



HTC Board of Directors resolved to buy back HTC common stocks for transferring to employees

December 19, 2011

1.Date of the board of directors resolution:2011/12/20

2.Purpose of the share repurchase:For transferring to employees

3.Type of shares to be repurchased:HTC's common stocks

4.Ceiling on total monetary amount of the share repurchase:
NT\$100,103,268,612

5.Scheduled period for the repurchase:2011/12/20~2012/02/19

6.Number of shares to be repurchased:10,000,000 shares

7.Repurchase price range:NT\$445 to NT\$650 per share
In the event that HTC's share price is lower than the lower bound of the above price range, HTC may continue to buy back shares.

8.Method for the repurchase:
To buy back shares from the Taiwan Stock Exchange.

9.Ratio of the shares to be repurchased to total issued shares of the Company:1.16%

10.Number of the Company's own shares held at the time of reporting:23,911,045 shares

11.Status of repurchases within three years prior to the time of reporting:
From Aug. 05, 2009 to Sep. 16, 2011, HTC had bought back 51,871,000 shares of common stock.

12.Status of repurchases that have been reported but not yet completed:

The first repurchase of shares was not completed.

Reason: In order to protect shareholders' interest, the Company bought back its own shares in batches according to stock price movement. Execution rate was 72.48%.

The third repurchase of shares was not completed.

Reason: In order to protect shareholders' interest, the Company bought back its own shares in batches according to stock price movement. The execution rate was 54.50%.

The fifth repurchase of shares was not completed.

Reason:Stock price of the Company was above the price ceiling during the buyback period. Execution rate was 47.86%.

The seventh repurchase of shares was not completed.

Reason:Since stock price of HTC Corp. during the repurchase period was higher than the price ceiling approved by the Board of Director, there is no execution of buyback.

13.Minutes of the board of directors meeting that resolved for the share repurchase:

Proposal for the repurchase of the Company's shares and transfer of such shares to employees is submitted for resolution.

Contents:

(1) Pursuant to the second Article of the Regulations Governing Share Repurchases by Listed and OTC Companies, the Company will repurchase Treasury Stock for the transfer of shares to employees for incentive purpose.

(2) The following related matters are proposed for this repurchase:

(a) Purpose of the repurchase: For transfer of shares to employees in order to encourage and incentivize employees.

(b) Types of shares to be repurchased: Common shares

(c) Ceiling on total monetary amount of the repurchase: NT\$6,500,000,000.

(d) Planned period for the repurchase and number of shares to be repurchased: It is proposed to repurchase 10,000,000 shares from December 20, 2011 to February 19, 2012.

(e) Price range of shares to be repurchased: From NT\$445 to NT\$650; repurchase will continue even when the share price is lower than the lower bound of the above price range.

(f) Method of repurchase: Repurchase at a centralized securities exchange.

(g) For Company's Rules on the Transfer of Shares to employees which is approved by the 10th meeting of the 6th Board of Directors, please refer to Appendix 1.

(3) The number of issued outstanding common shares is 862,052,170. The proposed number of shares to be repurchased constitutes 1.16% of the issued outstanding common shares, and the Company's own funds will be used, so the financial status and capital of the Company will not be affected by the repurchase. By law, when the Company repurchases its own shares, it shall announce the repurchase and report to the Financial Supervisory Commission (FSC), Executive Yuan and make a Declaration (as Appendix 2/ Board Declaration) that is considered at a meeting of the Board of Directors and on which the resolution was made by the Directors present.

(4) The resolution is submitted for discussion.

Resolution: This Proposal has been approved unanimously by the Directors presented (seven seats).

14. The rules for transfer of shares set forth in Article 10 of the Guidelines for Repurchase of Shares by Listed and OTC Companies:
HTC Corporation Rules for the Repurchase of Shares and Transfer to Employees

Article 1

In order to encourage and incentivize employees, HTC adopts these Rules for the Repurchase of Shares and Transfer to Employees in accordance with Article 28-2, paragraph 1, subparagraph 1 of the Securities and Exchange Act and the provisions of the Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies issued by the Financial Supervisory Commission, Executive Yuan. Any repurchase of shares and transfer to employees by HTC, in addition to complying with related laws and regulations, will be carried out in accordance with these Rules.

Article 2 - Type of shares transferred, associated rights, and restrictions on rights

Shares in the present transfer of shares to employees will be common shares, and the rights and obligations associated with those shares, unless otherwise provided by applicable laws and regulations or these Rules, will be the same as other outstanding common shares of HTC.

Article 3 – Period of transfer

In accordance with these Rules, the shares in the present share repurchase may be transferred to employees in a single transfer or multiple transfers within three years from the date of the share

repurchase.

Article 4 – Eligibility of transferees

All regular employees at HTC and at either domestic or foreign subsidiaries are eligible to subscribe to shares in the amounts set out in Article 5 herein.

Article 5 – Transfer procedures

The number of shares to which employees may subscribe will be determined based on their rank, seniority, and performance evaluations, as set out below:

1. A list of employees and the number of shares to which they may subscribe will be drawn up according to the recommendations of the chief executive officer and submitted to the Chairman of the Board for approval.
2. Employees who have not subscribed and completed payment at the conclusion of the designated subscription and payment period will be deemed to have waived their subscription rights. In the event of an insufficient number of subscriptions, the Chairman may contact other employees regarding subscription to the remaining shares. If the amount of subscriptions still remains insufficient, Article 9 will govern.

Article 6

Procedures for the present repurchase of shares and transfer to employees:

1. The repurchase of HTC shares will be publicly announced, reported, and carried out during the implementation period in accordance with the resolution of the Board of Directors.
2. The Chairman is hereby authorized to adopt and to publicly announce operating procedures relating to the record date for employee subscriptions, the standards for number of shares to which employees may subscribe, the period for payment for subscriptions, and the rights associated with share subscriptions and any restrictive conditions.
3. Statistics will be compiled on the numbers of shares actually subscribed and paid for, and the registration of share transfers will be carried out.

Article 7 - Stipulation of share transfer price

The share transfer price for the present repurchase of shares and transfer to employees will be the average of the actual share repurchase prices, provided that if, prior to the transfer, there is either an increase or a decrease in the number of issued shares of HTC common stock, the transfer price may be adjusted within a range proportional to the increase or decrease.

Formula for transfer price adjustment:

Adjusted transfer price = average actual repurchase price per share
× (total number of common stock shares after the repurchase has been executed by HTC ÷ total number of common stock shares prior to HTC's transfer of the repurchased shares to employees)

Article 8 - Rights and obligations subsequent to transfer

Except where otherwise provided, the rights and obligations associated with the transferred shares, following the transfer of shares in the present share repurchase to employees and registration of share transfer, will be the same as those originally associated with the shares.

Article 9

When HTC transfers to employees shares of treasury stock it has repurchased, the full number of those shares shall be transferred within three years from the date of repurchase. Any portion not yet transferred after that date will be deemed unissued HTC shares, and an amendment registration of share cancellation shall duly be carried out.

Article 10

These Rules will be adopted and take effect following a resolution of the Board of Directors authorizing the Chairman and their approval by the Chairman, and may be amended by submission to the Board of Directors for a resolution.

Article 11

These Rules, and any amendments hereto, shall be reported to the shareholders meeting.

15.The rules for conversion or subscription of shares set forth in Article 11 of the Guidelines for Repurchase of Shares by Listed and OTC Companies:N/A

16.Declaration that the financial state of the Company has been considered by the board of directors and that its capital maintenance will not be affected:

Declaration of the Board of Directors of HTC Corporation

1.The Corporation will repurchase, through a majority vote at the 16th meeting of the Sixth Board of Directors attended by at least a two-thirds quorum on December 20, 2011, its own shares at a centralized securities exchange market within two months from the day on which the repurchase was reported to the Financial Supervisory Commission (FSC), Executive Yuan.

2.Total number of common shares to be repurchased constitutes 1.16% of the issued outstanding common shares and cash needed for such repurchase constitutes 3.17% of current assets. The financial status of the Company was considered at the meeting of the Board of Directors; it is concluded that the maintenance of Company's capital would not be affected by the repurchase.

3.This Declaration has been approved unanimously by all the Directors present (seven) at this Board meeting.

HTC Corporation

17.Appraisal by a CPA or securities underwriter of the reasonableness of the share repurchase price:

The buyback of these common shares in the stated price range will not have an impact on HTC's financial structure, book value per share, earnings per share, return on equity, quick ratio, and current ratio except for cash flow.

18.Other particular specified by the Securities and Futures Bureau:

Note: The aforementioned NT\$100,103,268,612 is the regulatory cap on the total value of the shares could be bought. HTC Board of Directors resolved the ceiling on total monetary amount of the repurchase is NT\$6,500,000,000.