

LITEON Technology Corp.
Notice for the 2022 Annual General Shareholders Meeting
(Summary Translation)

To: The Shareholders

Dear Sir/Madam,

1. The 2022 Annual General Shareholders Meeting (hereinafter as “Meeting”) will be held at 9:00 am (reception at the designated entrance begins at 8:30am) on May 20, 2022 (Friday) at 1F, 392 Ruey Kuang Road. Neihu, Taipei (LITEON Technology Building International Convention Center).

Meeting agenda is as follows :

I. Report Items :

- i. 2021 Business Report. ii. Audit Committee’s Review Report on 2021 Financial Statements. iii. Report on 2021 Employees’ and Directors’ Compensation. iv. Cash Distribution to Shareholders from 2021 Earnings. v. Implementation of the 1st Share Repurchase Plan of 2021. vi. Merger Matters. vii. LITEON spin-off outdoor lighting business project.

II. Proposal Items:

- i. Adoption of 2021 Financial Statements. ii. Adoption of 2021 Earnings Distribution.

III. Discussion Items :

- i. Discussion of the Amendment to “Articles of Incorporation”. ii. Discussion of the Amendment to “Rules and Procedures of Shareholders’ Meeting”. iii. Discussion of the Amendment to “Rules Governing the Election of Directors” iv. Discussion of the Amendment to” Procedures for Acquisition and Disposal of Assets”. v. Discussion of the issuance of employee restricted stock awards. vi. Discussion of LITEON dispose or abandon all or partial cash capital increase of spin-off existing subsidiary LEOTEK CORPORATION.

IV. Election Items: Election of the Board of Directors of the 12th Term.

V. Other Items: Discussion of release of directors from non-competition restrictions

VI. Provisional Motions.

2. Please refer to attachment for the explanation of the adoption of the 2022 Employee Restricted Stock Awards.
3. There shall be eight directors elected (including four independent directors) at 2022 Annual General Shareholders Meeting.

4. Candidate of Directors: (1) Tom Soong (2) Raymond Soong (3) Ta-Sung Investment Co., Ltd. Representative: Keh-Shew Lu (4) Ta-Sung Investment Co., Ltd. Representative: Anson Chiu
Candidate of Independent Directors: (1) Albert Hsueh (2) Harvey Chang (3) Mike Yang (4) MK Lu.
Please refer to the Market Observation Post System website (<http://mops.twse.com.tw>) for the education and experience of the candidate.
5. In order to comply with the Article 209 of Company Act, it is proposed to release of directors and independent directors from non-competition restrictions.
The detail of release of directors from non-competition restrictions, please refer to the Meeting agenda.
6. Each attending notification and proxy form will be attached in the meeting notice. To attend in person, please sign or stamp on the attending notification and carry it to the check-in desk on the day of the Meeting. To attend by proxy, please sign or stamp on the proxy and fill out the name and address of the agent. The proxy should be delivered to the Transfer Agency Department of Yuanta Securities Co. Ltd. at least five days prior to the Meeting. (103432 B1, No.210, Sec. 3, Chengde RD., Datong Dist., Taipei City)
7. The Transfer Agency Department of Yuanta Securities Co. Ltd. will act as the party for counting and verifying proxies.
8. In case of a public solicitation of proxies for this Annual General Shareholders Meeting, the Company will provide relevant information on the website of Securities & Futures Institute (<http://free.sfi.org.tw>) on April 19, 2022. If a shareholder wishes to inquire about the detail of solicitation, please follow the instructions there.
9. The subjects of shareholder meeting shall involve any condition mentioned in accordance with Article 172 of the Company Law. Please refer to the Market Observation Post System (MOPS) website (<http://mops.twse.com.tw>), click on " Summaries/ Electronic Books/ Shareholder's Meetings'.
10. Shareholders may exercise their votes rights through the STOCKVOTE platform of Taiwan Depository & Clearing Corporation (<http://www.stockvote.com.tw>) during the period from April 20, 2022, to May 17, 2022.
11. If the Company decides to change the location of the Meeting due to the impact of COVID-19 pandemic, the relevant information will be announced

on the Market Observation Post System (MOPS) website accordingly.

Sincerely Yours

Board of Director of LITEON Technology Corp.

Proxy Form		Principal (Shareholder)	No.	Sign or Seal	
<p>Form 2 <input type="checkbox"/></p> <p>I hereby appoint _____ (the name must be written personally by the Principal, and cannot use stamps) as proxy to attend the company's annual general meeting held on May 20, 2022. The proxy shall exercise my rights as a shareholder to the following motions in the specified manner.</p> <p><input type="checkbox"/> (1). Exercise shareholder's equity matters on my behalf according to the agenda of the shareholders meeting (Discretionary)</p> <p><input type="checkbox"/> (2). Exercise the rights and proxy opinions on my behalf on the following motions. The following motions without any box (<input type="checkbox"/>) ticked will be deemed as an admission or consent indicated.</p> <p>Form 1 <input type="checkbox"/></p> <p>1. I hereby appoint _____ (the name must be written personally by the Principal, and cannot use stamps) as proxy to attend the company's annual general meeting held on May 20, 2022. The proxy shall exercise my rights as a shareholder to the following motions in the specified manner.</p> <p>2. Please mail your attendance pass to the proxy (or include the proxy in your attendance record). This Proxy Attendance Form stays valid even if the meeting is postponed (but limited to this session only). To: LITEON Technology Corporation Date of Authorization:</p> <p>1. Adoption of 2021 Financial Statements Agree <input type="checkbox"/> Oppose <input type="checkbox"/> Abstain <input type="checkbox"/></p> <p>2. Adoption of 2021 Earnings Distribution Agree <input type="checkbox"/> Oppose <input type="checkbox"/> Abstain <input type="checkbox"/></p> <p>3. Discussion of the Amendment to "Articles of Incorporation" Agree <input type="checkbox"/> Oppose <input type="checkbox"/> Abstain <input type="checkbox"/></p> <p>4. Discussion of the Amendment to "Rules and Procedures of Shareholders' Meeting" Agree <input type="checkbox"/> Oppose <input type="checkbox"/> Abstain <input type="checkbox"/></p> <p>5. Discussion of the Amendment to "Rules Governing the Election of Directors" Agree <input type="checkbox"/> Oppose <input type="checkbox"/> Abstain <input type="checkbox"/></p> <p>6. Discussion of the Amendment to "Procedures for Acquisition and Disposal of Assets" Agree <input type="checkbox"/> Oppose <input type="checkbox"/> Abstain <input type="checkbox"/></p> <p>7. Discussion of the issuance of employee restricted stock awards Agree <input type="checkbox"/> Oppose <input type="checkbox"/> Abstain <input type="checkbox"/></p> <p>8. Discussion of LITEON dispose or abandon all or partial cash capital increase of spin-off existing subsidiary LEOTEK CORPORATION Agree <input type="checkbox"/> Oppose <input type="checkbox"/> Abstain <input type="checkbox"/></p> <p>9. Election of the Board of Directors of the 12th Term</p> <p>10. Discussion of release of directors from non-competition restrictions Agree <input type="checkbox"/> Oppose <input type="checkbox"/> Abstain <input type="checkbox"/></p> <p>II. If the shareholders have not ticked any of the boxes (<input type="checkbox"/>) referred to above to indicate the scope of proxy or have more than one box (<input type="checkbox"/>) ticked, it shall be deemed as a discretionary proxy. The Agent for Stock Affairs Section commissioned may not be a discretionary proxy. The agents should exercise the rights of the shareholders in accordance with the scope of proxy referred to above (2).</p> <p>III. The shareholder's proxy may respond to any special motions raised during the meeting at the proxy's sole discretion.</p> <p>IV. Please mail your attendance pass to the proxy (or include the proxy in your attendance record). This Proxy Attendance Form stays valid even if the meeting is postponed (but limited to this session only).</p> <p>To LITEON Technology Corp. Date of authorization :</p>	<p>1. Prohibit the purchase of the proxy with cash paid or other benefits delivered.</p> <p>2. For any illegal acquisition or use of the proxy identified, please report it to Taiwan Depository & Clearing Corp. with the specific supporting documents enclosed and a reward of NT\$100,000 will be awarded once the offense is verified. Reporting hotline: (02) 25473733</p>	Shareholder #	Shares held		
	Name		Solicitor		Sign or Seal
	Account #		Proxy		Sign or Seal
	Account #				
	Name				
	ID# or Uniform number				
	Address				

Attachment

Explanation of the adoption of the 2022 Employee Restricted Stock Awards

1. The Company hereby proposes the issuance of Employee Restricted Stock Awards to attract and retain talents, to strengthen a sense of belonging, and to foster the best interests of the Company and its shareholders, and further ensure the alignment of shareholders' interests with those of the Company's employees.

The details of the proposal are listed below:

(1) Expected issue price: The shares are issued gratuitously with an issuance price of NT\$0 per share.

(2) Expected total amount (shares) of issuance:

The number of shares to be issued will not exceed 18,700 thousand common shares, with a par value of NT\$10 per share, for a total amount of NT\$187,000 thousand. The total number of proposed shares is equivalent to 0.80% of the Company's outstanding shares. The actual number of shares to be issued will be resolved by the Board of Directors after the issuance of Employee Restricted Stock Awards is approved at the shareholders' meeting and by the competent authority.

The actual number of shares issued shall be determined by the Board after shareholders' and competent authorities' approval has been granted.

(3) Vesting Conditions:

(3.1) If an employee, after having been granted a Restricted Stock Award, who remains on the job on the vesting date, is determined by the Company as having not violated the employment contract, employee handbook, non-competition and non-disclosure agreement of the Company or any other agreement with the Company, and has fulfilled the individual performance goals and the Company's operational goals set by the Company, proportions of the vesting shares to be granted for such employee on the vesting date each year is as follows:

- i. first anniversary of the grant:30%
- ii. second anniversary of the grant:30%
- iii. third anniversary of the grant:40%

(3.2) Employee's year-end performance rating shall be PL3 rating (Note: PL3 represents "Meets Expectations") and above.

(3.3) The Company's operational goals are either one of the follows:

- i. The consolidated gross margin of the year (e.g., Year 1) prior to the end of the vesting period shall be equal to or higher than the consolidated gross margin of the previous year (e.g., Year 0), and the amount of consolidated operating profit (in Year 1) must increase by minimum 10% compared with that in the previous year (Year 0).
- ii. The consolidated gross margin and operating margin for the year prior to the end of the vesting period are equal to or higher than 20% and 10%, respectively.

(3.4) Measures to be taken when employees fail to meet the vesting conditions or in the event of inheritance:

The Company will reclaim the granted Restricted Stock Awards and cancel the same at no extra cost to the Company. For other events, the Company will take measures as set forth in the terms of the issuance rules set by the Company.

(4) Qualification criteria for employees:

(4.1) Only the Company's and its affiliates' full-time executive employees are eligible for this incentive plan. Eligible executive employees must (1) have a significant influence on the Company's operational decisions, or (2) be the Company's critical talents for its future core technologies and strategy development.

(4.2) The number of granted shares granted to eligible executives will be determined by the Company's operating results, individual performance and other meaningful factors in the management. The results of shares distribution shall be

reviewed by Chairman and obtain approval in the meeting of the Board of Directors. However, for employees who are managerial officers or the Board members, the award of such shares is subject to approval by the Compensation Committee.

(5) Calculated expense amount:

(5.1) The Company shall value the fair market value of shares and record expenses during the vesting period annually.

(5.2) The total expenses are preliminarily estimated at approximately NT\$1,036,560 thousand based on the maximum of 18,700 thousand common shares to be granted as Restricted Stock Awards, and the calculation by the valuation model. The expenses are preliminarily estimated at approximately NT\$155,170 thousand, NT\$536,980 thousand, NT\$246,908 thousand, NT\$97,502 thousand for 2022, 2023, 2024 and 2025, respectively assuming that the Restricted Stock Awards will be issued at the beginning of October 2022.

(6) Dilution of the Company's earnings per share (EPS) and impact on shareholders' equity:

Based on the calculation of the Company's outstanding shares, the maximum dilution of the Company's EPS is estimated to be in the amount of NT\$0.07, NT\$0.23, NT\$0.11 and NT\$0.04 for 2022, 2023, 2024 and 2025, respectively. The estimated impact can be considered limited, so that no material impact on shareholders' equity is expected.

(7) Restrictions before employees meet the vesting conditions once the Restricted Stock Awards are received or subscribed for:

During the vesting period, employees may not sell, pledge, transfer, give to another person, create any encumbrance on, or otherwise dispose of, Restricted Stock Awards except for inheritance.

(8) Other important terms and conditions (including stock trust custody, etc.):

The granted Restricted Stock Awards should be deposited in a stock trust custody account.

(9) Other matters that need to be specified:

(9.1) If some revision or adjustment has to be made due to the competent authority's instruction, amendment to the laws and regulations, financial market conditions, or other objective circumstances, it is proposed that the Annual Shareholders' Meeting authorizes the Board of Directors or the appointed person by the Board of Directors with full power and authority to handle all the issues regarding the issuance of Restricted Stock Awards.

(9.2) With respect to the issuance of Restricted Stock Awards, the relevant restrictions, important agreements, and any other matters not set forth here shall be dealt with in accordance with the applicable laws and regulations and the issuance rules set by the Company.