

# **YULON NISSAN MOTOR CO., LTD.**

## **2019 Annual General Shareholders' Meeting Reference Material**

**Time: June 28, 2019.**

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

## **Ratification Items**

### **Proposal 1: Ratification of the 2018 Business Report and Financial Statements. Please ratify.**

(Proposed by the Board of Directors.)

#### Description:

- (1)The compilation of the Company's Fiscal 2018 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 Robert Yu, CPA, of Deloitte & Touche. The Business Report and Financial Statements have been audited by the Audit Commission, and are hereby submitted for adoption by this Annual General Shareholders' Meeting.
- (2)Please refer to the handbook of 2019 Annual General Shareholders' Meeting for the Fiscal 2018 Business Report, the CPA Audit Report issued by Deloitte & Touche and the Financial Statements, respectively.
- (3)Adoption requested.

#### Resolution:

## **Proposal 2: Recognition of 2018 Earnings Distribution.**

(Proposed by the Board of Directors.)

Description :

1. Based on the audited 2018 financial statement, YNM presents 2018 earnings distribution statement, please refer to the handbook of 2019 Annual General Shareholders' Meeting.
2. According to earnings distribution statement, YNM proposes to distribute NT\$ 17.67 per share and the undistributed profit from the most recent years shall be distributed first .The target date for distributing cash dividend will be set on August 27, 2019. According to the Article 165 of Company Act, entries into register of shareholder shall not be allowed within 5 days prior to the target date of distributing cash dividend. Hence, entries into register of shareholder are not allowed from August 23, 2019 to August 27, 2019.
3. Request to resolve.

Resolution:

## **Discussions Items**

### **Proposal 1: Amendment to” Operational Procedures for Acquisition and Disposal of Assets ”.**

**Please discuss.**

(Proposed by the Board of Directors)

Explanation:

1. Complied with the requirements under the notice letter No. 1070341072 which issued by Financial Supervisory Commission (FSC) and the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”, the company’s “Operational Procedures for Acquisition and Disposal of Assets” shall be amended accordingly to conform to the relevant business operations. Please refer to the handbook of 2019 Annual General Shareholders’ Meeting.
2. Request to resolve.

Resolution:

**Proposal 2: Amendment to” Operational Procedures for Derivatives Trading”.**

**Please proceed to discuss.**

(Proposed by the Board of Directors)

Explanation:

1. Complied with the requirements under the notice letter No. 1070341072 which issued by Financial Supervisory Commission (FSC) and the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” , the company’s “Operational Procedures for Derivatives Trading” shall be amended accordingly to conform to the relevant business operations. Please refer to the handbook of 2019 Annual General Shareholders’ Meeting.
2. Request to resolve.

Resolution:

**Proposal 3: Amendment to “Operational Procedures for Loaning of Funds to Other Parties “.**

**Please proceed to discuss.**

(Proposed by the Board of Directors)

**Explanation:**

1. Complied with the requirements under the notice letter No. 1080304826 which issued by Financial Supervisory Commission (FSC) and the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies”, the company’s “Operational Procedures for Loaning of Funds to Other Parties” shall be amended accordingly to conform to the relevant business operations. Please refer to the handbook of 2019 Annual General Shareholders’ Meeting.
2. Request to resolve.

**Resolution:**

**Proposal 4: Amendment to “Operational Procedures for Making of Endorsements and Guarantees “.**

**Please proceed to discuss.**

(Proposed by the Board of Directors)

Explanation:

1. Complied with the requirements under the notice letter No. 1080304826 which issued by Financial Supervisory Commission (FSC) and the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies”, the company’s “Operational Procedures for Making of Endorsements and Guarantees” shall be amended accordingly to conform to the relevant business operations. Please refer to the handbook of 2019 Annual General Shareholders’ Meeting.
2. Request to resolve.

Resolution:

**Proposal 5: Approval of the Lift on the Prohibition on Directors from Concurrently Acting as a Director and/or Managerial Personnel of Another Company**

**Please proceed to discuss.**

(Proposed by the Board of Directors.)

Explanation:

1. According to Article 209 of Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
2. Please approve to lift the prohibition that some directors shall not act as a director and/or manager of another company in response to the need of the company's business operations. Please refer to the handbook of 2019 Annual General Shareholders' Meeting.
3. Request to resolve.

Resolution:



## **Extraordinary Motions**

## **Closure of the Meeting**