



LandMark Optoelectronics Corporation

Meeting Notice for the 2020 Annual Shareholders' Meeting (Summary Translation)

- I. Meeting Time: May 20, 2020 (Wednesday) 10:00 a.m.
Venue: No.12, Nanke 2nd Rd., Xinshi Dist., Tainan City
(Southern Taiwan Science Park B104 Conference Room)
The agenda for the Meeting is as follows:
 - a. Report Items
 - i. 2019 business report.
 - ii. 2019 Audit Committee's review report.
 - iii. Report on 2019 employees' profit sharing bonus and directors' compensation.
 - iv. Report on the amendment to the "Ethical Corporate Management Best Practice Principles".
 - v. Report on the amendment to the "Rules of Procedure for Board of Directors Meetings".
 - b. Proposed Resolutions
 - i. Adoption of the 2019 business report and financial statements.
 - ii. Adoption of the proposal for distribution of 2019 profits.
 - c. Matters for Discussion and Election
 - i. Amendment to the company's "Rules of Procedure for Shareholders Meetings".
 - ii. Issuance of the Employee Restricted Stock Awards (RSAs).
 - iii. Election of the 10th Board of Directors (including the Independent Directors).
 - iv. Release of non-competition restrictions on new directors and their proxy.
 - d. Extempore Motions
- II. The board of directors proposes the distribution of 2019 profits and dividends as follows: Cash dividends: NT\$363,730,708 worth of cash dividends which is equivalent to NT\$4 per share to shareholders. It is proposed that the shareholders' meeting authorize the Board of Directors to determine the cash dividend record date after the proposal is approved by the annual shareholders' meeting.
- III. The content of the proposal for the issuance of the Employee Restricted Stock Awards (RSAs) attached hereto as Attachment I.
- IV. There will be 7 Directors (incl. 3 Independent Directors) elected at the Meeting, and election shall be conducted in accordance with the candidate nomination system. Related information is as follows:

Director Candidates: Ching Yi Chang (Representative of Haw Sheng International Investment Ltd.), Wei Lin, Jerry Yang, and Yong Hong Lu. Independent Director Candidates: James Wang, Bob Tseng, and Yong Chang Chen. Education and major experience of the candidates: Please refer to the List of Director (incl. Independent Director) Candidate in the handbook for the 2020 Annual Meeting of Shareholders.

- V. In accordance with Article 165 of the Company Act, the shareholder register will be closed from March 22, 2020 to May 20, 2020.
- VI. The Company will compile and post a general list of information on proxy solicitations, if any, by April 17, 2020, and disclose it on the Securities & Futures Institute website(<http://free.sfi.org.tw>). Investors may conduct searches for information by logging on the above site, selecting “Search proxy solicitation announcement and meeting notices”, and entering the required information in the system.
- VII. Shareholders may exercise their voting rights by way of electronic transmission during the period from April 18, 2020 to May 17, 2020. Please login in the “Stockvote” (<https://www.stockvote.com.tw>) of Taiwan Depository & Clearing Corporation(TDCC) and vote in.
- VIII. The Transfer Agency Department of Hua Nan Securities Co., Ltd is the proxy tally and verification institution for this Annual meeting.
- IX. Please bring your identification card for verification if you are attending the annual meeting in person.

Board of Directors

LandMark Optoelectronics Corp.

Attachment I

Total amount of issuance	A total of 450,000 share of common stocks with a face value of NT\$ 10 per share. The total amount of the issuance is NT\$ 4,500,000.																	
Terms and conditions of issuance	<p>i. Expected issue price: NT\$ 44.7 per share which is reported in the financial reports for the year 2019, audited and attested by a CPA.</p> <p>ii. Type of shares: Common stocks.</p> <p>iii. Vesting Conditions: Employee's continuous employment with the company through the vesting dates since the grant date. No violation on any terms of the company's employment agreement, employee handbook, non-compete, non-disclosure and other agreement and achievement of both personal performance criterion and the company's operation objectives set by the company during the vesting period are required to receive the vested shares. The portions of the vesting shares are: 1st anniversary of employee's continuous employment since the grant date 50% (2021). 2nd anniversary of employee's continuous employment since the grant date 50% (2022). The employee personal performance must be at least S (inclusive). To determine the achievement of the company's operation objectives, four indexes (Revenue, Gross Margin, Operating Margin and Operating Margin (%)) and their respective targets A and B achievement levels are set up below. The index will be deemed achieved when either target A or B is achieved. The number of indexes meeting the target and the achievement levels shall be determined based on the financial statements certified by a CPA for the most recent fiscal year prior to the end of each vesting period. The actual number of vesting shares is determined by referencing the achievement of the four indexes and will be specified in the respective agreements of the employees.</p> <table><tr><td>Business Indexes</td><td>Target A</td><td>Target B</td></tr><tr><td>Revenue(\$)</td><td>5% or above growth comparing to the previous year</td><td>Growth comparing to the average of previous three years</td></tr><tr><td>Gross Margin(%)</td><td>1.5% or above growth comparing to the previous year</td><td>Growth comparing to the average of previous three years</td></tr><tr><td>Operating Profit(\$)</td><td>5% or above growth comparing to the previous year</td><td>Growth comparing to the average of previous three years</td></tr><tr><td>Operating Profit Margin (%)</td><td>2% or above growth comparing to the previous year</td><td>Growth comparing to the average of previous three years</td></tr></table> <p>iv. Measures to be taken when employees fail to meet the vesting conditions or in the event of inheritance: As the vesting conditions of restricted employee shares have not been met by the intended employee, the company redeemed issuance to such employee and will cancel shares in accordance with issuance rules.</p> <p>v. Restricted rights before employees meet the vesting conditions: (1) All of the granted shares to the employees shall, before the vesting conditions have been met, be put in the custody of the trust institution designated by the company and not be sold,</p>			Business Indexes	Target A	Target B	Revenue(\$)	5% or above growth comparing to the previous year	Growth comparing to the average of previous three years	Gross Margin(%)	1.5% or above growth comparing to the previous year	Growth comparing to the average of previous three years	Operating Profit(\$)	5% or above growth comparing to the previous year	Growth comparing to the average of previous three years	Operating Profit Margin (%)	2% or above growth comparing to the previous year	Growth comparing to the average of previous three years
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	<p>pledged, transferred, given, encumbered, or disposed otherwise.</p> <p>(2) All the attending rights, proposal rights, speech rights, voting rights and any other shareholder rights of the granted shares shall be exercised by the trustee according to the custody agreement.</p> <p>(3) During the vesting period, the rights and obligations of the granted shares such as to participate in stock and cash dividend distribution and to subscribe to seasoned equity offerings is the same as the common shares issued by the company. As to the rights and interests obtained through the channels mentioned above, except the cash dividend which is not limited by the vesting conditions and the trustee should return it to the accounts designated by the employees within 5 working days since the cash dividend is received, other rights and interests obtained shall all be put in the custody of the trustee before the vesting conditions are met.</p>
Qualification requirements for employees and the number of shares granted or subscribed	<p>i. In order to ensure the rights of shareholders, the Company prudently manages the reward plan. This plan is applicable to full-time employee of the company on the grant date, have to meet certain performance requirements and will also be limited to employees who are: (a)highly relevant to the future strategy and development of the company, (b)critical to the company's business operation, (c)key technical talent, etc.</p> <p>ii. The number of granted shares shall be determined by seniority, position, performance, overall contribution, special contribution and other meaningful factors in management and is drawn up by the Chairman who will submit it to the Board of Directors for approval. However, as to employees who are also managers or Directors of the Board, their number of granted shares should be submit to the Remuneration Committee for approval first.</p> <p>iii. As to the individuals who own more than 10% of the company's total common shares, they are not qualified for this RSAs plan. As to the members of the Remuneration Committee and the Directors of the Board who are not the company's employee, they are not qualified for this RSAs plan.</p> <p>iv. The number of granted shares to each employee shall follow the "Offering and Issuance Regulations".</p>
The reason why it is necessary to issue restricted stocks for employees	To attract and retain professional talents, provide incentive to employees and enhance employee commitment, so as to jointly create benefit to the company and its shareholders. And to ensure the conformation of the interests of employees and shareholders.
Calculated expense amount, and dilution of EPS and other factors affecting shareholder's equity	<p>i. Calculated expense amount: The Company shall calculate the fair market value of the stock on the grant date (issue date) and shall recognize relevant expenses over the vesting period. The expected total amount of issuance of the RSAs is 450,000 shares. If all the vesting conditions are met, based on the average closing price of NT\$ 282 for the 30 business days before January 16, 2020 (inclusive), the yearly amortization expense for 2020, 2021, and 2022 is estimated to be NT\$ 17,797 thousand, NT\$ 53,393 thousand, and NT\$ 35,595 thousand respectively with the total amounts of NT\$ 106,785 thousand.</p>

	<p>ii. Dilution of EPS and other factors affecting shareholder's equity: The amount of the annual recognition expense is calculated based on the number of issued shares, the yearly dilution of the company's EPS for 2020, 2021, and 2022 is estimated to be approximately NT\$0.20, NT\$0.59, and NT\$0.39 respectively. There is no significant impact on shareholders' equity.</p>
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