



## **Meeting Notice of Annual General Shareholders' Meeting (Summary Translation)**

The 2012 Annual General Shareholders' Meeting (“AGM”) of Macronix International Co., Ltd. will be convened at Room101, Association of Industries in Science Parks (No. 2, Prosperity Rd. 1, Hsinchu Science Park) at 9:00 a.m., June 6, 2012.

1. The agenda for the Meeting is as follows:

### **I. Report Items**

- (1) 2011 Business Report
- (2) Audit Committee’s Report of 2011
- (3) Others (if any)

### **II. Ratification and Discussion Items**

- (1) Approval of amending the “Procedure Rules of Shareholders’ Meeting”
- (2) Adoption of 2011 Business Report and Financial Statements
- (3) Adoption of the proposed 2011 earnings distribution
- (4) Approval of the capitalization of stock dividends
- (5) Approval of amending internal rules
  - A. Procedures for Acquisition or Disposal of Assets
  - B. Procedures for Financial Derivatives Transactions
- (6) Approval of public offering and/or the private placement of securities
- (7) Approval for removing the competition restrictions of the directors

Except for those proposals deemed adopted or resolved with no objection after the Chairman’s consultation, the Chairman may hold certain and/or all votes of such proposals until the preceding of Motions.

### **III. Others and Motions**

2. The main content of “Year 2011 Earning Distribution Plan” submitted to AGM is as follows:

- (1) Cash dividends to shareholders: Totaling NT\$1,288,407,670. The shareholders will be entitled to receive NT\$0.38 /per share.
- (2) Stock dividends to shareholders: Totaling NT\$1,288,407,670. The shareholders will be entitled to receive 38 shares/per thousand shares.
- (3) Employee bonus (in cash): Totaling NT\$454,732,119

3. For the Company's future business needs, it is hereby proposed for the capital increase, including domestic rights offering(s), the issuance of new shares for the depositary receipts through cash capital increase, the private placement of common shares; and/or the private placement of domestic and/or overseas convertible bonds, to the extent of 1.5 billion common shares (collectively and/or individually "Offering(s)"). It is also hereby proposed to submit to the AGM for authorizing the Board of Directors to select any and/or all of the Offering(s), or mix certain of the Offering(s) taking into consideration then market conditions and/or the Company's needs. The main content of the private placement is as follow:

(1) The private placement of common shares

- A. The basis and rationality of the private placement price : The price of the private placement shares shall be no less than 80 percent of the higher of the following:
- a. The averaged closing price of the Company's common shares for one, three, or five business days immediately preceding its price determination date, and adjusted by the applicable stock dividends, cash dividends and/or capital reduction.
  - b. The averaged closing price of the Company's common shares for the thirty business days immediately preceding its price determination date, and adjusted by the applicable stock dividends, cash dividends, and/or capital reduction.

It is hereby proposed to AGM to authorize the Board of Directors to determine the price. Considering that the privately placed shares have a three-year transfer restriction as required by Securities and Exchange Act and that the price will be set by referring to the market price of common shares, the price setting arrangement shall be reasonable.

- B. The method of selecting the specified subscribers : The Company will select the specified subscribers in accordance with Article 43-6 of Securities and Exchange Act. If a strategic investor is targeted, only those individual and/or legal entities which may help the Company in improving its technologies, developing products, reducing cost, enlarging market shares, and/or strengthen customers relationships, etc. will be selected to enhance the Company's competitiveness, business operation, and/or profitability through the strategic investors' experience, technology, knowledge, brand, or distribution channels.
- C. The necessity of private placement : In consideration of market conditions, fund raising efficiency, costs of the offering(s) as well as equity stabilizing, private placement may be adopted as a fund raising mechanizes. If the private placement is for the strategic investors, it is to maintain long-term relations with such strategic investors through the transfer restriction of shares subscribed. Also, the use of proceeds thereof shall be for the Company's business operation and/or development; and it shall be for the steadily operation of the Company as well as the interests of the shareholders.

(2) The private placement of domestic and/or overseas convertible bonds

- A. The basis and rationality of the private placement price : The issuance price of the privately placed convertible bonds shall be no less than 80% of the theoretical price and that the convertible price shall be no less than 80 percent of the higher of the following:
- a. The averaged closing price of the Company's common shares for one, three, or five business days immediately preceding its price determination date, and adjusted by

applicable stock dividends, cash dividends and/or capital reduction.

- b. The averaged closing price of the Company's common shares for the thirty business days immediately preceding its price determination date, and adjusted by applicable stock dividends, cash dividends, and/or capital reduction.

It is hereby proposed to AGM to authorize the Board of Directors to determine the convertible price. Considering that the privately placed securities have a three-year transfer restriction as required by Securities and Exchange Act and that the price will be set by referring to the market price of common shares, the convertible price setting arrangement shall be reasonable.

- B. The method of selecting the specified subscribers : The Company will select the specified subscribers in accordance with Article 43-6 of Securities and Exchange Act. If a strategic investor is targeted, only those individual and/or legal entities which may help the Company in improving its technologies, developing products, reducing cost, enlarging market shares, and/or strengthen customer relationships, etc. will be selected to enhance the Company's competitiveness, business operation, and/or profitability through the strategic investors' experience, technology, knowledge, brand, or distribution channels.
- C. The necessity of private placement : In consideration of market conditions, fund raising efficiency, costs of the offering(s) as well as equity stabilizing, private placement may be adopted as a fund raising mechanizes. If the private placement is for the strategic investors, it is to maintain long-term relations with such strategic investors through the transfer restriction of shares subscribed. Also, the use of proceeds thereof shall be for the Company's business operation and/or development; and it shall be for the steadily operation of the Company as well as the interests of the shareholders.

- (3) Due to changes of the market conditions, the issuance price and/or the convertible price may be under par value of common shares. The Offering(s) shall be for the steadily operation of the Company, the urgency of the capital needs, as well as the feasibility of the fund raising. The price will be set by referring to the resolution of the AGM and the market price of common shares. The price setting arrangement shall be reasonable and have no significant impact to the shareholders.

4. In compliance with Article 209 of Company Act, i.e. "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 acts for the approval". It is proposed to comply with Article 209 of Company Act to explain to the Company's shareholders the potential competitive works of the respective on board directors.
5. According to Article 165 of the Company Act, registration for stock transfer shall be suspended from April 8, 2012 to June 6, 2012.