

**TXC CORPORATION**  
**Notices of a Regular Shareholders' Meeting in 2012**

TXC CORPORATION hereby announces to convene a Regular Shareholders' Meeting at the TXC Corporation (PingCheng), located in No.4, Kung Yeh 6<sup>th</sup> Rd., Ping Cheng Industrial District, Ping Cheng City 324, Tao Yuan Hsien. Agenda of the meeting: (1) Reports: (i) Operation in 2011 and plans for the future; (ii) Auditors' examination of 2011 final accounts; (2) Approved events: (i) Concurrence for 2011 final accounts; (ii) Concurrence for 2011 surplus allocation. (3) Discussions: (i) Revision of part of corporate regulation (ii) Revision of "Regulations Governing the Acquisition or Disposition of Assets" (iii) New issuance of restricted stocks (iv) Approval regarding the proposal for release of the non-competition restrictions on Directors. (4) Ad Hoc Motions.

1. Proposal for appropriation of distributable earnings in 2011:
  - (1) Cash dividends: Proposal to appropriate NT\$664,933,082.—from the distributable earnings as cash dividends at NT\$2.20 /each share.
  - (2) Proposal for distributing cash dividends: After approval by the regular shareholders' meeting, the Board of Directors shall be authorized to fix the base day for distributing dividends and the distribution of share dividends shall be approved by the shareholders' meeting and then submitted to the competent authorities for further approval, finally the Board of Directors shall be authorized to fix the base day for distributing the share dividends.
2. Proposal for new issue of restricted stocks; for detailed content, please refer attached file.
3. Based on Article 209 of Corporate Law, to remove the restriction of non-compete agreement of director, Paul Lin. For more detailed information regarding adjunct position of directors, please refer meeting handbook of shareholders' meeting.
4. Enclosed please find each one copy of the Notice of Attending the Regular Shareholders' Meeting and a Proxy Letter for your disposal. If you want to participate in the said meeting personally, please sign or affix your seal on the said Notice of Attending the Regular Shareholders' Meeting and bring it to the meeting place on the meeting day to report your attendance; If you want to assign a proxy to attend the said meeting, please fill out the attached Proxy Letter indicating the name and address of the agent appointed by you and provide your personal signature or seal on the Proxy Letter and mail the Proxy Letter within five days prior to the calling of the shareholders' meeting to the Sales Agent of our Stock Capitals located in the B1, No. 210, Chende Rd., Section 3, Taipei (Zip Code 10366), so that the Company can send out the Meeting Attendance Admission (or Attendance Signature Card) to you. In case a Proxy Letter has been sent to us and the related shareholder has changed his or her mind and wants to attend the meeting personally, he or she shall send his or her letter of cancellation of proxy in writing to the company latest one day before the meeting, otherwise, the vote executed by proxy in the meeting shall govern.

For the attention of all shareholders

Yours faithfully,  
Board of Directors,  
TXC Corporation

## Main Content of Restricted Stocks

1. To attract and keep professional employee the company required and to increase coherence and the sense of belonging to create interests of the company and shareholders, according to No.8 of Article 267 of Corporate Law , “ Regulations Governing the Offering and Issuance of Securities by Securities Issuers“ published by Taiwan Financial Supervisory Commission, and the other related regulation, the company is going to establish the 1<sup>st</sup> of issued and received regulation of restricted stocks.
2. Total issued amounts (shares): 2,000 thousand shares
3. Determination of the terms and conditions:
  - (1) Received conditions: For employees who meet services duration and performance condition set in regulation of restricted stocks of the company
  - (2) Addressed principles while employees don't meet received conditions: Unless there is any other issued regulation of restricted stocks of the company, the company is able to withdraw and purchase back these stocks and regard thses stocks as unissued stocks then make change of registration.
4. Qualification requirements for employees:
  - (1) The requirement is limited to the whole formal employees.
  - (2) Received number of restricted shares is based on tenure, position, performance, total contribution or special achievement.
  - (3) Received number for insiders or high-level managers are supposed to discussed by compensation committee and recognized by board of directors.
  - (4) Received number of any employee is supposed not to exceed 10% of issued restricted stocks when the company issues new restricted stocks.
  - (5) Number of restricted stocks held and received by a particular employee per year is supposed not to exceed 1% of issued shares of the closing date of accounting year.
  - (6) Both new restricted shares received by any particular employee and amounts of stock options are supposed not to exceed 0.3% of issued shares of the closing date of accounting year.
5. The reason why it is necessary to issue restricted stocks for employees:
  - (1) To attract and keep professional employee the company required
  - (2) To increase coherence and the sense of belonging to create interests of the company and shareholders
6. Calculated expense amount:
  - (1) Stock grant by free of charge or 10 NTD per share
  - (2) 2,000 thousand shares
  - (3) Expension ratio: 0.66% (Calculated since the 15th of April of 2012 and based on 302,242,310 shares)
  - (4) On assumption of stock grant by free of charge, potential amounts of expenses for the first three years is around 37.5 million NTD, 37.5 million NTD and 15 million NTD.

(5) On assumption of stock grant by 10 NTD per share of received price, potential amounts of expenses for the first three years is around 29.2 million NTD, 29.2 million NTD and 11.7 million NTD

7. Dilution of EPS and other factors affecting shareholder's equity:

(1) On assumption of stock grant by free of charge, potential dilution of EPS for the first three years is around 0.12 NTD, 0.12 NTD and 0.05 NTD.

(2) On assumption of stock grant by 10 NTD per share of received price, potential dilution of EPS for the first three years is around 0.1 NTD, 0.1 NTD and 0.04 NTD.

(3) Both two assumptions are expected not to have a large impact on shareholder's equity.

8. Restricted rights before employees meet the vesting conditions: Rights and obligations of new issue shares of restricted stocks and new issue of common shares are the same. While cash dividend or stock dividend is incurred, all related amounts are supposed to deliver to trust accounts. For employees who receive restricted stocks but don't meet conditions, the company is able to withdraw restricted stocks.

9. Other important stipulations: New issue of restricted stocks is safekept through stock trust.