

YULON NISSAN MOTOR CO., LTD.

2017 Annual General Shareholders' Meeting Reference Material

Time: Monday, June 26, 2017 9:00 a.m.

**Location: No.3, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City,
Taiwan, R.O.C**

Ratification Items

Proposal 1: Ratification of the 2016 Business Report and Financial Statements. Please ratify.

(Proposed by the Board of Directors.)

Description:

- (1)The compilation of the Company's Fiscal 2016 Business Report and Financial Statements are completed and has been approved by the Board of Directors. The Financial Statements have been audited and certified by Wan-Yi Liao, CPA, and Chien-Hsin Hsieh, CPA, of Deloitte & Touche. The Business Report and Financial Statements have been audited by the Supervisors, and are hereby submitted for adoption by this Annual General Shareholders' Meeting.
- (2)Please refer to the handbook of 2017 Annual General Shareholders' Meeting for the Fiscal 2016 Business Report, the CPA Audit Report issued by Deloitte & Touche and the Financial Statements, respectively.
- (3)Adoption requested.

Resolution:

Proposal 2: Recognition of 2016 Earnings Distribution.

(Proposed by the Board of Directors.)

Description :

1. Based on the audited 2016 financial statement, YNM presents 2016 earnings distribution statement ,please refer to the handbook of 2017 Annual General Shareholders' Meeting .
2. According to earnings distribution statement, YNM proposes to distribute cash dividend of NT\$22 per share.
3. Request to resolve.

Resolved:

Discussions Items

Proposal 1: Amendment to Articles of Incorporation.

Please discuss.

(Proposed by the Board of Directors.)

Explanation:

1. In accordance with the Article 14-4 of Securities Exchange Act and an order by the Financial Supervisory of Commission (R.O.C.) Taiwan concerning establishment of an audit committee, the Company proposes to amend the Article of Incorporation therefore. Please refer to the handbook of 2017 Annual General Shareholders' Meeting .

2. Request to resolve.

Resolution:

Proposal 2: Amendment to” Rules of Directors and Supervisors Election”. Please proceed to discuss.

(Proposed by the Board of Directors.)

Explanation:

1. In accordance with the Article 14-4 of Securities Exchange Act and related regulations, the Company is planning to establish the Audit Committee starting from 2018 in replacement of the previous supervisor system. The “Election of Directors and Supervisors Procedures” shall be amended accordingly to conform to the compliance of relevant business operations. Please refer to the handbook of 2017 Annual General Shareholders’ Meeting .
2. Request to resolve.

Resolution:

Proposal 3: Amendment to “ Operational Procedures for Acquisition and Disposal of Assets “. Please proceed to discuss.

(Proposed by the Board of Directors.)

Explanation:

1. For complying with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies, the Company proposes to amend “ Operational Procedures for Acquisition and Disposal of Assets “. Please refer to the handbook of 2017 Annual General Shareholders’ Meeting .
2. Request to resolve.

Resolution:

Elections Items

By-Election of the Supervisor

(Proposed by the Board of Directors.)

Explanation:

1. Mr. Toru Nakano resigned from his supervisors' duty and it become effective on 25th of June. So the company hold a by-election of the supervisor. The term of tenure will be effective from the election date until June 29th, 2018.
2. According to Article 20 of the Articles of Incorporation, the by-election of the supervisor shall adopt candidate nomination system. The candidate nomination list has been reviewed by the Board of Directors with qualification on May 12, 2017, which education, experience and other information can be referred to the handbook of 2017 Annual General Shareholders' Meeting .
3. Please proceed with the election.

Election results: