

Stock Code
3563

MACHVISION, INC.

2018 ANNUAL SHAREHOLDERS' MEETING

PROCEDURE MANUAL

May 29, 2018

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MACHVISION, INC.

2018 ANNUAL SHAREHOLDERS' MEETING PROCEDURE

1. Call the Meeting to Order
2. Chairperson Remarks
3. Report Item
4. Proposed Resolutions
5. Discussion
6. Special Motion
7. Meeting Adjourned

MACHVISION, INC.

2018 ANNUAL SHAREHOLDERS' MEETING AGENDA

Time: 9:00a.m., May 29, 2018 (Tuesday)

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. Report Item:

- (1) To report the business of 2017
- (2) Supervisor's Review Report on the 2017 Financial Statements
- (3) To report 2017 employees' profit sharing bonus and directors' compensation

3. Proposed Resolutions:

- (1) To accept 2017 Business Report and Financial Statements
- (2) To approve the proposal for distribution of 2017 profits

4. Discussion:

- (1) To amend partial articles of the Articles of Incorporation .

5. Special Motion

6. Meeting Adjourned.

Report Item

(1) To report the business of 2017

Explanatory Notes:

Please refer to Appendix 1 on Page 7-8 for the business report of 2017.

(2) Supervisor's Review Report on the 2017 Financial Statements

Explanatory Notes:

Please refer to Appendix 2 on Page 9 for the Supervisor's Review Report on the 2017 Financial Statements.

(3) 2017 employees' profit sharing bonus and directors' compensation

Explanatory Notes:

1. According to the amended Article 235-1 of the Company Act ordered by the Public Letter Hua-Zong-Yi-Yi-Zih No. 10400058161 on May 20, 2015 for the distribution of profit to employees, and directors and supervisors.
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 2017, the audited gross profit before tax is NT\$546,789,663. The Company intends to distribute 10.57% of the gross profit, in cash, NT\$57,819,586 of employees' compensation and 2.29% as NT\$12,505,436 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 2018 and at the January 24, 2018 board of directors' meeting (the 1th meeting of the 7th board of directors).
4. The difference of number of the amount of the distributed gross profit will be recorded as the profit and loss of the Year 2018.

Proposed Resolutions

(1) To accept 2017 Business Report and Financial Statements (Proposed by the Board of Directors).

Explanatory Notes:

1. The business operation report of Year 2017 and financial statements have been audited by the Company's auditing CPAs.
2. Please refer to Appendix 1 on page 7-8 and Appendix 3 on page 10-25 for the business operation report of Year 2017, CPAs and financial statements.
3. Please approve.

Resolution:

(2) To approve the proposal for distribution of 2017 profits (Proposed by the Board of Directors).

Explanatory Notes:

1. Please refer to Appendix 4 on page 26 for the distribution statements of profit of Year 2017 based on the Company Act and the Incorporation of the Company.
2. The Board of Directors intends to additionally set the Ex-Dividend Date and conduct related affairs about dividends distribution after the proposal for distribution of 2017 profits is approved by the annual shareholders' meeting. The distribution of cash is rounded to NT\$ 1, and the fractional amount less than NT\$1 will all be included as capital surplus of the Company.
3. Please approve.

Resolution:

Discussion

(1) To amend partial articles of the Articles of Incorporation (Proposed by the Board of Directors).

Explanatory Notes:

1. From January 1, 2018, listed company shall apply electronic voting as a new method to exercise voting rights based on orders of No.1060000381 of Financial Supervisory Commission.
2. This Company's directors and supervisors shall be elected by adopting the candidate nomination system specified in Article 192-1 and Article 216-1 of the ROC Company Law.
3. The comparison chart is as below:

Resolution:

Special Motion

Meeting Adjourned