



May 18, 2022

Dear Sir/Madam,

We trust this finds you well.

AU Optronics Corp. (AUO) will convene its Annual General Meeting (AGM) on June 17, 2022. We trust that you have all of the documentation to allow you to make an independent and informed decision on this year's proposed resolutions that the Board of Directors (Board) has put forward. Below please find AUO's 2022 AGM agenda. We have listed brief explanations below for items you may have inquiries about. As always, we truly appreciate your support, and please feel free to let us know if you need any additional information.

**Election Item:**

The Board has nominated five independent directors out of nine directors (including four female directors). After the election, the majority of the board will be independent and the percentage of women on the board will increase from 22% to 44%. In addition to the diversity of gender and age, the Board considered the diversity of professional knowledge and skills which include technology industry, research and development, innovation, finance and accounting, investment, and ESG. The Board recommends a "FOR" vote for all director nominees.

Type of Nominee	Name	Age	Gender	Professional knowledge and skills					
				Technology Industry	Research & Development	Innovation	Finance & Accounting	Investment	ESG
Director	Shuang-Lang (Paul) Peng	60-69	Male	✓					
Director	Frank Ko, Representative of AUO Foundation	50-59	Male	✓					
Director	Han-Chou (Joe) Huang, Representative of Qisda Corporation	60-69	Male	✓		✓			
Director	Chuang-Chuang Tsai, Representative of Ming Hua Investment Company Limited	70-74*	Female	✓	✓				
Independent Director	Chin-Bing (Philip) Peng	60-69	Male	✓			✓	✓	
Independent Director	Yen-Hsueh Su	50-59	Female	✓			✓	✓	
Independent Director	Jang-Lin (John) Chen	60-69	Male	✓	✓	✓			
Independent Director	Chiu-ling Lu	50-59	Female				✓	✓	✓
Independent Director	Cathy Han	50-59	Female	✓			✓	✓	✓

\*According to AUO's policy, directors must be under the age of 74 at the time of election.

**Reason for renomination of Mr. Chin-Bing (Philip) Peng who has served as independent director for three consecutive terms as independent director of the Company:**

Mr. Peng has rich experience in financial accounting, financial investment, business management and the technology industry, which will fully contribute to AUO's "Biaxial Transformation" strategy. He attended all meetings held by the current session of the Board and sub-committees. The Board believes he continues to possess the requisite independence of judgment and action and has not formed such associations with management (or others) as may compromise his ability to exercise impartial judgment or act without bias in the best interests of AUO.

At the same time, AUO will review the independence of independent directors each year, regularly conduct internal and external director performance evaluations, and plan director training to enhance the independence, professionalism, and effectiveness of the overall Board.

**Recognition and Discussion Item 1: To recognize 2021 Business Report and Financial Statements**

For the fiscal year of 2021, AUO reported NT\$613.31 billion net profit attributable to owners of AUO, with a basic EPS of NT\$6.44.

**Recognition and Discussion Items 2 and 3: To recognize the proposal for the distribution of 2021 earnings and approve the proposal of capital reduction in cash**

AUO has devoted itself to a value transformation strategy these past few years and as a result has achieved market-leading positions by developing advanced display technology and launching high-end products. Various applications in smart fields have been developed as well. The strategy of "Biaxial Transformation" has been gradual but effective. As a result, AUO has confidence that it can reduce the influence of industry cyclicity and generate more stable operating cash flow. Thus, AUO commits to delivering stable and clear 3-year shareholder return to enhance long-term shareholder equity and corporate values.

AUO plans to distribute not less than NT\$55.77 billion as shareholder return from 2022 to 2024. The total amount distributed in 2022 will be NT\$28.82 billion, and the rest of the shareholder return will be allocated in 2023 and 2024. Shareholder return includes dividends, capital reduction and return of capital reserve and may be executed separately or collaboratively via cash distribution. The actual allocation and amount of shareholder return in each year will be subject to approval by the Board or Shareholders' Meeting in accordance with the applicable laws and company bylaws.

The shareholder return of NT\$28.82 billion in 2022 will be distributed via cash dividends and capital reductions. If converted into a per-share basis, it will be NT\$3 per share, including cash dividends of NT\$1 per share and capital reductions of NT\$2 per share. Capital reduction is expected to occur after the dividend distribution. Shareholders' return this year is partially distributed via capital reduction to reduce the tax



burden for shareholders and adjust the Company's capital structure to correspond with value transformation. The payout ratio (including capital reduction) will be 46.6% based on the EPS of NT\$6.44 in 2021.

**Recognition and Discussion Item 4: To approve the amendments to Articles of Incorporation**

AUO has committed to developing innovative display technologies and products and has provided smart solutions for diverse verticals in recent years. AUO would like to change its image in the market. AUO is no longer just a panel company, but sees itself as a provider of smart vertical solutions backed by premium display technologies. Therefore, the Company has proposed to amend the English name from AU Optronics Corp. to AUO Corporation.

To comply with the Company Act in 2021 and keep up with the trends, it is also proposed to amend the methods of shareholders' meetings that may be held by video conference or other methods announced by the competent authority in the Articles of Incorporation.

**Recognition and Discussion Item 5: To approve the amendments to Rules and Procedures for Shareholders' Meeting**

To apply to a virtual shareholders' meeting, it is proposed to amend AUO's Rules and Procedures for Shareholders' Meeting.

**Recognition and Discussion Item 6: To approve the amendment to Handling Procedures for Acquisition or Disposal of Assets**

AUO and subsidiaries have been increasingly acquiring or disposing of equipment for business use from each other since AUO adopted the Biaxial Transformation strategy and considered the global capacity plans. Considering the scale of operation, the Board may delegate the Chairperson to decide in cases where the transaction amount is within NT\$1 billion, which accounts for less than 1% of AUO's 2021 consolidated property, plant, and equipment, and have the decisions subsequently submitted to and ratified at the next Board meeting.

Additionally, to comply with the amendments to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies this year, it is proposed to amend AUO's Handling Procedures for Acquisition or Disposal of Assets accordingly.

**Recognition and Discussion Item 7: To lift non-competition restrictions on board members**

According to Article 209 of the Company Act of the Republic of China, any Director conducting business for himself/herself/itself or on behalf of other people that is within the AUO's business scope, shall provide explanation for the essential contents of such conduct at the shareholders' meeting, and obtain approval therefrom. Thus, list of non-competition restrictions proposed to be lifted in the 2022 AGM is as follows:

Name	Released restriction items
Shuang-Lang (Paul) Peng	<ul style="list-style-type: none"> <li>- Director, Ennostar Inc.</li> <li>- Director, Qisda Corp.</li> </ul>
Frank Ko	<ul style="list-style-type: none"> <li>- Director, Darwin Precisions Corp.</li> <li>- Director, ADLINK Technology Inc</li> </ul>
Qisda Corporation	<ul style="list-style-type: none"> <li>- Director, Darfon Electronics Corp.</li> <li>- Chairman, Alpha Networks Inc.</li> <li>- Chairman, DFI Inc.</li> <li>- Chairman, Sysage Technology Co., Ltd.</li> <li>- Chairman, BenQ Materials Corp.</li> <li>- Director, Topview Optronics Corp.</li> <li>- Chairman, Simula Technology Inc.</li> <li>- Chairman, Partner Tech Corp.</li> <li>- Chairman, Data Image Corporation</li> <li>- Director, Apex Technology Inc.</li> <li>- Director, Q.S. Control Corp.</li> <li>- Chairman, K2 International Medical Inc.</li> <li>- Chairman, BenQ corporation</li> <li>- Chairman, Golden Spirit Co., Ltd.</li> <li>- Chairman, Darly Venture Inc.</li> <li>- Chairman, BenQ Dialysis Technology Corp.</li> <li>- Chairman, Qisda Optronics Corp.</li> <li>- Chairman, BenQ Biotech (Shanghai) Co.,Ltd</li> <li>- Chairman, Qisda Vietnam Co.,Ltd</li> </ul>
Han-Chou (Joe) Huang	<ul style="list-style-type: none"> <li>- Director, Qisda Corporation</li> <li>- Director, Topview Optronics Corp.</li> <li>- Chairman, Data Image Corporation</li> <li>- Chairman, DIVA Laboratories, Ltd.</li> <li>- Chairman, Simula Technology Inc.</li> <li>- Chairman, Action Star Technology Co., Ltd.</li> <li>- Chairman, Qisda Optronics Corp.</li> <li>- Director, Qisda America Corp.</li> </ul>
Chuang-Chuang Tsai	<ul style="list-style-type: none"> <li>- Director, E Ink Holdings Inc.</li> </ul>
Chin-Bing (Philip) Peng	<ul style="list-style-type: none"> <li>- Independent Director, Apacer Technology Inc.</li> <li>- Director, Wistron Corporation</li> <li>- Director, Wistron NeWeb Corporation</li> <li>- Director, Wistron Information Technology &amp; Services Corporation</li> <li>- Supervisors, Allxon Inc.</li> <li>- Director, Zigong Art Sharing Co., Ltd.</li> <li>- Chairman, Smart Capital Corporation</li> </ul>
Yen-Hsueh Su	<ul style="list-style-type: none"> <li>- Independent Director, TXC Corporation</li> <li>- Director, Spotfilms Co., Ltd.</li> <li>- Independent Director, The Eslite spectrum Corp.</li> <li>- Independent Non-executive Director, Cowell E Holdings Inc.</li> </ul>
Chiu-ling Lu	<ul style="list-style-type: none"> <li>- Independent Director, Chen Full International Co., Ltd.</li> </ul>
Cathy Han	<ul style="list-style-type: none"> <li>- Independent Director, Wiwynn Corporation</li> <li>- Independent Director, Apacer Technology Inc.</li> <li>- Independent Director, Macroblock, Inc.</li> </ul>





Should you have any concerns or questions before voting for the AGM proposals, please contact us via email to [Sara.WH.Lin@auo.com](mailto:Sara.WH.Lin@auo.com). In addition to the AGM proposals, if you're interested in AUO's ESG achievements, AUO will publish the ESG Insight Report on AUO's website under Investor Relations ([Shareholder Information](#)) on May 31. We look forward to seeing you onsite at the General Meeting otherwise you have the option to vote by proxy through your respective agents.

Yours Sincerely,

A handwritten signature in blue ink, reading "Ben Tseng", is written over a horizontal line.

Benjamin Tseng  
Chief Financial Officer  
AU Optronics Corporation