

Stock Code

3563

MACHVISION

MACHVISION, INC.

**2016 ANNUAL
SHAREHOLDERS' MEETING**

May 27, 2016

Table of Contents

I. Meeting Procedure.....	1.
II. Meeting Agenda.....	2.
1. Discussion.....	3.
2. Report Item	3.
3. Proposed Resolutions	4.
4. Discussion and Election Matters... ..	5.
5. Other Business and Special Motion	5.

MACHVISION, INC.

2016 ANNUAL SHAREHOLDERS' MEETING PROCEDURE

1. Call the Meeting to Order
2. Chairperson Remarks
3. Discussion
4. Report Item
5. Proposed Resolutions
6. Discussion and Election Matters
7. Other Business and Special Motion

MACHVISION, INC.

2016 ANNUAL SHAREHOLDERS' MEETING AGENDA

Time:9:00a.m.,May 27,2016

Place:No.2-1, Xin'an Road, Hsinchu City, Taiwan.

Attendants:All shareholders or their proxy holders

Chairman:Dr. Collin Wang, Chairman of the Board of Directors

1.Chairperson Remarks

2. Discussion:

- (1) To review and approve the amendment to the "Articles of Incorporation" of the Company.

3. Report Item:

- (1)To report the business of 2015
- (2)Supervisor's Review Report on the 2015 Financial Statements
- (3)To report 2015 employees' profit sharing bonus and directors' compensation

4. Proposed Resolutions:

- (1)To accept 2015 Business Report and Financial Statements
- (2)To approve the proposal for distribution of 2014 profits

5. Discussion and Election Matters:

- (1) To review and approve the Cash distribution from Capital Surplus
- (2)The seventh Election of Directors and Supervisors
- (3)Proposal of Release the Prohibition on Directors from Participation in Competitive Business

6. Other Business and Special Motion

7. Meeting Adjourned

Discussion

(1) To review and approve the amendment to the “Articles of Incorporation” of the Company.

Explanatory Notes:

1. According to Article 235-1 of the Company Act and for business needs, it is proposed to amend the Articles 15, 20-1, 25, 25-1, and 28 to the Company’s “Articles of Incorporation”.
2. Please approve.

Resolution:

Report Item

(1) To report the business of 2015

(2) Supervisor’s Review Report on the 2015 Financial Statements

(3) To report 2015 employees’ profit sharing bonus and directors’ compensation

Explanatory Notes :

1. According to Article 235-1 of the Company Act.
2. According to the amended Article 25 of the Articles of Incorporation of the company, if the Company has profit after the closing of the annual book, the Company shall distribute no less than five percent as employees’ compensation and no more than three percent as Directors’ and Supervisors’ compensation.
3. For Year 2015, the audited gross profit before tax is NT\$198,232,970. The Company intends to distribute, in cash, NT\$21,323,160 of employees’ compensation and NT\$4,264,632 of Directors and Supervisors’ compensation. The above employee and directors and supervisors’ compensation has been adopted by a majority vote at the first compensation committee in 2016 and at the 19 February 2016 board of directors’ meeting (the ninth meeting of the sixth board of directors).

Proposed Resolutions

(1) To accept 2015 Business Report and Financial Statements (Proposed by the Board of Directors)

Explanatory Notes :

1. The business operation report of Year 2015 and financial statements as of December 31, 2014 have been audited by the Company's auditing CPAs.
2. Supervisors of the Company have reviewed the Business Report and the Financial Statements for the year ended December 31, 2015 and issued audit reports.
3. Please approve.

Resolution:

(2) To approve the proposal for distribution of 2014 profits (Proposed by the Board of Directors)

Explanatory Notes :

1. It is proposed the Company to distribute cash dividend of NT\$17,043,294 from the retained earnings at NT\$0.4 per share.
2. It is proposed that the Board authorizes the Chairman to fix the record date of ex-cash dividend after the approval by the 2016 annual Shareholders' Meeting. Cash dividend of individual shareholder will be round down to and distributed in integer of New Taiwan Dollar, with fractions of the Dollar of the cash dividend of each shareholder be reduced and be accounted for as the other income of the Company.
3. Please approve.

Resolution:

Discussion and Election Matters

(1)To review and approve the Cash distribution from Capital Surplus (Proposed by the Board of Directors)

Explanatory Notes :

1. According to Article 241 of the Company Act, it is proposed the Company to distribute cash dividend of NT\$136,346,349 from the capital surplus-Additional Paid-in Capital-Share Issuance in Excess of Par Value at NT\$3.2 per share.
2. It is proposed that the Board authorizes the Chairman to fix the record date of ex-cash distribution after the approval by the 2016 annual Shareholders' Meeting. Cash dividend of individual shareholder will be round down to and distributed in integer of New Taiwan Dollar, with fractions of the Dollar of the cash dividend of each shareholder be reduced and be accounted for as the other income of the Company.
3. Should the Company's capital position change in the future, requiring adjustments in the cash distribution ration, the Chairman shall be authorized to manage the change in the cash distribution ratio.
4. For 2015, the total distribution of NT\$3.6 per share is composed of a cash distribution of NT\$3.2 per share from capital surplus as proposed, and a cash dividend of NT\$0.4 per share distributed from earnings.
5. Please approve.

Resolution :

(2)The seventh Election of Directors and Supervisors (Proposed by the Board of Directors)

Explanatory Notes :

1. The term of Directors of the Sixth term of the Board will expire on June 9,2016. New Directos shall be elected at the annual Shareholders' Meeting of 2016.
2. According to the Articles of Incorporation, The Company proposes to elect 7 Directors (including 2 Independent Directors) and 3 Supervisors. Newly-elected Directors, including Independent Directors, and Supervisors shall sit for a three-year term commencing on the date of their election. Their term shall be from May 27, 2016 to May 26, 2019.
3. Election of the Company's Independent Directors, and Supervisors is by way of nomination of candidates and election by shareholders pursuant to Article 192-1 of the Company Act. The Company has, during the Meeting of the Board of Directors held on

4. March 15, 2016, reviewed and approved the list of candidates for Independent Directors.
5. Please elect.

Election result:

(3) Proposal of Release the Prohibition on Directors from Participation in Competitive Business
(Proposed by the Board of Directors)

Explanatory Notes :

1. Pursuant to Article 209, Paragraph 1 of the Company Act: "A director who carries out actions which are within the Company's business scope whether for himself or for others shall explain key contents of his actions at the Shareholders' Meeting and obtain shareholders' approval for such actions."
2. The Company proposes to the Shareholders' Meeting to release, in accordance with Article 209 of the Company Act, the prohibition on newly-elected Directors who carry out other businesses similar to that of the Company,
3. Please approve.

Resolution:

Other Business and Special Motion

Meeting Adjourned