

(Stock Code: 1310)



Taiwan Styrene Monomer Corporation

1stExtraordinary General Meeting for FY2021

Meeting Handbook

(Translation)

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Taiwan Styrene Monomer Corporation
1st Extraordinary General Meeting for FY2021
Meeting Agenda

Time: 9:30 a.m., October14, 2021

Venue: No.311, Chi-Hsien 1st Road, Kaohsiung, Taiwan

(HOWARD PLAZA HOTEL KAOHSIUNG)

I. Call Meeting to Order

II. Chairman's Remarks

III. Directors Election

Election of the 15th Board of Directors (including Independent Directors)

IV. Discussion Item

Release the directors and their representatives from non-competition restrictions

V. Extemporary Motions

VI. Meeting Adjourned

Directors Election

Election of 15th Board of Directors (including Independent Directors) (Proposed by the Board of Directors)

Explanatory Notes :

- (1) The term of office 14th Board of Directors will expire on Jan. 30, 2022. To convene the Extraordinary General Meeting to elect the 15th Term of Directors (including Independent Directors).
- (2) Pursuant to Article 19 of the Article of Incorporation, the 15th Board of 11 Directors (including 3 Independent Directors) shall be elected, and all 3 Independent Directors shall form the Audit Committee.
- (3) The directors shall be elected by adopting candidates nomination system as specified in Article 192-1 of the Company Act, Shareholders shall elect the directors from the nominees listed in the roster of director candidates (Please refer to attachment page 6~11). Independent and non-independent directors shall be elected at the same time but on separate ballots.
- (4) The term of the original Board shall end on the date of the Shareholders' Meeting, and the new Directors' term of office shall start on the day of election and be 3 years. Starting from Oct. 14, 2021 to Oct. 13, 2024. For "Procedure for the Election of Directors", please refer to Appendix 3 (page 28~30).

Resolution :

Discussion Item

Release the directors and their representatives from non-competition restrictions. Please resolve.

(Proposed by the board of directors)

Explanatory Notes :

- (1) According to Article 209 of the Company Act, "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 an act and secure its approval."
- (2) In the course of investing in or operating other business activities which are the same or similar to the business scope of the Company and do not affect the business of the Company or cause any damage to the interests of the Company, the directors have proposed to be released from their non-compete restrictions in accordance with Article 209 of the Company Act so as to facilitate the progress of business operation. However, the object of dissolution shall be the directors (including independent directors) actually elected.
- (3) The List of Positions Concurrently held by newly elected directors in any other company will disclose to the shareholder's meeting before the item is submitted for discussion.

Resolution :

Extemporary Motions

Attachment

Taiwan Styrene Monomer Corporation Candidates for Director Election (including Independent Directors)

(I) Nominated by Taiwan Steel Group United Co., Ltd.

No.	Candidate	Name	Education and Work Experience	Current Positions	Shareholdings (shares)
1	Director	Taiwan Styrene Investment Inc. Representative: Wen-Yuan Lin	Master's degree, Dept. of Civil Engineering, University of Hawaii Deputy Head Commissioner, State-owned Enterprise Commission, Ministry of Economic Affairs, R.O.C. Chairperson of China Steel Corporation Chairperson of Taiwan Cogeneration Corporation Chairperson of Taiwan Power Company Chairperson of Eastern Broadcasting Co., Ltd.	Chairman of Taiwan Styrene Monomer Corporation Chairman of Eastern Broadcasting Co., Ltd. Director of Gloria Material Technology Corp.	10,000,000
2	Director	Taiwan Styrene Investment Inc. Representative: Po-Yuan Chen	Master of Chemistry, Illinois Institute of Technology General Manager of China Steel Chemical Corporation General Manager of Taiwan Styrene Monomer Corporation	Vice Chairman of Taiwan Styrene Monomer Corporation	10,000,000
3	Director	Taiwan Styrene Investment Inc. Representative: Jeff Chen	EMBA, Guanghua School of Management, Peking University Research Fellow, Harvard Business School	Director of Taiwan Styrene Monomer Corporation Chairman of Chuan-Pu Investment Holding Co., Ltd. Director of Bank of Kaohsiung Director of Adimmune Corporation	10,000,000

No.	Candidate	Name	Education and Work Experience	Current Positions	Shareholdings (shares)
4	Director	Taiwan Styrene Investment Inc. Representative: Sheng-Chen Li	Master, Institute of Mainland China, NSYSU Judge and Chief Judge, Taiwan Kaohsiung District Court	Director of Taiwan Styrene Monomer Corporation Partner Attorney, Yuan, Chen & Partners Attorneys-at-Law Independent Director of Tatung Company Independent Director of D-Link Corporation Independent Director of Taiwan Tea Corporation	10,000,000
5	Director	Chun Yu Inc. Representative: Chi-Tai Chen	National Tainan Commercial Vocational Senior High School Department of Commerce	Chairman of Chun Zu Machinery Industry Co., Ltd. Vice Chairman of Chun Yu Works & Co., Ltd.	11,678,000
6	Director	Jinchihon Investment Inc. Representative: Joseph Wang	Department of Law, NCHU Director of KMC Chain Industrial Co., Ltd. Independent Director of Aeon Motor Co., Ltd.	Director of Taiwan Styrene Monomer Corporation Chairman of Kings Asset Management Co., Ltd. Chairman of Gloria Material Technology Corp. Chairman of S-Tech Corp.	1,000,000
7	Director	Jinchihon Investment Inc. Representative: Norman Sun	MBA of National Chengchi University General Manager of TMP International Co., Ltd.	Chairman of OFCO Industrial Corp.	1,000,000
8	Director	Jinchihon Investment Inc. Representative: Yu-Chen Li	EMBA of National Cheng Kung University Director of Gloria Material Technology Corp. Director of S-Tech Corp.	Supervisor of Hoyang Investment Co., Ltd. Executive Vice President of Gloria Material Technology Corp.	1,000,000
9	Independent Director	Chin-Chen Chien	PhD (Accounting), Rutgers University, USA Professor, Department of Accounting, NCKU	Independent Director of Taiwan Styrene Monomer Corporation Independent Director of Gloria Material Technology Corp. Independent Director of S-Tech Corp. Independent Director of Ton Yi Industrial Corp.	0

No.	Candidate	Name	Education and Work Experience	Current Positions	Shareholdings (shares)
10	Independent Director	Jui-Mu Huang	Department of Technology Mechanical Engineering, Ming Chi Institute of Technology President of Chang Hwa Bank Senior Executive Vice President of Bank of Taiwan General Auditor of Bank of Taiwan	None.	0
11	Independent Director	Yu-Chang Lin	Department of Law, NCHU Vice President of MasterLink Securities Corporation Independent Director of KaimelElectronic Corp.	Independent Director of Cameo Communications, Inc. Independent Director of Jialie Biomedical Co., Ltd. Independent Director of Chillisin Electronics Corp.	0

(ii) Nominated by Yuan YoDevelopment Co., Ltd.

No.	Candidate	Name	Education and Work Experience	Current Positions	Shareholdings (shares)
1	Director	AnChin Development Inc. Representative: Cheng-Yuan Liu	Department of Fine Arts, PCCU Chairman of Taiwan Styrene Monomer Corporation Chairman of Yangmingshan Tien Lai Resort & Spa Co., Ltd. Chairman of Cheng-De Interior Design Co., Ltd. Chairman of General Chamber of Commerce of the Republic of China Chairman of National Association of Interior Design R.O.C. Director of Taipei Chamber of Commerce	Director of Taiwan Styrene Monomer Corporation Chairman of Cheng-De Interior Design Co., Ltd.	487,000
2	Director	AnChin Development Inc. Representative: Hao Fang	Bachelor of Business Administration, University of Arizona, USA International Master of Business Administration, National ChengChi University	Director of Actron Technology Corporation Director of Sino-American Silicon Products Inc.	487,000
3	Director	AnChin Development Inc. Representative: Tzuo-Liang Ge	Department of Architecture Design of Nanya Polytechnic Institute of Technology China Airlines- Transport clerk of Transport group Director of China Airlines Sales, Supervisor and Researcher of Human Resource Div. Chief of Administration Team Acting General Secretary and General Secretary of Employee Welfare Committee Director of China Aviation Development Function	None.	487,000

No.	Candidate	Name	Education and Work Experience	Current Positions	Shareholdings (shares)
4	Director	Kailian Co., Ltd. Representative: Din-Rei Hsu	Finance and Economic Law, PCCU Master of China—United States relations, PCCU Supervisor of the News Center, Taipei TV Vice President and manager of ChuanlienCatv Co., Ltd. Editor-in-Chief of Quanlian Monthly Senior Editor and supervisor of ZilimediaCo., Ltd. Supervisor of Taiwan Styrene Monomer Corporation	Director of Taiwan Styrene Monomer Corporation General Manager of Scene Enterprise Co., Ltd.	760,000
5	Director	Kailian Co., Ltd. Representative: Hua-Kan Peng	Department of Reporting and Editing, Shih Hsin College of Journalism Convener of Taiwan New Voice Co., Ltd. Senior Report of Next Media Publishing Limited and Sanlih E-Television Supervisor of Taiwan Daily and Taiwan Times Dongseng/Zhongtian TV Current Affairs Commentator Conversation and variety show guests Crazy TV participates in stage play/movie	Project Manager of WanDierctionPublic Relation Co., Ltd.	760,000
6	Director	Kailian Co., Ltd. Representative: Jung-Kang Sun	Department of Law, PCCU General Manager of Atom Cinema Co., Ltd.	General Manager of Thrutek Applied Materials Co., Ltd. General Manager of Taiwan Thermal Insulation Application Technology Co., Ltd.	760,000

No.	Candidate	Name	Education and Work Experience	Current Positions	Shareholdings (shares)
7	Director	Lixing Development Inc. Representative: Catherine Huang	Master of International Business and Finance, The University of Sydney Department of Finance, San Francisco State University Associate of Business Administration, HKU Executive Assistant of CFO, ShinKong International Leasing Corp. Secretary of Chairman, Lion Travel Service Co., Ltd. Secretary of Chairman and Board of Director, BankTaiwan Securities Co., Ltd.	None.	1,000,000
8	Director	Lxing Development Inc. Representative: Hsing-Chung Chao	Department of Electronic Engineering, National Chin-Yi Institute of Technology Executive Vice President of Song Long Electronics Co., Ltd. Director of Factory Affairs, GlobalWafers Co., Ltd. Consultant of GM office, Sino-American Silicon Products Inc.	None.	1,000,000
9	Independent Director	Kuo-Ching Chang	Department of Shipping and Transportation Management, NTOU Independent director of Trans Globe Life Insurance Inc. Chairman of BankTaiwan Life Insurance Co., Ltd. Chairman of Tung Kai Technology Engineering Co., Ltd. Vice President of Central Trust of China Director and Supervisor of the Life Insurance Association of the Republic of China Vice President of Bank of Taiwan Director of Taiwan Business Bank Director of Taiwan Financial Holdings Co., Ltd.	Independent Director of Taiwan Styrene Monomer Corporation	0
10	Independent Director	Chien-Hung Chen	Soochow University Law Master Far East Law Office, Attorneys-at-Law Chi Fa United Law Firm, Attorneys-at-Law	Attorneys of Chen, Chien-Hung, Attorneys-at-Law	0
11	Independent Director	Yi-Chen Tsai	International Relations Division of Political Science Department, National Taiwan University Attorneys of Yi Chuan International Law Firm	Attorneys of Yi Chuan International Law Firm	0

Appendix

1. Rules and Procedures of the Shareholders' Meeting
2. Article of Incorporation
3. Rules for Election of Directors
4. Shareholding Condition of the Directors

**Taiwan Styrene Monomer Corporation
Rules and Procedures of the Shareholders' Meeting**

Article 1

To establish a strong governance system and sound supervisory capabilities for the Company's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies."

Article 2

The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the Articles of Incorporation, shall be as provided in these Rules.

Article 3 (Convening shareholders' meetings and shareholders' meeting notices)

Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the board of directors.

The Company shall prepare electronic versions of the shareholders' meeting notice and authorization letters, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) at least 30 days before the date of an annual shareholders' meeting or at least 15 days before the date of an extraordinary shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS at least 21 days before the date of an annual shareholders' meeting or at least 15 days before the date of an extraordinary shareholders' meeting. In addition, at least 15 days before the date of the shareholders' meeting, the Company shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available at the Company premises as well as at the premises of the Company's authorized stock agent for viewing by shareholders at any time. The aforesaid agenda and materials shall also be distributed at the venue of the shareholders' meeting.

The cause or subject of a meeting of shareholders to be convened shall be indicated in the individual notice to be given to shareholders; the notice may, as an alternative, be given by means of electronic transmission, after obtaining a prior consent from the recipient thereof.

The election, appointment or dismissal of directors, change of Articles of Incorporation, reduction of capital, application for suspension of public issuance, permit for directors' business competition, surplus to capital increase, public reserve to capital increase, dissolution, merger, split-up of the Company, or the matters referred to in Paragraph 1 of Article 185 of the Company Act shall be listed in the reasons for convening the meeting and the main contents shall be stated, which shall not be put forward by extempore motion; the main contents may be placed in the securities authority or the Company's designated website, and its website address shall be specified in the notice.

Where the reasons for convening the shareholders' meeting already specifies the election of all directors and the date elected directors take office, once the election is completed in the shareholders' meeting, the date the elected directors take office may not be changed by extempore motions or other methods in the same meeting.

A shareholder holding 1% or more of the total number of issued shares may submit a proposal to the Company for discussion at an annual shareholders' meeting. The limit of the number of proposals which a shareholder may put forward is one; none of the proposal will be included in the list of proposals if a shareholder proposes more than one. However, a shareholder proposal proposed for urging the company to promote public interests or fulfill its social responsibilities may still be included in the list of proposals to be discussed at an annual meeting of shareholders by the board of directors. In addition, when the circumstances of any subparagraph of Paragraph 4 of Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.

Prior to the book closure date before an annual shareholders' meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the annual shareholders' meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders' meeting, the board of directors shall explain the reasons for exclusion of any shareholder proposals from the meeting agenda.

Article 4

For each shareholders' meeting, a shareholder may appoint a person to attend the meeting on his/her behalf by providing the authorization letter issued by the Company and stating the scope of such person's authorization.

A shareholder shall issue one authorization letter and entrust one such person only, and shall deliver the letter to the Company at least five (5) days before the shareholders' meeting; if more than one letter of authorization is delivered, the earliest one received by the Company shall prevail. However, a statement to revoke an earlier authorization is not subject to the aforementioned rule.

Where a shareholder intends to personally attend the shareholders' meeting or exercised voting rights by correspondence or electronic means after delivering a authorization letter to the Company, the shareholder shall provide, at least two (2) days before the date of the shareholders' meeting, a written notification to the Company for rescinding the said authorization letter. Where the period for rescinding the authorization letter has expired, the voting right exercised by the such person attending the meeting shall prevail.

Article 5 (Principles determining the time and place of a shareholders' meeting)

The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9:00 a.m. and no later than 3:00 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

Article 6 (Preparation of documents such as the attendance book)

The Company shall, in the notice of the shareholders' meeting, specify the time and venue for shareholder registration, and other important matters.

Registration for shareholders referred to in the preceding paragraph shall begin at least thirty (30) minutes before the meeting. There shall be clear signs and sufficient and adequate staff at the registration desk.

Shareholders and those acting on their behalf (hereinafter referred to as the shareholder) shall attend the shareholders' meetings with attendance cards, sign-in cards, or other attendance certificates. The Company may not arbitrarily add other requirements to the supporting documents for attendance of a shareholders' meeting. The solicitor of the should also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall deliver the handbook, annual report, attendance card, speaker's slip, votes, and other meeting materials to each shareholder attending the shareholders' meeting; if there are directors to be elected, ballots shall also be provided.

When a government or a juridical person is a shareholder, it may have more than one representative to attend the shareholders' meeting. When a juristic person is appointed to attend on other's behalf, it may designate only one person to represent it in the meeting.

Article 7 (The chair and non-voting participants of a shareholders' meeting)

If a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the Chairman of the board. When the Chairman of the board is on leave or for any reason unable to exercise the powers of the Chairman, the Vice Chairman shall act in place of the Chairman; if there is no Vice Chairman or the Vice Chairman is also on leave or for any reason unable to exercise the powers of the vice chairperson, the Chairman shall appoint one of the directors to act as the chair of the meeting. Where the Chairman does not make such a designation, one director shall be selected among themselves to act in his/her place.

When a director serves as the chair, as referred to in the preceding paragraph, the director shall be one who has held that position for six (6) months or more and who understands the financial and business conditions of the company. The same requirements shall apply if the chair of the meeting is a representative of a juristic person director.

It is advisable that shareholders' meetings convened by the board of directors be chaired by the Chairman of the board in person and attended by a majority of the directors, at least one independent director in person, and at least one member of each functional

committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders' meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Article 8 (Documentation of a shareholders' meeting by audio or video)

The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures.

The aforementioned audio and video recordings shall be kept for at least one (1) year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 9

Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1 of Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

Article 10 (Discussion of proposals)

If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extempore motions and amendments to the original proposals set out in the agenda). The meeting shall address agenda items in the order they are set, which

may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extempore motions), except by a resolution of the shareholders' meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extempore motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Article 11 (Shareholder speech)

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed five (5) minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder who has the floor; the chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 12 (Calculation of voting shares and recusal system)

Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an item on the agenda, and there is the likelihood that such a relationship would prejudice the interests of the Company, such a shareholder shall not vote on that item, and shall not exercise voting rights on behalf of any other shareholder.

The number of shares with voting rights that cannot be exercised in the preceding paragraph shall not be counted as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed to act on behalf of two or more shareholders, the voting rights represented by that proxy may not exceed 3% of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the counting.

Article 13

A shareholder shall have one voting power in respect of each share, except when the shares are restricted shares or are deemed non-voting shares under Paragraph 2 of Article 179 of the Company Act.

When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the notice of the shareholders' meeting. A shareholder exercising voting rights by correspondence or electronic means is considered to have attended the meeting in person. However, the shareholder shall be regarded as having abstained for extempore motions or revising the original proposals. Thus, it is advised that the Company shall avoid proposing extempore motions or revising the original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company at least two (2) days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail. However, when a declaration is made to cancel an earlier declaration of intent is not subject to the limits.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, at least two (2) business days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing one person to attend a shareholders' meeting on his/her behalf, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of

the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the venue of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced onsite at the meeting, and a record made of the vote.

Article 14 (Election matters)

The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced onsite immediately, including the names of those elected as directors and the numbers of votes with which they were elected.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 15

Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of the Company.

Article 16 (Public disclosure)

On the day of a shareholders' meeting, the Company shall compile in the prescribed

format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders' meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange) regulation, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17 (Maintaining order at the meeting place)

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by this Corporation, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18 (Recess and resumption of a shareholders' meeting)

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extempore motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five (5) days in accordance with Article 182 of the Company Act.

Article 19

These Rules shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall take effect in the same manner.

These Rules were established on May 27, 2020.

Taiwan Styrene Monomer Corporation
Article of Incorporation

Chapter 1 General Rules

- Article 1: The Company is organized pursuant to the provisions concerning limited companies of the Company Act. The Company is named "Taiwan Styrene Monomer Corporation."
- Article 2: The Company's industry classifications are as follows:
(I) C801020 Petrochemical Materials Manufacturing
(II) C801030 Precision Chemical Material Manufacturing
(III) C801990 Other Chemical Materials Manufacturing
(IV) C802990 Other Chemical Products Manufacturing
(V) D101050 Combined Heat and Power
(VI) D401010 Thermal Energy Supply
(VII) F401010 International Trade
(VIII) G801010 Warehousing
(IX) H701010 Housing and Building Development and Rental
(X) H701020 Industrial Factory Development and Rental
(XI) H703090 Real Estate Business
(XII) H703100 Real Estate Leasing
(XIII) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3: The total amount of the re-investment made by the Company may not be restricted by Article 13 of the Company Act as 40% of the capital.
- Article 4: The Company may offer endorsement and guarantee depending on the need of operation and investment business.
- Article 5: The headquarter of the Company is located at Taipei City. The Company can establish branches, offices, or manufacturing facilities depending on the need of business operating.
- Article 6: The method of news publishing of the Company shall be conducted according to the Company Act and relevant regulations.

Chapter 2 Capital Stock

- Article 7: The total capital of the Company is NT\$9 billion dollars, which is divided into 900 million common shares, that is, NT\$10 dollars per share. The total authorized number of shares are to be issued in installments by the approval of the board of directors.
- Article 8: Share certificates of the Company shall be name-bearing certificates, duly signed by or affixed with seals by a minimum of three directors, and duly authenticated by the competent authority or the issuance registry

institution accredited by the competent authority before issuance. The Company may issue shares or corporate bonds without printing physical certificates in accordance with the Company Act or other related laws and regulations. When issuing new shares or bonds or cancelling outstanding ones, the Company shall register or put under custody the shares or bonds with a centralized securities depository enterprise by way of book-entry transfer, and shall follow the regulations of governing centralized securities depository enterprises.

- Article 9: The Company's shares shall, unless otherwise specified by laws and regulations concerning securities, be handled according to the "Regulations Governing the Administration of Shareholder Service of Public Companies" promulgated by the competent authority.
- Article 10: The Company's treasury shares purchased in accordance with the Company Act shall be transferred to recipients which include employees of controlling or subordinate companies that meet certain criteria.
- Article 11: If the Company plans to buy back shares and transfer them to the employees at a price lower than the average price paid for the shares, it may only be implemented by adopting a resolution at the most recent shareholders' meeting prior to the fact. The resolution for such transfer shall be adopted with the concurrence of over two-thirds of votes exercised by the shareholders present at the shareholders' meeting who represent a majority of the issued shares of the Company.
- Article 12: Registration for transfer of shares shall be suspended sixty (60) days immediately before the date of annual shareholders' meeting, and thirty (30) days immediately before the date of any extraordinary shareholders' meeting, or within five (5) days before the record day on which dividend, bonus, or any other benefit is scheduled to be paid by the Company.

Chapter 3 Shareholders' Meeting

- Article 13: Shareholders' meeting of the Company shall be of the following two kinds; the board of directors shall convene the meeting unless otherwise specified in the Company Act:
- (I) Annual shareholders' meeting: to be held at least once every year; it must be convened within six months after the end of the financial year.
 - (II) Extraordinary shareholders' meeting: to be held when necessary.
- Article 14: A notice to convene an annual shareholders' meeting shall be given to each shareholder no later than 30 days prior to the scheduled meeting date. For an extraordinary shareholders' meeting, a meeting notice shall be given to each shareholders no later than 15 days prior to the scheduled meeting date.
- Article 15: Each shareholder of the Company has one voting right per share, except as

otherwise regulated by other laws.

- Article 16: If a shareholder cannot attend the shareholders' meeting due to any reason, he or she may appoint one person to attend each shareholders' meeting on his/her behalf by providing the authorization letter issued by the Company which states the scope of authorization. Additionally, the rules for a shareholder to appoint one person to attend the meeting on his/her behalf are implemented in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" in addition to Article 177 of the Company Act. Shareholders of the Company may exercise voting rights by electronic means. Shareholders exercising voting rights by electronic means shall be deemed to have attended in person, and relevant matters shall be handled in accordance with relevant laws and regulations.
- Article 17: Unless the Company Act regulates otherwise, the Chairman of the Board shall be the chairperson of the shareholders' meeting. If the Chairman is absent, he or she shall designate one of the directors to be the acting chairperson of the meeting. If the Chairman fails to designate anyone, the chairperson of the meeting shall be elected from among the attending directors.
- Article 18: Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairperson of the meeting and shall be distributed to all shareholders within twenty (20) days after the close of the meeting. The distribution of the meeting minutes may be done by public announcement or electronic means, and the meeting minutes shall be kept permanently. The attendance register and authorization letters shall be kept for at least one year; provided, however, if a legal action is initiated by a shareholder for the court to revoke any resolution or to claim that a resolution is null and void, the aforementioned register and forms shall be kept until the conclusion of the lawsuit.

Chapter 4 Directors

- Article 19: The board of directors of the Company has 7 to 11 directors, and the board of directors is authorized to decide the number of directors. Directors are elected from capable persons among the shareholders. Each director will serve a term of three years and may be re-elected. Directors shall be elected based on the candidate nomination system specified in Article 192-1 of the Company Act. There shall be at least three independent directors among the number of directors to be elected referred to in the preceding paragraph, and the independent directors shall represent at least one-fifth of the board of directors. The nomination of candidates and related announcements shall

comply with the Company Act, the Securities and Exchange Act, and relevant regulations. The election of independent directors and non-independent directors shall be held concurrently, provided that the number of independent directors and non-independent directors elected are calculated separately.

Article 20: The Company sets up an Audit Committee according to Article 14-4 of the Securities and Exchange Act. The Audit Committee comprises of all independent directors. The number of the Audit Committee members shall be at least three persons; among the committee members, one should be the convener, and there should be at least one person with accounting or financial expertise. The Audit Committee shall take over the powers of supervisors specified in related laws and regulations.

Article 21: The board is organized by the directors. The board of directors shall elect a chairman of the board directors, and may elect a vice chairman from among the directors. The chairman shall externally represent the Company. When the chairman is on leave or unable to exercise his/her powers for any reason, the vice chairman shall act on his/her behalf. If a vice chairman is not elected from among directors, or currently on leave, or unable to exercise his/her powers for any reason, the chairman shall designate one of the directors to act on his/her behalf. Where the chairman fails to make such a designation, the directors shall elect from among themselves one person to serve as the acting chairman.

Article 22: In calling a meeting of the board of directors, a notice setting forth therein the subject(s) to be discussed at the meeting shall be given to each director no later than seven (7) days prior to the scheduled meeting date. In case of emergency, the meeting may be convened at any time with a notice sent to each director by e-mail or fax.

Article 23: Unless the Company Act and the Articles of Incorporation regulate otherwise, the resolution of a board meeting shall be adopted by a majority vote of the directors at a meeting of the board of directors attended by at least a majority of all directors. A director may appoint another director to attend the board of directors meetings on his/her/its behalf. A director may only be appointed to act on behalf of one other director.

If participation by means of video conferencing is made available at a meeting, directors who participate in the meeting by such means shall be deemed to have attended the said meeting in person. However, the sign-in card with the director's signature shall be faxed to the Company to complete the sign-in procedure.

Article 24: The responsibilities of the board of directors are as follows:

- (I) Election of Chairman;
- (II) Appointment of General Manager;

- (III) Contracting between the Company and shareholders;
- (IV) Determining the operating direction of the Company;
- (V) Determining the Company's capital increase and expansion plans;
- (VI) Review and approval of the Company's budgets and final accounts;
and
- (VII) Other powers of the board of directors specified in the Company Act or related laws and regulations.

Except as otherwise provided in the Company Act or related laws and regulations, the board of directors may authorize the Chairman to execute the responsibilities of the board of directors as follows:

- (I) Matters which the Chairman may be authorized to exercise in accordance with the Company's policies, operating procedures, systems, and regulations.
- (II) Other matters authorized by the resolutions of the board of directors.

Article 25: The Company may purchase liability insurance for directors with respect to liabilities resulting from the exercise of duties during their term of office, and shall authorize the board of directors to be in charge of such purchase of liability insurance. When the directors of the Company perform their duties, the Company may pay directors compensation regardless of its operating profit or loss. The board of directors shall be authorized to determine the compensation for the directors by taking into account the extent and value of their contribution to the Company's operation and the standards of the industry.

Chapter 5 Managerial Officers

Article 26: The Company establishes the positions of managerial officers and the matters concerning their appointment, dismissal, or compensation should be conducted pursuant to Article 29 of the Company Act.

Article 27: The general manager is responsible for the operation of the Company according to the instruction by Chairman. The responsibilities of the general manager are as follows:

- (I) Formulation and drafting the Company policies and regulations;
- (II) Mapping the operating direction and its enforcement;
- (III) Planning of the fundraising and expansion affairs;
- (IV) Preparation of operating budgets and compilation of final accounts;
- (V) Planning and drafting the company organization and HR-related matters concerning the personnel not covered by the provision of the preceding article;
- (VI) Other functions and powers granted by laws, regulations, and shareholders' meetings or the board of directors.

Chapter 6 Accounting

- Article 28: After the end of every fiscal year and the final account is completed, the board of directors shall compile the following reports and submit them to the shareholders' meeting for ratification.
- (I) Business report;
 - (II) Financial statements;
 - (III) Proposals of earnings distribution or loss coverage.
- Article 29: If the Company makes a profit (i.e., net profit before tax before deducting the portion set aside for employees' and directors' remuneration) within a fiscal year, 1%-5% of the profit shall be reserved as the employees' remuneration and no more than 2.5% as the directors' remuneration; in case of accumulated loss, however, a portion of the profit shall first be reserved to cover the loss.
- Employees' remuneration shall be distributed in the form of shares or cash. The distribution of remuneration shall be approved by the majority of the directors present at the board of directors meeting attended by at least two-thirds of all directors, and shall be reported at the shareholders' meeting.
- The Company shall apply the current year's earnings, if any, to pay for the profit-seeking enterprise income tax first, offset accumulated losses, and then set aside 10% as legal capital reserve. The special capital reserve may be appropriated based on the Company's business needs. The board of directors shall propose the appropriation of the remaining earnings, if any, and unappropriated earnings in previous years. In the case of distribution in cash, Paragraph 5 of Article 240 of the Company Act stipulates that the board of directors is authorized, with the presence of more than two-thirds of the directors and the resolution of the majority of the directors present, to distribute all or part of the dividends and bonuses, legal reserve or capital reserve shall be distributed in cash and reported to the shareholders meeting; when new shares are issued, it shall be submitted to the shareholders meeting for distribution after a resolution. In principle, cash dividends to be appropriated shall not be less than 30% of the total dividends to be appropriated; however, the percentage of cash dividends to be appropriated may be adjusted to 10%-30% based on the change in the industry, major investment plans and improvement in the financial position of the Company. If the cash dividend per share is less than NT\$0.1, stock dividends may be distributed instead.
- Article 30: The Company's organization rules and detailed procedures shall be established individually.
- Article 31: Any other matters not regulated in the Articles of Incorporation shall be conducted according to Company Act.

Article 32: The Article of Incorporation was established on September 21, 1979. The 1st amendment was made on May 26, 1980. The 2nd amendment was made on Jan 26, 1981. The 3rd amendment was made on May 5, 1981. The 4th amendment was made on August 26, 1981. The 5th amendment was made on March 22, 1983. The 6th amendment was made on August 18, 1984. The 7th amendment was made on March 5, 1987. The 8th amendment was made on May 9, 1988. The 9th amendment was made on March 22, 1989. The 10th amendment was made on May 31, 1990. The 11th amendment was made on April 16, 1991. The 12th amendment was made on March 22, 1995. The 13th amendment was made on April 18, 1996. The 14th amendment was made on May 14, 1998. The 15th amendment was made on May 24, 2000. The 16th amendment was made on June 3, 2002. The 17th amendment was made on June 24, 2003. The 18th amendment was made on June 24, 2003. The 19th amendment was made on June 15, 2005. The 20th amendment was made on June 22, 2006. The 21st amendment was made on June 19, 2008. The 22nd amendment was made on June 23, 2010. The 23rd amendment was made on June 24, 2011. The 24th amendment was made on June 28, 2012. The 25th amendment was made on June 18, 2014. The 26th amendment was made on June 11, 2015. The 27th amendment was made on June 29, 2016. The 28th amendment was made on June 1, 2017. The 29th amendment was made on June 26, 2018. The 30th amendment was made on July 7, 2021.

**Taiwan Styrene Monomer Corporation
Rules for Election of Directors**

- Article 1 Except as otherwise provided by law and regulation or by the Company's Articles of Incorporation, elections of directors shall be conducted in accordance with these Procedures.
- Article 2 Election of directors of this Company shall be held at the shareholders' meeting.
- Article 3 (Deleted)
- Article 4 The number of directors will be as specified in this Corporation's Articles of Incorporation
- Article 5 Elections of directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. The Company shall review the qualifications, education, working experience, background, and the existence of any other matters set forth in Article 30 of the Company Act with respect to nominee directors and may not arbitrarily add requirements for documentation of other qualifications.
- The cumulative voting method shall be used for election of the directors and supervisors at this Corporation. Each share will have voting rights in number equal to the directors or supervisors to be elected, and may be cast for a single candidate or split among multiple candidates.
- Article 6 The number of directors and supervisors will be as specified in the Company's Articles of Incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.
- Article 7 The board of directors shall prepare ballots with this Company's stamp as well as note the voter's shareholder account number and the number of voting rights.
- Article 8 Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel.

- Article 9 The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.
- Article 10 If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.
- Article 11 A ballot is invalid under any of the following circumstances:
1. Ballots not prepared by this Company;
 2. A blank ballot is placed in the ballot box;
 3. The writing is unclear and indecipherable or has been altered;
 4. Any of the candidate's name, shareholder's number (ID number) or the number of votes cast for such candidate being erased or changed;
 5. If the candidate is a shareholder of this Company, the name or shareholder's number of the candidate filled in the ballot inconsistent with the shareholders' register. If the candidate is not a shareholder of this Company, the name or ID number of the candidate filled in the ballot is incorrect;
 6. The name of the candidates filled in the ballots being the same as another candidate's name and the respective shareholder's numbers (ID numbers) not being indicated to distinguish them;
 7. Ballots with other written characters or symbols in addition to candidate's name, shareholder's number (ID number) and the number of votes cast for the candidate;
 8. The number of candidates filled in the ballot exceeding the number of the seats to be elected.
 9. The total votes cast by the voter exceeding the total voting rights of such voter;
- Article 12 When the total amount of the distributed voting right is lesser than the total voting right the voters have, the decreased part of the voting right is deemed as a waiver of voting power.
- Article 13 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected

as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 14 The board of directors of this Corporation shall issue notifications to the persons elected as directors.

Article 15 Matters on which these Procedures are silent shall be handled in accordance with the Company Act and the Articles of Incorporation of the Company.

Article 16 These Rules and any revision thereof shall become effective after approval at the shareholders' meeting.

The first amendment was made on June 3, 2002;

The second amendment was made on June 15, 2006;

The third amendment was made on June 11, 2015;

The fourth amendment was made on June 28, 2019.

Shareholding Condition of the Directors

1. The minimum number of shares which shall be held by all directors: 16,891,832 shares.
2. By the book closure date for stock transfer of this annual shareholders' meeting, the number of shares held by directors listed on the roster of shareholders:

Job title	Name	Shares held
Chairman	Wen-Yuan Lin, the representative of Taiwan Styrene Monomer Investment Corporation	10,000,000
Director	Chiung-Fen Wang, the representative of Taiwan Styrene Monomer Investment Corporation	10,000,000
Director	Jeff Chen, the representative of Taiwan Styrene Monomer Investment Corporation	10,000,000
Director	Sheng-Tsheng Lee, the representative of Chin-Chih-Hung Investment Corporation	1,000,000
Director	Po-Yuan Chen, the representative of Chun Yu Works & Co., Ltd.	11,678,000
Director	Cheng-Yuan Liu, the representative of Kai-Chiang Co., Ltd.	760,000
Director	Ting-Jui Hsu, the representative of An-Ching Development Corporation	487,000
Director	Po-Hao Huang, the representative of An-Ching Development Corporation	487,000
Independent Director	Chin-Chen Chien	0
Independent Director	Kao-Wei Hsu	0
Independent Director	Kuo-Ching Chang	0
Total shareholding of all directors	23,925,000	

Memo
