entitled to receive a cash dividend of NT\$0.4092 per share (based on the total outstanding shares as of the record date).

2) Cash payment shall be rounded to one NTD (amounts less than one NTD shall be ignored) and adjusted by specific person authorized by the Chairman.

3) Upon the approval of the Regular Shareholders' Meeting, it is proposed that the Board of Directors be authorized to determine the payment date for the cash distribution.

4) If the cash distribution is impacted due to the law amendment, Company's subsequent share buybacks, the transfer or cancellation of treasury stocks, the exercise of employee stock options or other matters, the Board of Directors will be authorized by the Regular Shareholders' Meeting to adjust the cash payout ratio.

5) Please refer to the 2015 Surplus Earnings Distribution Chart (Note 2 of Attachment 4).

Resolution:

(2) Amendment to the Procedures for Acquisition or Disposal of Assets and Financial Derivatives Transactions

1) In order to conform to amendment to "Regulations Governing the Acquisition or Disposal of Assets by Public Companies" promulgated by the Financial Supervisory Commission of Executive Yuan and to accommodate the establishment of the Audit Committee, it is proposed to amend certain provisions of the Procedures for Acquisition or Disposal of Assets and Financial Derivatives Transactions.

2) The details please see the comparison table of the Procedures for Acquisition or Disposal of Assets and Financial Derivatives Transactions before and after revision (Attachment 5).

Resolution:



(3) Amendment to the Procedures for Lending Funds to Other Parties

- 1) In order to accommodate the establishment of the Audit Committee, it is proposed to amend the Procedures for Lending Funds to Other Parties.
- 2) The details please see the comparison table of the Procedures for Lending Funds to Other Parties before and after revision (Attachment 6).

Resolution:

(4) Amendment to the Procedures for Endorsements/Guarantees

- 1) In order to accommodate the establishment of the Audit Committee, it is proposed to amend the Procedures for Endorsements/Guarantees.
- 2) The details please see the comparison table of the Procedures for Endorsements/Guarantees before and after revision (Attachment 7).

Resolution:

(5) Amendment to the Regulations Governing the Election of Directors and Supervisors

- 1) In order to accommodate the establishment of the Audit Committee to take over the duties of supervisors, it is proposed to amend relevant provisions in the Regulations and change the name of the Regulations from "Regulations Governing the Election of Directors and Supervisors" to "Regulations Governing the Election of Directors".
- 2) The details please see the comparison table of the Regulations Governing the Election of Directors and Supervisors before and after revision (Attachment 8).

Resolution:

(6) Election of the 7th term Directors (including independent directors)

- 1) The 6th term directors and supervisors will expire on June 10, 2016. According to the Company Law and the Company's Articles of Incorporation, 7th term Directors of nine directors (including three independent directors) will be elected at this regular shareholders' meeting.
- 2) Current directors and supervisors resign after the election of 7th term Directors (including independent directors), the 7th term Directors will assume office immediately after the regular shareholders meeting. The tenure of newly elected directors shall commence on May 27, 2016 and expire on May 26, 2019 with a term of three years.
- 3) The Company has established the Audit Committee in accordance with the Securities and Exchange Act and no longer has supervisors.
- 4) The Company adopted the candidate nomination system for electing the directors. The list of candidates and relevant information are attached hereto as Attachment 9.

Resolution:

(7) Permit of directors' engagement in competitive conducts

- 1) According to Article 209 of the Company Law, a director who conducts business within the business scope of the Company for himself or others shall explain in the shareholders' meeting the essential contents of such conduct and obtain the shareholders' approval.
- 2) The 7th term Directors are submitted to the regular shareholders' meeting for resolution to remove the non-competition restrictions from the date that directors assume the office. For details please refer to Attachment 10.

Resolution:

## **Special motions**

## **Adjournment**

## Attachments

### Attachment 1

#### HOLTEK SEMICONDUCTOR INC.

#### Table comparing the original and the amended articles of the Company's “Articles of Incorporation”

Amended Article	Original Article	Explanation
<p>Section 4 Directors and <u>Audit Committee</u></p> <p>Article 14</p> <p>The Company shall have seven to nine directors to be elected at a shareholders' meeting through nominating system from persons of legal capacity to serve a term of three years. A director or supervisor may be re-elected.</p> <p><u>To conform to the Securities and Exchange Act, the Company shall have, among the aforementioned directors, at least three independent directors.</u> The Company shall appoint independent directors, not less than two in number and not less than one-fifth of the total number of directors in accordance with the Article 14-2 of the Securities and Exchange Act.</p> <p>Independent directors' qualification, the limitations of</p>	<p>Section 4 Directors and Supervisors</p> <p>Article 14</p> <p>The Company shall have seven to nine directors <u>and three supervisors</u> to be elected at a shareholders' meeting through nominating system from persons of legal capacity to serve a term of three years. A director or supervisor may be re-elected.</p> <p>The Company shall appoint independent directors, not less than two in number and not less than one-fifth of the total number of directors in accordance with the Article 14-2 of the Securities and Exchange Act.</p> <p>Independent directors' qualification, the limitations of shareholding and concurrently serving other positions, the methods of nomination and election and other related matters</p>	<p>Amendment is made to conform to the Company Law and accommodate the establishment of the Audit Committee of the Company and purchase Liability Insurance for directors.</p>

Amended Article	Original Article	Explanation
shareholding and concurrently serving other positions, the methods of nomination and election and other related matters shall be subject to the applicable laws. <u>The Company may purchase liability insurance for its directors. The insurance coverage is authorized by the Board of Directors for resolution.</u>	shall be subject to the applicable laws.	
Article 16 The total shares of nominal stocks held by the entire body of either directors of the Company shall be regulated in Regulations of the minimum percentage to be held by the directors and supervisors, and the examination of such holding shall be prescribed by an order from the Competent Authority.	Article 16 The total shares of nominal stocks held by the entire body of either directors <u>or supervisors</u> of the Company shall be regulated in Regulations of the minimum percentage to be held by the directors and supervisors, and the examination of such holding shall be prescribed by an order from the Competent Authority.	To accommodate the establishment of the Audit Committee.
Article 17 (.....) Directors may be notified of the Board of Directors meeting via written notice such as E-mail or fax.	Article 17 (.....) Directors <u>and supervisors</u> may be notified of the Board of Directors meeting via written notice such as E-mail or fax.	To accommodate the establishment of the Audit Committee.
Article 19 The Board of Directors is authorized to determine the	Article 19 The Board of Directors is authorized to determine the	To accommodate the establishment of the Audit Committee.

Amended Article	Original Article	Explanation
compensation for the all directors, according to involvements and contributions to the Companies' operation. The compensation is restricted by the highest level of the Regulations for the Compensation of the Company. If the Company shall pay the compensation regulated by Article 24, if <u>the Company has profits</u> .	compensation for the all directors <u>and supervisors</u> , according to involvements and contributions to the Companies' operation. The compensation is restricted by the highest level of the Regulations for the Compensation of the Company. If the Company shall pay the compensation regulated by Article 24, if there is surplus earnings.	
Article 21 <u>The Committee shall be composed of the entire number of independent directors. Matters concerning the number, term of office, powers and rules of procedure for meetings when the Audit Committee exercises its powers shall be handled in accordance with the Audit Committee Charter.</u>	Article 21 Supervisors shall have the following authority: 1. Audit account closings. 2. Oversee the Company's business performance and financial standing as well as request the Board of Directors or managerial officers to submit reports. 3. Convene the Shareholders' Meeting when necessarily. 4. Other matters to be handled in accordance with the Company Law and related laws.	To accommodate the establishment of the Audit Committee.
Article 23 After the close of each fiscal year, in accordance with the Company Law, the following reports shall	Article 23 After the close of each fiscal year, in accordance with the Company Law, the following reports shall	To accommodate the establishment of the Audit Committee.

Amended Article	Original Article	Explanation
be prepared by the Board of Directors, and be submitted to the shareholders' meeting for acceptance. (.....)	be prepared by the Board of Directors, and <u>be audited by Supervisors 30 days prior to the annual general shareholders' meeting, and</u> be submitted to the shareholders' meeting for acceptance. (.....)	
Article 24 <u>When allocating the net profits for each fiscal year, the Company shall distribute 5~15% of profit of the current year distributable as employees' compensation and no more than 1.5% of profit of the current year distributable as remuneration of directors. However, the company's accumulated losses shall have been covered.</u>	Article 24 After making the final settlement of account, the Company shall allocate the net profit ("earnings"), if any, according to the following sequence: 1. Payment of taxes. 2. Making up loss for preceding years. 3. Setting aside 10% for legal reserve. 4. Appropriating or reversing special reserve by the Securities and Exchange Act. 5. Allocation of 13.5% of residual amount after deducting the amounts stated in Item 1 through 4 above for distributing as bonus to employees. 6. Allocation of 1.5% of residual	Amendment is made to conform to the Company Act.

Amended Article	Original Article	Explanation
	<p>amount after deducting the amounts stated in Item 1 through 4 above for remuneration of directors.</p> <p>7. The rest shall be distributed according to the distribution plan proposed by the board of directors according to the dividend policy and submitted to the shareholders' meeting for approval.</p> <p>The distribution of shareholders dividend referred to in the preceding paragraph, shall be allocated as cash dividend shall not less than 50% of shareholders cash dividend and shareholders stock dividend.</p>	
<p>Article 24-1</p> <p><u>If the Company has profit as a result of the yearly accounting closing, the Company shall first pay taxes, offset its losses in previous years and set aside a legal capital reserve at 10% of the profits left over, until the accumulated legal capital reserve has equaled the total capital of the Company, then set aside special capital reserve in accordance with relevant</u></p>		<p>Addition is made to conform to the Company Act.</p>

Amended Article	Original Article	Explanation
<u>laws or regulations or as requested by business. Any rest balance, added to the accumulated undistributed earnings in previous years, the Board of Directors shall be allocated according to shareholders' meeting resolution.</u> <u>The amount of dividends distributed to shareholders shall be no less than 50% of the distributable earnings of the year concerned and no less than 50% of the shareholder's dividends shall be in the form of cash.</u>		
Article 26 (.....) and the sixth amendment on May 27, 2016.	Article 26 (.....)	Adjust accordingly



***Attachment 2***

**HOLTEK SEMICONDUCTOR INC.**

**2015 Business Report**

In 2015, Holtek continued to adopt a somewhat cautious and conservative business strategy in dealing with difficulties such as global economic instability, falling oil prices, currency devaluation and global deflation as a result of quantitative easing policies undertaken by Japan and the European Union.

In the meantime and in the face of China's economic austerity policies, the rising US interest rate has led to a strong dollar, further triggering currency devaluation among emerging countries, which in turn has directly or indirectly affected the global semiconductor industry. The global output growth rate was not, as originally estimated, over 2%, but rather declined by about 1% when compared with 2014.

Faced with this far from perfect macro-economic environment, Holtek still made good progress on revenue achieving a figure of 3.968 billion Taiwan dollars in 2015, a quantity which was up 0.9% when compared with 2014. What is more significant however was that Holtek's gross margin achieved a 49% record high. Net income attributable to stockholders for the parent company was 807 million Taiwan dollars, up 2% from the previous year's figure of 792 million. In 2015, Holtek's earning per share was 3.57 Taiwan dollars, higher than the 3.52 figure for 2014. Under such unstable global economic conditions and the aggressive competitiveness of the semiconductor industry, it was no easy task for Holtek to accomplish these achievements. After a full review by the Holtek management team, the company is aware of certain issues that need to be re-assessed and improved.

An overview of Holtek's overall business is provided below subdivided into areas of marketing management, product development and production management.

**Marketing management:**

In 2015, revenue from China and Hong Kong based customers accounted for 69% of total sales showing an increase of 1% over the previous year. Revenue from Taiwan based customers accounted for 15%, indicating an increase of 1%, while revenue from other areas accounted for 16%, showing a reduction of 2% from the previous year. From the above statistics, it can be seen that China still forms the largest semiconductor industry market and also shows the increasingly stronger influence of China on the overall global economy. To adapt to the rapidly changing customer situation in China, Holtek's sales and technical services should be strengthened in both

their breadth and depth. With regard to its China business operations, in addition to creating an integrated system for distributors, Holtek desires the participation of key technology local companies to consolidate end user application and technical support. After one year of effort, two new additional companies had joined us in such cooperation during the previous year. This will bring benefits to both product development and product promotion in the future. In the Taiwan market, there were some worthy improvements due to advances in the area of gaming peripheral products. However, the revenue ratio from certain overseas markets was lower, especially in the South American regional area due to the consequences of economic recession.

#### Product development:

In 2015 our product development outline included seven categories and 129 items, and achieved a completed project rate of 64% which amounts to 82 items. Although this indicates a less than ideal performance, advances in our intellectual property specifications and planning accuracy all exhibited improvements, with resulting benefits to both Work-Rate and Time-to-Market areas. Additionally but importantly, Holtek's ability to respond rapidly to different product customer and market requests has provided a significant contribution to the company's revenue.

New completed product developments include the following:

1. Standard 8-bit MCUs: high memory capacity, high-precision digital-to-analog conversion and touch switch SOC MCUs
2. Special Purpose ASSP MCUs: second generation power bank MCUs, quick charger 2.0 MCUs, wireless charger MCUs, Li-ion battery charger management MCUs, brushless DC motor MCUs, health care MCUs, LED lighting control MCUs
3. 32-bit M0+ARM core MCU series
4. Power management and power conversion ICs
5. IC modules: temperature and humidity sensor modules, PIR sensor modules and 1mm ultra-thin high resolution hybrid fingerprint recognition modules

#### Production management:

As Holtek products increase in both diversity and range, the chosen wafer process technology and packaging technology should also be exhibiting accompanying enhancements. For our production planning and engineering departments this presents considerable challenges. Our present process technology has been upgraded from the previous 0.35 microns to 0.25 microns and has already

taken initial steps towards 0.11 micron and 90 nanometer technology. With regard to packaging, Holtek products have seen the trend from low to high pin count microcontrollers as well as smaller outlines. To meet the demands of product evolution, our production planning and engineering departments must face these new process and packaging technologies to manage over 60 million IC orders per month, composed of both wafers and packages. The production department contributes a great deal to Holtek's revenue growth and serves as one of the most important logistical support departments in the company.

According to the International Monetary Fund and Chinese Academy of Science global economy predictions, the global economic growth rate is expected to reach around 3.4% during 2016. The growth rates for the United States, the Eurozone, Japan and China are respectively 2.6%, 1.7%, 1.0% and 6.8%. With the Chinese market overcapacity and supply imbalances, coupled with falling oil and raw materials prices and potential inflationary pressures in many countries, the above data is indicating a not too optimistic market sentiment for 2016. On the other hand as the Internet of Things continues to expand and with the implementation of China's two-child policy and its aging population, increased attention is drawn towards health care products with the resulting increase in demand for relevant semiconductor devices. With this in mind some research agencies are expecting an upturn in the semiconductor market during 2016 and predicting that the global semiconductor industry output value may in fact witness an increase of 3%, thus furthering the industry's hopes. Holtek fully intends to take advantage of these opportunities in the challenges it will face during 2016. Whether in the areas of business management, product development, sales promotion or production scheduling, it is obvious that there are many difficulties ahead. But as long as the company is prepared with appropriate strategies to face such challenges, there are many goals waiting just around the corner. Holtek's 2016 business plan is listed as follows:

The major areas for Holtek's product development in 2016 will include, RF SoC MCUs, low power 32-bit MCUs and a range of ASSP MCUs. The 8-bit standard and ASSP MCUs will have features such as higher memory capacity, good ESD protection, low voltage operation and low power consumption. Additionally, the Holtek design teams have been expending efforts to further enhance the design performance of devices in the following areas: functional module products, healthcare, high accuracy measurement, security, fingerprint recognition and IoT related applications.

In terms of sales and in the face of intensified external competition, the Sales & Marketing Center will be increasing efforts to locate new applications for Holtek's existing product range and with regard to new products will be taking more initiative to seize new market opportunities. With this approach we firmly believe we can increase our revenue to beyond the 4 billion dollar level. Meanwhile the frontline sales and technical service departments should take more ambitious measures in increasing their professional understanding of new products and new markets. With this approach Holtek will continue to strengthen its professional service expertise, as well as looking for



cooperation with third party companies with different application expertise, in the process creating a channel for increased design-in opportunities. The combined efforts of the above coupled with the support of our production and logistical support units will form the basis to our continued increased competitiveness and sustainable growth well into the future.

Our management team are confident that with special efforts in the sales promotion, product development, production output and quality control areas and with a unified and more proactive approach from both frontline and other supporting units, with these all out efforts the revenue target of 4.2 billion Taiwan adollars is well within our grasp.

Finally and most importantly, we wish to extend our gratitude to all of Holtek's shareholders for their continued support and encouragement. We will continue to build on our already established firm foundation for sustained continued growth well into the future to fulfill all our shareholder's expectations.

Chairman : Wu, Chi-Yung

President : Gau, Kuo-Tung

Accounting Manager : Lee, Wen-Te

*Attachment 3*

**Supervisors' Review Report**

The Board of Directors has prepared and submitted to the undersigned, the business report, financial statements and proposal for distribution of earnings of the Company. The financial statements of HOLTEK SEMICONDUCTOR INC. in fiscal year 2015 have been duly audited by Emily Tsai and Allan Yu, Certified Public Accountants of KPMG. We, the supervisors, have duly reviewed the financial statements along with the business report and proposal for distribution of earnings of the Company and hereby verify that they comply with the requirements of Company Law and relevant regulations. This report is duly submitted in accordance with Article 219 of the Company Law, and we hereby submit this report.

To HOLTEK SEMICONDUCTOR INC. 2016 Regular Shareholders' Meeting

HOLTEK SEMICONDUCTOR INC.

Supervisor: Wang, Jen-Chung

Supervisor: Lin, Jia-Mow

Supervisor: Chou, Ling-Na (New Gain Investment Ltd., representative)

March 03, 2016

**Attachment 4**

**HOLTEK SEMICONDUCTOR INC.  
2015 Surplus Earnings Distribution Chart**

Unit: NT\$

Unappropriated Retained Earnings of Previous Years	117,785
Minus :	
Actuarial Income(Loss)from Defined Benefit Plans	( 12,504,592 )
Unappropriated Retained Earnings After Adjustment	( 12,386,807 )
Plus :	
Net Income of 2015	806,805,714
Retained Earnings Available for Distribution	794,418,907
Minus :	
Legal Reserve	( 79,441,891 )
Distribution Item :	
Cash Dividends to Shareholders (Note 1)	( 714,872,447 )
Unappropriated Retained Earnings	<div style="border-top: 1px solid black; border-bottom: 3px double black; padding: 2px 0;">\$ 104,569</div>

Note 1 : The portion of Unappropriated retained earnings was proposed to distribute cash of NT\$714,872,447 to shareholders. According to the register of shareholders on the record date, the cash distribution is approximately NT\$3.1608 per share. Cash payment shall be rounded to one NTD. If the cash distributions are impacted due to the law amendment, Company's subsequent share buybacks, the transfer or cancellation of treasury stocks, the exercise of employee stock options or other matters, the Board of Directors will be authorized by the Regular Shareholders' Meeting to adjust the cash payout ratio.

Note 2 : The portion of legal reserve which exceeds 25 percent of the paid-in capital was proposed to distribute cash of NT\$92,548,027 to shareholders. According to the register of shareholders on the record date, the cash distribution is approximately NT\$0.4092 per share. Cash payment shall be rounded to one NTD. If the cash distributions are impacted due to the law amendment, Company's subsequent share buybacks, the transfer or cancellation of treasury stocks, the exercise of employee stock options or other matters, the Board of Directors will be authorized by the Regular Shareholders' Meeting to adjust the cash payout ratio.

Note 3 : The total amount of NT\$807,420,474 was proposed to distribute to shareholders and the cash distribution is approximately NT\$3.57 per share.

Chairman : Wu, Chi-Yung

President : Gau, Kuo-Tung

Accounting Manager : Lee, Wen-Te

**Attachment 5**

**HOLTEK SEMICONDUCTOR INC.**

**Table comparing the original and the amended articles of “Procedures for Acquisition or Disposal of Assets and Financial Derivatives Transactions”**

Amended Article	Original Article	Explanation
<p>Article 3</p> <p>Procedures for acquisitions or disposal of assets shall be:</p> <p>The financial and accounting department should be responsible for acquisition or disposition of the Company's investments in marketable securities or engage in derivative transactions. Every department-in-charge shall draft the capital expenditure plan in advance for the acquisition or disposal purposes and also to analyze the purpose, the associated benefits and the possibility. Acquisition or disposition of real property and other assets are prepared in advance by the unit capital expenditure plan for the acquisition or disposal purposes, is expected to conduct a feasibility assessment of effectiveness. In the case of the real estate acquisition, it should</p>	<p>Article 3</p> <p>Procedures for acquisitions or disposal of assets shall be:</p> <p>The financial and accounting department should be responsible for acquisition or disposition of the Company's investments in marketable securities or engage in derivative transactions. Every department-in-charge shall draft the capital expenditure plan in advance for the acquisition or disposal purposes and also to analyze the purpose, the associated benefits and the possibility. Acquisition or disposition of real property and other assets are prepared in advance by the unit capital expenditure plan for the acquisition or disposal purposes, is expected to conduct a feasibility assessment of effectiveness. In the case of the real estate acquisition, it should</p>	<p>To accommodate the establishment of the Audit Committee.</p>

Amended Article	Original Article	Explanation
<p>be assessed by reasonableness trading conditions and other matters under the Section 2 of this procedure.</p> <p><u>The matters under the preceding paragraph shall be subject to the approval of one half or more of the entire membership of the Committee and shall be submitted to the board of directors for a resolution. Acquisition or disposition of the Company's investments shall be approved by one half or more of the entire membership of the Audit Committee may be adopted with the approval of two thirds or more of the entire board of directors. The resolution of the audit committee shall be recorded in the meeting minutes of the Board of Directors.</u></p> <p>Where the position of independent director has been created in accordance with the provisions of the Act, when the procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to the</p>	<p>be assessed by reasonableness trading conditions and other matters under the Section 2 of this procedure.</p> <p>(.....)</p>	



Amended Article	Original Article	Explanation
preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting. (.....)		
Article 4 Operating procedures for acquisitions or disposal of assets shall be: (.....) (C) Transactions involving related persons shall follow section 2 of these procedures by preparing relevant information for <u>submission to Audit Committee and Board of Directors for approval</u> prior to the transaction. (.....)	Article 4 Operating procedures for acquisitions or disposal of assets shall be: (.....) (C) Transactions involving related persons shall follow section 2 of these procedures by preparing relevant information for <u>submission to Board of Directors for approval and to the supervisor for recognition</u> prior to the transaction. (.....)	To accommodate the establishment of the Audit Committee.
Article 5 Filing procedures for acquisitions or disposal of assets (.....) Transactions that have met the requirements <u>in the preceding</u>	Article 5 Filing procedures for acquisitions or disposal of assets (.....) Transactions that have met the requirements of section 1, but	Adjust accordingly.

Amended Article	Original Article	Explanation
<u>regulation</u> , but have one of the following situations should within two (2) days of the transaction date, including the transaction date, announce relevant information on the website designated by the Financial Supervisory Commission: (.....)	have one of the following situations should within two (2) days of the transaction date, including the transaction date, announce relevant information on the website designated by the Financial Supervisory Commission: (.....)	
Article 8 Control procedures for the acquisition and disposal of assets by subsidiaries (.....) (D)Acquire or dispose of real property involving related party or acquiring or disposing of other assets where the transaction amount exceeds 20% of the total paid-in capital or <u>10% of the total assets of the Company</u> .	Article 8 Control procedures for the acquisition and disposal of assets by subsidiaries (.....) (D)Acquire or dispose of real property involving related party or acquiring or disposing of other assets where the transaction amount exceeds 20% of the total paid-in capital.	Amendment is made to conform to the amendment to Regulations Governing the Acquisition or Disposal of Assets by Public Companies.
Article 11 Resolution procedures on related party transactions: When the Company acquires or disposes of real property from a related party or acquires or disposes of other assets with a related party and such a transaction value reaches 20% of	Article 11 Resolution procedures on related party transactions: When the Company acquires or disposes of real property from a related party or acquires or disposes of other assets with a related party and such a transaction value reaches 20% of	To accommodate the establishment of the Audit Committee.

Amended Article	Original Article	Explanation
<p>the total paid in capital, 10% of the total assets of the Company or NT\$300 million, except for the sale or purchase of bonds, the purchase or redemption of securities with conditions, subscription or redemption of domestic currency market funds, the executing department should prepare the following information for <u>submission to Audit Committee and Board of Directors for approval</u> before executing the transaction agreement and making payments: (.....)</p> <p>The Company should to be discussed by the Board of Directors as set forth in item 1 above. Objections or opinions of the independent director shall be noted in the Board of Director meeting minutes.</p>	<p>the total paid in capital, 10% of the total assets of the Company or NT\$300 million, except for the sale or purchase of bonds, the purchase or redemption of securities with conditions, subscription or redemption of domestic currency market funds, the executing department should prepare the following information for <u>Board of Directors approval and Supervisor recognition</u> before executing the transaction agreement and making payments: (.....)</p> <p><u>If the Company has independent directors</u>, the Company should fully take the opinions of the independent director into consideration with respect to the items that need to be discussed by the Board of Directors as set forth in item 1 above. Objections or opinions of the independent director shall be noted in the Board of Director meeting minutes.</p>	
<p>Article 13</p> <p>Things to be resolved when obtaining the real estate from the</p>	<p>Article 13</p> <p>Things to be resolved when obtaining the real estate from the</p>	<p>To accommodate the establishment of the Audit Committee.</p>

Amended Article	Original Article	Explanation
<p>affiliated persons and such trading cost is below the trading price: (.....)</p> <p>The Company should comply with the Article 5.11.4 if the trading cost is less than the trading price pursuant to the Article 5.10, except for the situations which the Company can provide the objective evidence and the precise and reasonable opinions of the Real Estate Appraiser and accountant. (.....)</p> <p><u>(B) Audit Committee shall comply with the provisions of Article 14-5, paragraph 2 of the Securities and Exchange Act.</u></p>	<p>affiliated persons and such trading cost is below the trading price: (.....)</p> <p>The Company should comply with the Article 5.11.4 if the trading cost is less than the trading price pursuant to the Article 5.10, except for the situations which the Company can provide the objective evidence and the precise and reasonable opinions of the Real Estate Appraiser and accountant. (.....)</p> <p>(B) Supervisors shall comply with Article 218 of the Company Act.</p>	
<p>Article 14</p> <p>Derivative transactions with the principles and guidelines only forward contracts, options contracts, swap contracts, in addition to the items required to be increased <u>by the Audit Committee and the Board of Directors</u> may do so only after approval. (.....)</p> <p>All caps with individual contract</p>	<p>Article 14</p> <p>Derivative transactions with the principles and guidelines only forward contracts, options contracts, swap contracts, in addition to the items required to be increased by the Board or its authorized officer may do so only after approval. (.....)</p> <p>All caps with individual contract losses as for the Company's</p>	<p>Amendment is made to conform to the establishment of the Audit Committee and relevant regulations and to meet the Company's business execution.</p>

Amended Article	Original Article	Explanation
<p>losses as for the Company's foreign currency accounts receivable, accounts payable, foreign currency assets, liabilities actual demand for hedging operations, the risks faced by ex-ante evaluation has been controlled, <u>stop-loss point should be established to set strict to get avoid of the excess losses. Stop-loss point should be no more than 10% of the contract amount with the limit of accumulated loss no more than USD 0.3 million.</u> (.....)</p>	<p>foreign currency accounts receivable, accounts payable, foreign currency assets, liabilities actual demand for hedging operations, the risks faced by ex-ante evaluation has been controlled, so no loss limit. (.....)</p>	
<p>Article 16 internal audit system Company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, <u>the Audit Committee</u> shall be notified in writing.</p>	<p>Article 16 internal audit system Company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, <u>all supervisors</u> shall be notified in writing.</p>	<p>To accommodate the establishment of the Audit Committee.</p>
Article 18	Article 18	To accommodate the

Amended Article	Original Article	Explanation
Before convening the meeting for the Board of Directors for a resolution, the Company engaging in a merger, split, acquisition or share transfer shall retain accountants, attorneys or securities underwriters to provide opinions on the reasonableness of the share conversion rates, acquisition price or the cash or other assets distributed to shareholders, and <u>submit the opinions to the Audit Committee and the Board of Directors to discuss for approval.</u>	Before convening the meeting for the Board of Directors for a resolution, the Company engaging in a merger, split, acquisition or share transfer shall retain accountants, attorneys or securities underwriters to provide opinions on the reasonableness of the share conversion rates, acquisition price or the cash or other assets distributed to shareholders, and <u>submit the opinions to the Board of Directors to discuss for approval.</u>	establishment of the Audit Committee.
Article 26 These Procedures <u>shall be approved by more than half of all audit committee members and submitted to the Board of Directors for further approval and reported to the shareholders' meeting for approval. The same procedures shall apply with any amendment hereto. If a director holds dissenting opinions of Company's matters and there were records for it or in written stating, the Company shall submit materials of the director's</u>	Article 26 This Procedures, once approved by Board of Directors meetings, should be sent to each supervisor to be approved by shareholder meetings to practice and it is applicable to any amendment, If there is any objections in record or in written form by any director, such objection should be pass to each supervisor. If there is any independent director, the Company should take each independent director comment into consideration. Any opinions	To accommodate the establishment of the Audit Committee.

Amended Article	Original Article	Explanation
<u>dissenting opinions to the audit committee.</u>	other than approval should be duly recorded in the Board of Directors meeting minutes.	
<p>Article 27</p> <p><u>For calculation of 10% of total assets under these Procedures, the total assets stated in the most recent parent company only financial report prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.</u></p> <p><u>Where the Company's share is no-par stock or its par value per share is not the NT\$10, the transaction amount calculation related to 20% of the paid-in capital shall be calculated based on 10% of equity attributable to owners of the parent company.</u></p>	<p>Article 27</p> <p>Matters not provided herein shall be governed by the relevant laws and regulations and relevant internal rules of the Company. If the Procedures of Acquisition or Disposal of Assets in the original ruling is amended by the competent authority, the Company shall apply the provisions in the new ruling.</p>	<p>Amendment is made to conform to the amendment to Regulations Governing the Acquisition or Disposal of Assets by Public Companies.</p>
<p>Article 28</p> <p><u>Matters not provided herein shall be governed by the relevant laws and regulations and relevant internal rules of the Company. If the Procedures of Acquisition or Disposal of Assets in the original ruling is amended by the competent authority, the</u></p>		Adjust accordingly.

Amended Article	Original Article	Explanation
<u>Company shall apply the provisions in the new ruling.</u>		



**Attachment 6**

**HOLTEK SEMICONDUCTOR INC.**

**Table comparing the original and the amended articles of “Procedures for Lending Funds to Other Parties”**

Amended Article	Original Article	Explanation
<p>Article 6 Procedures for Fund Lending</p> <p>1. Handling Procedures</p> <p>(1) When lending funds or providing short-term financing to others, the Company’s division in charge shall review and submit the proposal for the Chairman of the Board’s approval, and shall be approved by one-half or more of all Audit Committee members and then for discussion and consent by the Board of Directors.</p> <p>(.....)</p> <p><u>If the proposal has not been approved by one-half or more of all Audit Committee members, it may be undertaken upon the consent of two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the meeting minutes of the Board of Directors.</u></p> <p><u>The Company shall take into full consideration of each independent</u></p>	<p>Article 6 Procedures for Fund Lending</p> <p>1. Handling Procedures</p> <p>(1) When lending funds or providing short-term financing to others, the Company’s division in charge shall review and submit the proposal for the Chairman of the Board’s approval and then for discussion and consent by the Board of Directors.</p> <p>(.....)</p> <p>The Company shall take into full consideration of each independent director’s opinion in the discussion by the Board of Directors, and shall record each independent director’s explicit opinion for assent or dissent and reason for dissent in the meeting minutes of the Board of Directors.</p> <p>(2) Omitted.</p> <p>(3) The Company’s internal auditors shall audit the procedures of lending of funds to others and</p>	<p>To accommodate the establishment of the Audit Committee.</p>

Amended Article	Original Article	Explanation
<p><u>director's opinion in the discussion by the Board of Directors, and shall record each independent director's explicit opinion for assent or dissent and reason for dissent in the meeting minutes of the Board of Directors.</u></p> <p>(2) Not Amended.</p> <p>(3) The Company's internal auditors shall audit the procedures of lending of funds to others and the implementation thereof each quarter and prepare a written audit report accordingly. If there is any material violation of the Operating Procedures, the auditors shall promptly notify <u>the Audit Committee</u> of the Company in writing.</p> <p>(4) Not Amended.</p> <p>(5) Where the recipients of the fund lending are not in compliance with the Operating Procedures or the amount of funds lent exceeds the limits set forth in the Operating Procedures as a result of change of conditions, the Finance Division of the Company shall prepare corrective plans and submit such</p>	<p>the implementation thereof each quarter and prepare a written audit report accordingly. If there is any material violation of the Operating Procedures, the auditors shall promptly notify <u>the Supervisors</u> of the Company in writing.</p> <p>(4) Omitted.</p> <p>(5) Where the recipients of the fund lending are not in compliance with the Operating Procedures or the amount of funds lent exceeds the limits set forth in the Operating Procedures as a result of change of conditions, the Finance Division of the Company shall prepare corrective plans and submit such corrective plans to <u>the Supervisors of the Company</u> and rectify as scheduled under the corrective plans.</p>	

Amended Article	Original Article	Explanation
corrective plans to <u>the Audit Committee</u> of the Company and rectify as scheduled under the corrective plans.		
<p>Article 11 Implementation</p> <p>After approval by one-half or more of <u>all Audit Committee members and then for discussion and consent by the Board of Directors, these Operating Procedures shall be submitted to the shareholders' meeting for approval before implementation.</u></p> <p><u>If the proposal has not been approved by one-half or more of all Audit Committee members, it may be undertaken and the resolution of the Audit Committee shall be recorded in the meeting minutes of the Board of Directors, and then submitted for approval by the shareholders' meeting before implementation.</u></p> <p><u>When the Operating Procedures are submitted for discussion in the meeting of Board of Directors, the Board of Directors shall take into full consideration of each independent director's opinion and shall record each independent</u></p>	<p>Article 11 Implementation</p> <p>After approval by the Board of Directors, the Operating Procedures shall be submitted to each Supervisor and for approval by the shareholders' meeting before implementation. If any director expresses an objection and such objection is recorded in the meeting minutes or a written statement is made for such objection, the Company shall submit the objection to each Supervisor and for discussion by the shareholders' meeting. The same procedure shall apply to any amendments to the Operating Procedures.</p> <p>When the Operating Procedures are submitted for discussion in the meeting of Board of Directors, the Board of Directors shall take into full consideration of each independent director's opinion and shall record each independent director's explicit opinion for</p>	To accommodate the establishment of the Audit Committee.

Amended Article	Original Article	Explanation
<u>director's explicit opinion for assent or dissent and reasons for dissent in the meeting minutes of the Board of Directors.</u>	assent or dissent and reasons for dissent in the meeting minutes of the Board of Directors.	

**Attachment 7**

**HOLTEK SEMICONDUCTOR INC.**

**Table comparing the original and the amended articles of “Procedures for Endorsements/Guarantees”**

Amended Article	Original Article	Explanation
<p>Article 6 Procedures for Making Endorsement and Guarantee</p> <p>1. The Finance Division of the Company shall review the qualification and limits of endorsement and guarantee based on the application by the entity for which the endorsement and guarantee is to be made item by item, and determine whether the amount of the endorsement and guarantee to be made is in compliance with the requirements of the Operating Procedures, and check whether the amount of the endorsement and guarantee to be made is subject to the public announcement and reporting regulation. The Finance Division shall submit the review and assessment report prepared in accordance with Article 8 of the Operating Procures for the Chairman of the Board’s approval. If the amount to be</p>	<p>Article 6 Procedures for Making Endorsement and Guarantee</p> <p>1. The Finance Division of the Company shall review the qualification and limits of endorsement and guarantee based on the application by the entity for which the endorsement and guarantee is to be made item by item, and determine whether the amount of the endorsement and guarantee to be made is in compliance with the requirements of the Operating Procedures, and check whether the amount of the endorsement and guarantee to be made is subject to the public announcement and reporting regulation. The Finance Division shall submit the review and assessment report prepared in accordance with Article 8 of the Operating Procures for the Chairman of the Board’s approval and <del>then for discussion and</del></p>	<p>To accommodate the establishment of the Audit Committee.</p>

Amended Article	Original Article	Explanation
made is within the authorized amount, the Chairman of the Board may approve the endorsement and guarantee based on the recipient's credit worthiness and financial condition at his discretion and then report to the next meeting of the Board of Directors for recognition.	<del>consent by the Board of Directors.</del> If the amount to be made is within the authorized amount, the Chairman of the Board may approve the endorsement and guarantee based on the recipient's credit worthiness and financial condition at his discretion and then report to the next meeting of the Board of Directors for recognition.	
2. Omitted.		
3. The Company's internal auditors shall audit the procedures of making endorsements and guarantees and the implementation thereof each quarter and prepare a written audit report accordingly. If there is any material violation of the Operating Procedures, the auditors shall notify <u>the Audit Committee</u> in writing.	<del>The Company shall take into full consideration of each independent director's opinion when making endorsements and guarantees to others and shall record each independent director's explicit opinion for assent or dissent and reasons for dissent in the meeting minutes of the Board of Directors.</del>	
4. Not Amended.	2. Omitted.	
5. If the qualification of the entity for which an endorsement or guarantee is made no longer meets the requirements set forth in the Operating Procedures, or the amount of endorsements and guarantees made exceeds the	3. The Company's internal auditors shall audit the procedures of making endorsements and guarantees and the implementation thereof each quarter and prepare a written audit report accordingly. If there is any material violation of the Operating Procedures, the	

Amended Article	Original Article	Explanation
limits set forth in the Operating Procedures as a result of changes of the basis of calculating the limits, the Finance Division of the Company shall prepare corrective plans for the endorsement and guarantee made to the entity which is no longer qualified or the amount in excess of the limits for the Chairman's approval and to correct all such issues within a specified period. The Finance Division of the Company shall also submit such corrective plans to <u>the Audit Committee</u> and rectify as scheduled under the corrective plans.	auditors shall notify <u>the Supervisors</u> of the Company in writing. 4. Omitted. 5. If the qualification of the entity for which an endorsement or guarantee is made no longer meets the requirements set forth in the Operating Procedures, or the amount of endorsements and guarantees made exceeds the limits set forth in the Operating Procedures as a result of changes of the basis of calculating the limits, the Finance Division of the Company shall prepare corrective plans for the endorsement and guarantee made to the entity which is no longer qualified or the amount in excess of the limits for the Chairman's approval and to correct all such issues within a specified period. The Finance Division of the Company shall also submit such corrective plans to <u>the Supervisors of the Company</u> and rectify as scheduled under the corrective plans.	
Article 8 Decision-making and Authorization	Article 8 Decision-making and Authorization	To accommodate the establishment of the

Amended Article	Original Article	Explanation
<p>1. Where an amount of endorsement and guarantee to be made is approved by the Company, each time when executing the endorsement and guarantee within such amount, the application letter by the entity for which the guarantee is to be made shall be reviewed in accordance with Article 5 of the Operating Procedures.</p> <p><u>After approval by one-half or more of all Audit Committee members, and then for discussion and consent by the Board of Directors, these Operating Procedures shall be submitted to the shareholders' meeting for approval before implementation.</u></p> <p><u>If the proposal has not been approved by one-half or more of all Audit Committee members, it may be undertaken and the resolution of the Audit Committee shall be recorded in the meeting minutes of the Board of Directors.</u></p> <p>2. If the qualification of the entity for which an endorsement or guarantee is made no longer meets the requirements set forth</p>	<p>1. Where an amount of endorsement and guarantee to be made is approved by the Company, each time when executing the endorsement and guarantee within such amount, the application letter by the entity for which the guarantee is to be made shall be reviewed in accordance with Article 5 of the Operating Procedures and approved by the Board of Directors. The same approval procedure shall apply if there is any change to the application amount.</p> <p><del>The Company shall take into full consideration of each independent director's opinion when providing endorsements and guarantees to others and shall record each independent director's explicit opinion for assent or dissent and reasons for dissent in the meeting minutes of the Board of Directors.</del></p> <p>2. If the qualification of the entity for which an endorsement or guarantee is made no longer meets the requirements set forth in the Operating Procedures, or the amount of endorsements and</p>	<p>Audit Committee.</p>



Amended Article	Original Article	Explanation
<p>in the Operating Procedures, or the amount of endorsements and guarantees made exceeds the limits set forth in the Operating Procedures as a result of changes of the basis of calculating the limits, the Finance Division of the Company shall prepare corrective plans for the endorsement and guarantee made to the entity which is no longer qualified or the amount in excess of the limits for the Chairman's approval and to correct all such issues within a specified period. The Company shall also submit such corrective plans to <u>the Audit Committee</u> and rectify as scheduled under the corrective plans.</p> <p>The Company shall take into full consideration of each independent director's opinion when providing endorsements and guarantees to others and shall record each independent director's explicit opinion for assent or dissent and reasons for dissent in the meeting minutes of the Board of Directors.</p>	<p>guarantees made exceeds the limits set forth in the Operating Procedures as a result of changes of the basis of calculating the limits, the Finance Division of the Company shall prepare corrective plans for the endorsement and guarantee made to the entity which is no longer qualified or the amount in excess of the limits for the Chairman's approval and to correct all such issues within a specified period. The Company shall also submit such corrective plans to <u>the Supervisors of the Company</u> and rectify as scheduled under the corrective plans.</p> <p>The Company shall take into full consideration of each independent director's opinion when providing endorsements and guarantees to others and shall record each independent director's explicit opinion for assent or dissent and reasons for dissent in the meeting minutes of the Board of Directors.</p>	
<p>Article 14 Implementation</p> <p>After approval by one-half or</p>	<p>Article 14 Implementation</p> <p>After approval by the Board of</p>	<p>To accommodate the establishment of the</p>

Amended Article	Original Article	Explanation
<p><u>more of all Audit Committee members and then for discussion and consent by the Board of Directors, these Operating Procedures shall be submitted to the shareholders' meeting for approval before implementation. If the proposal has not been approved by one-half or more of all Audit Committee members, it may be undertaken and the resolution of the Audit Committee shall be recorded in the meeting minutes of the Board of Directors, and then submitted for approval by the shareholders' meeting before implementation.</u></p> <p><u>When the Operating Procedures are submitted for discussion in the meeting of Board of Directors, the Board of Directors shall take into full consideration of each independent director's opinion and shall record each independent director's explicit opinion for assent or dissent and reasons for dissent in the meeting minutes of the Board of Directors.</u></p>	<p>Directors, the Operating Procedures shall be submitted to each Supervisor and for approval by the shareholders' meeting before implementation. If any director expresses an objection and such objection is recorded in the meeting minutes or a written statement is made for such objection, the Company shall submit the objection to each Supervisor and for discussion by the shareholders' meeting. The same procedure shall apply to any amendments to the Operating Procedures.</p> <p>When the Operating Procedures are submitted for discussion in the meeting of Board of Directors, the Board of Directors shall take into full consideration of each independent director's opinion and shall record each independent director's explicit opinion for assent or dissent and reasons for dissent in the meeting minutes of the Board of Directors.</p>	<p>Audit Committee.</p>

*Attachment 8*

**HOLTEK SEMICONDUCTOR INC.**  
**Table comparing the original and the amended articles of “Regulations  
Governing the Election of Directors and Supervisors”**

Amended Article	Original Article	Explanation
Regulations Governing the Election of Directors	Regulations Governing the Election of Directors <u>and Supervisors</u>	To accommodate the establishment of the Audit Committee.
Article 1 Election of directors shall be acted upon in accordance with these regulations.	Article 1 Election of directors <u>and supervisors</u> shall be acted upon in accordance with these regulations.	To accommodate the establishment of the Audit Committee.
Article 2 The directors shall be elected pursuant to the candidate nomination system in Article 192-1 of the Company Law and executed in the shareholders’ meeting.	Article 2 Election of directors <u>and supervisors</u> shall be held at the shareholders’ meeting respectively or simultaneously.	To accommodate the establishment of the Audit Committee.
Article 3 The single open-ballot, registered voting method will be used for the election of directors of the Company. The shareholder account number or attendance card number printed on the ballots may substitute for the names of voters.	Article 3 The single open-ballot, registered voting method will be used for the election of directors <u>and supervisors</u> . The shareholder account number or attendance card number printed on the ballots may substitute for the names of voters.	To accommodate the establishment of the Audit Committee.
Article 4 Election of directors, each voting	Article 4 Election of directors <u>and</u>	To accommodate the establishment of the

Amended Article	Original Article	Explanation
share is entitled to have vote equivalent to the number of directors to be elected. The Board of Directors shall prepare ballots equal to the number of directors to be elected, each ballot shall bear an elector's attendance card number and <u>number of votes for distribution</u> to the attending shareholders. The total number of votes may be used to elect a single candidate or be allocated among several candidates.	<u>supervisors</u> , each voting share is entitled to have vote equivalent to the number of directors/ <u>supervisors</u> to be elected. The Board of Directors shall prepare ballots equal to the number of directors/ <u>supervisors</u> to be elected and distribute these ballots to the attending shareholders. The total number of votes may be used to elect a single candidate or be allocated among several candidates.	Audit Committee.
Article 5 The election of independent directors and non-independent directors shall be held together, but elections for these positions shall be calculated separately. The directors and <u>independent directors</u> of the Company shall be elected, based on the seats stipulated in the Company's articles of incorporation, among <u>the candidate list</u> to make juridical acts in the shareholders' meeting. With voting rights separately calculated for independent, non-independent director and supervisor seats,	Article 5 The election of independent directors and non-independent directors shall be held together, but elections for these positions shall be calculated separately. The directors <u>and supervisors</u> of the Company shall be elected, based on the seats stipulated in the Company's articles of incorporation, among those with capacity to make juridical acts in the shareholders' meeting. With voting rights separately calculated for <u>independent, non-independent director and supervisor</u> seats, those receiving ballots	To accommodate the establishment of the Audit Committee.

Amended Article	Original Article	Explanation
those receiving ballots representing the highest numbers of voting rights will be elected as independent directors, non-independent directors, or supervisors sequentially according to their respective numbers of votes. When two or more candidates receive the same number of ballots, thus exceeding the specified seats, they shall draw lots to determine the winner. The chairman shall draw lots on behalf of the candidate not in attendance.	<p>representing the highest numbers of voting rights will be elected as independent directors, non-independent directors, or supervisors sequentially according to their respective numbers of votes. When two or more candidates receive the same number of ballots, thus exceeding the specified seats, they shall draw lots to determine the winner. The chairman shall draw lots on behalf of the candidate not in attendance.</p> <p><del>A candidate simultaneously elected as a director and supervisor shall, at the candidate's own discretion, decide to serve as either director or supervisor. If the elected director or supervisor is being checked and verified that the election is void due to the inconformity of his/her personal information or according to the laws, the vacancy shall be replaced by the candidate with second higher votes. The position left vacant by such decision shall be filled by the candidate with the</del></p>	

Amended Article	Original Article	Explanation
	<del>next highest number of votes in the original election.</del>	
Article 6 (deleted)	Article 6 <del>The board of directors shall prepare election ballots of the number equal to the number of the director or supervisor that shall be elected, bearing the codes of the shareholder attendance certificates and the number of voting rights. The election ballots shall be distributed to the common shareholders who are present at the shareholders' meeting.</del>	Sentences repeated.
Article 13 (deleted)	Article 13 <del>The Company shall not elect supervisors when it has established the Audit Committee.</del>	To accommodate the establishment of the Audit Committee.

*Attachment 9*

**HOLTEK SEMICONDUCTOR INC.  
List of Director Candidates**

Name	Shareholdings (shares)(Note 1)	Education & Professional Qualifications	Major Past Positions	Current Positions
Wu, Chi-Yung	7,665,809	Bachelor of Electronic Engineering Department, Feng Chia University	Chairman, HOLTEK Semiconductor Inc.	Chairman, HOLTEK Semiconductor Inc.
Gau, Kuo-Tung	6,701,176	Bachelor of Electronic Engineering Department, Hwa Hsia University of Technology	President, HOLTEK Semiconductor Inc.	President, HOLTEK Semiconductor Inc.
Chang, Chih	1,111,785	Master of Electrical Engineering Department, National Cheng Kung University	Executive Vice President of Design Center and Product Center, HOLTEK Semiconductor Inc.	Executive Vice President of Design Center and Product Center, HOLTEK Semiconductor Inc.
Lin, Cheng-Fung	1,842,697	Bachelor of Electronic Engineering Department, Feng Chia	Vice President of President's Office, HOLTEK Semiconductor Inc.	Vice President of President's Office, HOLTEK Semiconductor Inc.

Name	Shareholdings (shares)(Note 1)	Education & Professional Qualifications	Major Past Positions	Current Positions
		University		
Li, Pei-Ying	1,013,093	MBA, University of California, Riverside	Vice President of Resource Management Center, HOLTEK Semiconductor Inc.	Vice President of Resource Management Center, HOLTEK Semiconductor Inc.
Wang, Jen-Chung	2,137,209	Master of Institute of Technology Management, Nation Tsing Hua University	Vice President of Resource Management Center, HOLTEK Semiconductor Inc.	<ol style="list-style-type: none"> <li>1. Representative of a juridical person director, Gingy Technology Co.</li> <li>2. Representative of a juridical person director, LiVE Technology Co., Ltd.</li> <li>3. Representative of a juridical person supervisor, Greatek Electronic Inc.</li> <li>4. Supervisor, CeLAN</li> </ol>



Name	Shareholdings (shares)(Note 1)	Education & Professional Qualifications	Major Past Positions	Current Positions
				Technology Inc.

Note 1 : Shareholdings are as of March 29, 2016.

**HOLTEK SEMICONDUCTOR INC.**  
**List of Independent Director Candidates**

Name	Shareholdings (shares)(Note 1)	Education & Professional Qualifications	Major Past Positions	Current Positions
Lu, Cheng-Yueh	-	Master of Accounting Department, Soochow University	CFA, LEE, LIN & CO.	1. CFA, LEE, LIN & CO. 2. Independent Director, YUAN JEN Enterprises Co., Ltd.
Hsing, Chih-Tien	-	Ph.D., Electrical Department, University of Florida	Senior Vice President, Quanta Computer Inc. and President of Quanta Research Institute	Independent Director, Browave Corporation
Kuo, Tai-Haur	-	Ph.D., Electrical Engineering Department, University of Maryland	Professor, Electrical Engineering Department, National Cheng Kung University	1. Professor, Electrical Engineering Department, National Cheng Kung University 2. Independent Director, ChipMOS Technologies, Inc.

Note 1 : Shareholdings are as of March 29, 2016.

**Attachment 10**

**HOLTEK SEMICONDUCTOR INC.**

**Permit of directors' engagement in competitive conducts of 7th term Directors**

Title(s) of the Company	Name	Company Name	Title(s) of the Competitive Companies
Chairman	Chi-Yung Wu	Holtek Semiconductor Holding (BVI) Ltd., Kingtek Semiconductor Holding (BVI) Ltd., Bestcomm RF Electronics Inc.	Representative of a juridical person director
		Shengling Investment Co., Holtek Semiconductor (Xiamen) Inc., Holtek Semiconductor (China) Inc., Bestcomm RF Electronics Inc., Best Solution Technology Inc.	Chairman
Director	Gau, Kuo-Tung	Kingtek Semiconductor Holding(BVI) Ltd., Shengling Investment Co., Holtek Semiconductor (Xiamen) Inc., Holtek Semiconductor (China) Inc., Bestcomm RF Electronics Inc.	Representative of a juridical person director
		Kingtek Semiconductor (Suzhou) Inc.	Chairman
Director	Chang, Chih	Kingtek Semiconductor (Suzhou) Inc., Holtek Semiconductor (Xiamen) Inc.	Representative of a juridical person director
Director	Lin, Cheng-Fung	Sigmos Holdings Ltd.、MCU Holdings Ltd., Sunnystone (Hong Kong) Limited, Bestway Electronics (Shenzhen) Inc.	Representative of a juridical person director
Director	Pei-Ying Li	Holtek Semiconductor Holding (BVI) Ltd., Sigmos Holdings Ltd., MCU Holdings Ltd., Shengling Investment Co., Santek Holdings Ltd., Santek Holdings (Xiamen) Ltd., Newtek Electronics Ltd., Newtek Electronics (Shenzhen)	Representative of a juridical person director

Title(s) of the Company	Name	Company Name	Title(s) of the Competitive Companies
		Ltd., Truetek Technology Ltd., Truetek Technology (Shanghai) Ltd., E-Micro Technology Holding Ltd., E-Micro Technology (Qingdao) Ltd., New Wave Electronics Holding Ltd. 、Crown Rich Technology Holding Ltd., Crown Rich Technology (Shenzhen ) Ltd., ForIc Electronics Holding Ltd., ForIc Electronics (Beijing) Ltd., Quanding Technology Holding Ltd., Quanding Technology (Suzhou) Ltd., Innotek Electronics Inc. 、Bestway Electronics Inc., Tech Wave Ltd., ETEK Technology Company Limited, EST Technology Integration Corp., Signal Electronic Co., Ltd., Gingy Technology Co., Bestcomm RF Electronics (BVI) Inc., Bestcomm RF Electronics Inc., Best Solution Electronics (BVI) Inc., Best Solution Electronics Inc., Fine Chip Electronics Inc., Fine Chip Electronics (Shanghai) Inc., Anchip Technology Corporation, Anchip Technology (Shenzhen) Corporation, Kingtek Semiconductor (Suzhou) Inc., Holtek Semiconductor (China) Inc.	
		Holtek Semiconductor (Xiamen) Inc., Tangent Microelectromechanics Corp.	Representative of a juridical person supervisor
		Kingtek Semiconductor (Suzhou) Inc.	President
Director	Wang, Jen-Chung	Gingy Technology Co. LiVE Technology Co., Ltd.	Representative of a juridical person

Title(s) of the Company	Name	Company Name	Title(s) of the Competitive Companies
			director
		Greatek Electronic Inc.	Representative of a juridical person supervisor
		CeLAN Technology Inc.	Supervisor
Independent Director	Lu, Cheng-Yueh	YUAN JEN Enterprises Co., Ltd.	Independent Director
Independent Director	Hsing, Chih-Tien	Browave Corporation	Independent Director
Independent Director	Kuo, Tai-Haur	ChipMOS Technologies, Inc.	Independent Director

## ***Appendices***

### ***Appendix 1***

# **ARTICLES OF INCORPORATION OF HOLTEK SEMICONDUCTOR INC.**

## **Section 1 General Provisions**

### **Article 1**

The Company shall be incorporated under the Company Law of the Republic of China, and its name shall be 盛群半導體股份有限公司 in the Chinese language, and HOLTEK SEMICONDUCTOR INC. in the English language.

### **Article 2**

The business scope of the company shall be as follows:

- CC01080 : Electronic Parts and Components Manufacturing;
- F401030 : Manufacture and export business;
  1. Research, design, development, production and marketing of the following products:
    - (1) ICs for IC Cards
    - (2) Digital camera devices
    - (3) FLEX Pager devices
    - (4) DECT Digital wireless telephone control devices
    - (5) Other Application-Specific ICs related to the above mentioned ICs
    - (6) Derivative products related to the above mentioned ICs
  2. Import and export trade for the above mentioned products.

### **Article 3**

The Company shall have its head-office in Hsinchu Science-based Industrial Park and, if necessary, may set up branches or business offices in and out of this country upon a resolution of its Board of Directors and approval from the competent government authority.

### **Article 4**

The Company may provide endorsement and guarantee to other companies. The process shall be

handled in accordance with the Company's Regulations Governing Endorsement and Guarantee.

#### Article 5

The total amount of the Company's reinvestment shall not be subject to the restriction of not more than forty percent of the Company's paid-up capital as provided in Article 13 of the Company Law. Any matters regarding the reinvestment shall be resolved in accordance with the resolutions of the Board of Directors.

### **Section 2 Shares**

#### Article 6

The total capital stock of the Company shall be in the amount of 3 billion New Taiwan Dollars, divided into 0.3 billion shares at NT\$10 par value each share, and may be paid-up in installments. The Company may issue shares from time to time in accordance with the resolutions of the Board of Directors. Two hundred million New Taiwan Dollars of the total capital stock shall be divided into 20 million shares at NT\$10 par value for each share. A total of 20 million shares of the above total capital stock should be reserved for issuing stock options.

#### Article 6-1

For issuing employee stock warrants where the exercise price is restricted below the close price of common shares is required to obtain the consent of at least two-thirds of the voting rights represented at a shareholders meeting attended by shareholders representing a majority of the total issued shares.

For transferring shares to its employees where the transferred price is below the buyback average price, it shall be decided by a resolution to be adopted by a two-thirds or more vote of the directors at a meeting of the board of directors attended by at least a majority of the entire directors of the company.

#### Article 7

The share certificate of the Company can be all name-bearing share certificates and shall be signed by, and affixed with the seals or by signature of, at least three directors of the Company, and issued after duly authentication pursuant to the law.

For the new shares to be issued to the public by the Company, the issuing company may be

exempted from printing any share certificate for the shares issued or the issuing company may print a consolidated share certificate representing the total number of the new shares to be issued at the same time of issue.

#### Article 8

Registration for transfer of shares shall all be suspended 60 days before the convocation of any regular shareholders' meeting, 30 days before the convocation of special shareholders' meeting, or 5 days before the record day for distribution of dividend, interest and bonus or any other benefit as scheduled by the Company.

#### Article 9

All stock operations conducted by shareholders of the Company shall follow the "Guidelines for Stock Operations for Public Companies" unless specified otherwise by law and securities regulations.

### **Section 3 Shareholders' Meeting**

#### Article 10

Shareholders' meeting shall be of two types, namely regular and special shareholders' meeting; the former shall be convened once a year by the Board of Directors in accordance with laws within six months after the close of each accounting fiscal year. Special shareholders' meeting shall be convened in accordance with relevant laws, rules and regulations of the Republic of China.

#### Article 11

In case a shareholder is unable to attend a shareholders' meeting, he/she may issue proxy printed by the Company setting forth the scope of authorization by signing or affixing his/her seal on the proxy form for the representative to be present on his/her behalf, in accordance with the Company Law and the Rules Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies.

#### Article 12

Each share is entitled to one voting right, except shares held under regulation of Article 179 of the Company Law, which have no voting rights.



#### Article 13

Except as regulated in the Company Law of the Republic of China, shareholders' meetings may be held if attended by shareholders in person or by proxy representing more than 50% of the total issued and outstanding capital stock of the Company, and resolutions shall be adopted at the meeting with the concurrence of a majority of the votes held by shareholders present at the meeting.

### **Section 4 Directors and Supervisors**

#### Article 14

The Company shall have seven to nine directors and three supervisors to be elected at a shareholders' meeting through nominating system from persons of legal capacity to serve a term of three years. A director or supervisor may be re-elected.

The Company shall appoint independent directors, not less than two in number and not less than one-fifth of the total number of directors in accordance with the Article 14-2 of the Securities and Exchange Act. Independent directors' qualification, the limitations of shareholding and concurrently serving other positions, the methods of nomination and election and other related matters shall be subject to the applicable laws.

#### Article 15

The Board of directors shall be organized by directors. The Chairman of the Board shall be elected by majority of directors present at a meeting attended by more than two thirds of directors. The Chairman of the Board of directors shall have the authority to represent the Company.

#### Article 16

The total shares of nominal stocks held by the entire body of either directors or supervisors of the Company shall be regulated in Regulations of the minimum percentage to be held by the directors and supervisors, and the examination of such holding shall be prescribed by an order from the Competent Authority.

#### Article 17

Meetings of the Board of Directors shall be convened by the Chairman of the Board of Directors, except under conditions regulated by the Company Law and the Regulations Governing Procedure for Board of Directors Meetings for holding the Meeting if emergency occurred. Directors and

supervisors may be notified of the Board of Directors meeting via written notice such as E-mail or fax.

#### Article 18

If, for any reason, the chairman of the board of directors is on leave or absent or cannot exercise his power and authority, its representatives policy shall be regulated by the Article 208 in the Company Law.

All board directors shall attend board meetings in person; if attendance in person is not possible, they may appoint another director to attend as their proxy. A proxy under paragraph 2 may accept a proxy from one person only.

#### Article 19

The Board of Directors is authorized to determine the compensation for the all directors and supervisors, according to involvements and contributions to the Companies' operation. The compensation is restricted by the highest level of the Regulations for the Compensation of the Company. If it exist surplus earnings, the Company shall pay the compensation regulated by Article 24.

#### Article 20

The Board of Directors shall have the following functions and responsibilities:

1. Examination and review of operational policy and medium and long-term development plans.
2. Review of and supervision over execution of annual business plans.
3. Approval of budget and examination of the final settlement of account.
4. Examination of capital increase/decrease plans.
5. Examination of earnings distribution or loss making up programs.
6. Examination and approval of important contracts.
7. Approval of organizational by-laws and important business rules.
8. Decision in establishment, reorganization or removal of branch offices.
9. Approval of major capital expenditure plans.
10. Appointment and discharge of included Vice Presidents or above.
11. Other matters to be handled in accordance with the Company Law and related laws.

#### Article 21

Supervisors shall have the following authority:

1. Audit account closings.
2. Oversee the Company's business performance and financial standing as well as request the Board of Directors or managerial officers to submit reports.
3. Convene the Shareholders' Meeting when necessarily.
4. Other matters to be handled in accordance with the Company Law and related laws.

### **Section 5 Managers**

#### Article 22

The Company may have one President and several managers, whose appointments, discharge, and remunerations shall be subject to provisions in the Company Law.

### **Section 6 Accounting**

#### Article 23

After the close of each fiscal year, in accordance with the Company Law, the following reports shall be prepared by the Board of Directors, and be audited by Supervisors 30 days prior to the annual general shareholders' meeting, and be submitted to the shareholders' meeting for acceptance.

1. Business Report.
2. Financial Statements.
3. Proposal Concerning Appropriation of Net Profits or Covering of Losses.

#### Article 24

After making the final settlement of account, the Company shall allocate the net profit ("earnings"), if any, according to the following sequence:

1. Payment of taxes.
2. Making up loss for preceding years.
3. Setting aside 10% for legal reserve.
4. Appropriating or reversing special reserve by the Securities and Exchange Act.
5. Allocation of 13.5% of residual amount after deducting the amounts stated in Item 1 through 4 above for distributing as bonus to employees.

6. Allocation of 1.5% of residual amount after deducting the amounts stated in Item 1 through 4 above for remuneration of directors.
  7. The rest shall be distributed according to the distribution plan proposed by the board of directors according to the dividend policy and submitted to the shareholders' meeting for approval.
- The distribution of shareholders dividend referred to in the preceding paragraph, shall be allocated as cash dividend shall not less than 50% of shareholders cash dividend and shareholders stock dividend.

#### **Section 7 Additional Rules**

##### **Article 25**

In regard to all matters not provided for in the Articles of Incorporation, the Company Law of the Republic of China and other regulations shall govern.

##### **Article 26**

These Articles of Incorporation were resolved on September 7, 1998. The first amendment was made on November 30, 1998, the second amendment on June 10, 1999, the third amendment on April 5, 2000, the fourth amendment on March 2, 2001, the fifth amendment on April 17, 2002, the sixth amendment on June 9, 2003, the seventh amendment on June 1, 2004, the eighth amendment on June 13, 2005, the ninth amendment on September 18, 2006, the tenth amendment on June 11, 2007, the eleventh amendment on June 13, 2008, the twelfth amendment on June 10, 2009, the thirteenth amendment on June 15, 2010, the fourteenth amendment on June 12, 2012 and the fifteenth amendment on June 9, 2015.

**HOLTEK SEMICONDUCTOR INC.**

**Chairman Wu, Chi-Yung**

## *Appendix 2*

### **HOLTEK SEMICONDUCTOR INC. RULES AND PROCEDURES OF SHAREHOLDERS' MEETING**

- Article 1 Shareholders' Meeting of the Company (the "Meeting"), except as otherwise provided by law or regulation, shall be conducted in accordance with these Rules and Procedures.
- Article 2 Shareholders or their representatives attending the Meeting shall show the Attendance certificate which manufacture and deliver by the Company and shall submit the attendance card for the purpose of signing in.  
The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.  
Shareholders attending the meetings and vote shall be calculated based on numbers of shares.
- Article 3 The chairman of the board of directors shall be the chairman presiding at the Meeting in the case that the Meeting is convened by the board of directors. If, for any reason, the chairman of the board of directors is on leave or absent or cannot exercise his power and authority, the chairman of the board of directors shall appoint one of the directors to act on his behalf. . Where the chairman of the board of directors does not make such a designation, the directors shall select by plurality voting from among themselves one an acting chairman of the board of directors.  
It is advisable that shareholders meetings convened by the board of directors be attended by a majority of the directors.  
For a shareholders meeting called by the board of directors, it is advisable that a majority of the directors and at least one supervisor attend in person, and that at least one member of each functional committee attend as representative. Attendance details should be recorded in the shareholders meeting minutes.
- Article 4 The chairman shall call the Meeting to order at the appointed meeting time or attending shareholders do represent a majority of the total number of issued shares. However, when the attending shareholders do not represent a majority of the total

number of issued shares, the chairman may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the attending shareholders represent one third or more of the total number of issued shares shall make a tentative resolution pursuant to Article 175, paragraph 1 of the Company Act.

When processing the preceding tentative resolution, the attending shareholders represent a majority of the total number of issued shares, the chairman may, from time to time, call the Meeting to order and the tentative resolution may be submitted to the Meeting for retroactive recognition.

**Article 5** The agenda of the Meeting shall be set by the Board of Directors if the Meeting is convened by the Board of Directors. Unless otherwise resolved at the Meeting, the Meeting shall proceed in accordance with the agenda.

If the Meeting is convened by any other person having the convening right, he/she shall act as the chairman of that meeting provided, however, that if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.

The chairman may not declare the Meeting adjourned prior to completion of deliberation on the Meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting.

After close of the said Meeting, shareholders shall not elect another chairman to hold another Meeting at the same place or at any other place.

**Article 6** Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chairman.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chairman and the shareholder that has the floor; the chairman shall stop any violation.

A shareholder may not speak exceed five minutes on the same proposal, but can be extended once by the chairman whose speech shall be limited to three minutes.

If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chairman may terminate the speech. After an attending shareholder has spoken, the chairman may respond in person or direct relevant personnel to respond.

Article 7 The chairman may announce to end the discussion of any resolution and go into voting if the Chairman deems it appropriate.

The result of voting shall be announced at the Meeting and placed on record.

The person(s) to check and the person(s) to record the ballots during a vote by casting ballots shall be appointed by the chairman. The person(s) checking the ballots shall be a shareholder(s).

The election of directors or supervisors at the Meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected.

Article 8 Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for all proposals or parts of the proposal before extraordinary motions, the chair or a person designated by the chairman shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the Meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

Article 9 When there is an amendment or an alternative to a proposal, the chairman shall present the amended or alternative proposal together with the original proposal and

decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected and no further voting shall be required.

- Article 10 Any legal entity designated as proxy by a shareholder(s) to be present at the Meeting may appoint only one representative to attend the Meeting. If a corporate shareholder designates two or more representatives to attend the Meeting, only one representative can speak for each discussion item.
- Article 11 When the Meeting is in progress, the chairman may announce a break based on time considerations. If a force majeure event occurs, the chairman may rule the Meeting temporarily suspended and announce a time or another day when, in view of the circumstances, the Meeting will be resumed.  
The resolutions remain in effect regardless of announcing a break as referred to in the preceding paragraph.
- Article 12 The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend the Meeting in a non-voting capacity.
- Article 13 The chairman may direct the proctors or security personnel to help maintain order at the Meeting place. When proctors or security personnel help maintain order at the Meeting place, they shall wear an identification card or armband bearing the word "Proctor."
- Article 14 The Company shall make an uninterrupted audio and video recording during the process of the Meeting. The recorded materials of the preceding paragraph shall be retained for at least one year.
- Article 15 These Rules and Procedures shall be effective from the date it is approved by the Shareholders' Meeting. The same applies in case of revision.



### *Appendix 3*

## **HOLTEK SEMICONDUCTOR INC. REGULATIONS GOVERNING THE ELECTION OF DIRECTORS AND SUPERVISORS**

### **Article 1**

Election of directors and supervisors shall be acted upon in accordance with these regulations.

### **Article 2**

Election of directors and supervisors shall be held at the shareholders' meeting respectively or simultaneously.

### **Article 3**

The single open-ballot, registered voting method will be used for the election of directors and supervisors of the Company. The shareholder account number or attendance card number printed on the ballots may substitute for the names of voters.

### **Article 4**

Election of directors and supervisors, each voting share is entitled to have vote equivalent to the number of directors/supervisors to be elected. The Board of Directors shall prepare ballots equal to the number of directors/supervisors to be elected and distribute these ballots to the attending shareholders. The total number of votes may be used to elect a single candidate or be allocated among several candidates.

### **Article 5**

The election of independent directors and non-independent directors shall be held together, but elections for these positions shall be calculated separately.

The directors and supervisors of the Company shall be elected, based on the seats stipulated in the Company's articles of incorporation, among those with capacity to make juridical acts in the shareholders' meeting. With voting rights separately calculated for independent, non-independent director and supervisor seats, those receiving ballots representing the highest numbers of voting

rights will be elected as independent directors, non-independent directors, or supervisors sequentially according to their respective numbers of votes. When two or more candidates receive the same number of ballots, thus exceeding the specified seats, they shall draw lots to determine the winner. The chairman shall draw lots on behalf of the candidate not in attendance.

A candidate simultaneously elected as a director and supervisor shall, at the candidate's own discretion, decide to serve as either director or supervisor. If the elected director or supervisor is being checked and verified that the election is void due to the inconformity of his/her personal information or according to the laws, the vacancy shall be replaced by the candidate with second higher votes. The position left vacant by such decision shall be filled by the candidate with the next highest number of votes in the original election.

#### Article 6

The board of directors shall prepare election ballots of the number equal to the number of the director or supervisor that shall be elected, bearing the codes of the shareholder attendance certificates and the number of voting rights. The election ballots shall be distributed to the common shareholders who are present at the shareholders' meeting.

#### Article 7

The shareholders give their ballots to entrust other attending shareholders vote in his place when he/she leaves in the session.

#### Article 8

At the beginning of the election, the chairman shall appoint a certain number of scrutineers and ballot counters to carry out relevant duties; provided that the scrutineers shall be appointed among the shareholders in attendance.

#### Article 9

The ballot box(s), prepared by the board of directors, shall be publicly opened and inspected by scrutineers prior to the casting of ballots.

#### Article 10

In case a candidate is a shareholder, a voter shall fill in the candidate's account name and shareholder account number in the "candidate" column of the ballot and may fill in his/her shareholder account number or ID card number. For a non-shareholder candidate, a voter shall fill in the candidate's name and ID card number. If the candidate is a governmental organization or a legal entity shareholder, the name of the governmental organization or the legal entity or their representative shall be entered in the column for the candidate's account name of the ballot. When there are multiple representatives, the names of each individual representative shall be entered.

#### Article 11

Ballots shall be deemed void under any of the following conditions:

- (1) Ballots not prepared in accordance with these Regulations;
- (2) Blank ballots not completed by the voters;
- (3) The writing is unclear and illegible or the alteration is made without sealing thereon as required by law;
- (4) If the candidate is a shareholder of the Company, the name or shareholder's number of the candidate filled in the ballot is inconsistent with the roster of shareholders. If the candidate is not a shareholder of the Company, the name or ID number of the candidate filled in the ballot is incorrect;
- (5) Two or more candidates are included in a single ballot;
- (6) Ballot with other written characters or symbols in addition to candidate's name and shareholder's number/ID number;
- (7) Any of the candidate's name or shareholder's number is failed to fill in the ballot.

#### Article 12

After the casting of ballots is completed, the ballots shall be counted on the spot under the supervision of the inspector(s), and the results announced on the spot by the chairman.

Article 13

The Company shall not elect supervisors when it has established the Audit Committee.

Article 14

The election of candidate who is disqualified by Paragraphs 3 and 4 of Article 26-3 of the Taiwan Securities and Exchange Act shall be ineffective.

Article 15

These regulations shall be in accordance with otherwise provided for in Company laws, the Company's articles of incorporation and related regulations.

Article 16

These Regulations and any revision thereof shall become effective after approval at the shareholders' meeting.

#### Appendix 4

### Directors' and Supervisors' Shareholdings and Minimum Shareholdings Required

1. As of March 29, 2016, all board members' shareholdings are as follows:

Position	Name	Number of Shares (shares)	Shareholding (%)
Chairman	Wu, Chi-Yung	7,665,809	3.39%
Director	Gau, Kuo-Tung	6,701,176	2.96%
Director	Chang, Chih	1,111,785	0.49%
Director	Lin, Cheng-Fung	1,842,697	0.81%
Director	Li, Pei-Ying	1,013,093	0.45%
Director	Lu, Cheng-Yueh	--	--
Director	Hsing, Chih-Tien	--	--
Supervisor	Wang, Jen-Chung	2,137,209	0.94%
Supervisor	Lin, Jia-Mow	2,492,104	1.10%
Supervisor	Chou, Ling-Na (New Gain Investment Ltd., representative)	368,884	0.16%
Total shareholding of all directors		18,334,560	8.11%
Total shareholding of all supervisors		4,998,197	2.21%

2. Total common shares issued as of March 29, 2016 : 226,168,200 shares.

Legal minimum holding of all directors in number of shares: 12,000,000 shares.

Legal minimum holding of all supervisors in number of shares: 1,200,000 shares.

*Appendix 5*

**Impact of Stock Dividend Distribution on Operating Results, Earnings per Share and Shareholders' Return on Investment**

The Company did not announce any financial forecast for the year of 2016. The disclosure of the influence of proposed stock dividend distribution upon 2015 operating performance and Earnings Per Share is not applicable.

*Appendix 6*

**Situation of Shareholders' Proposal Rights submitted in the Regular Shareholders' Meeting**

1. The Company, in accordance with the law, announced matters in MOPS related to shareholders' right to propose motion during the period from March 21, 2016 to March 31, 2016.
2. No shareholders proposed motions during the specified time period.