

Taiwan Speciality Chemicals Corporation Procedures for Election of Directors

Article 1

Purpose: To ensure a just, fair, and open election of directors, these Procedures are hereby adopted.

Article 2

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 3

The overall composition of the board of directors shall be taken into consideration in the selection of the Company's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

- I. Basic requirements and values: Gender, age, nationality, and culture.
- II. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

- I. The ability to make judgments about operations.
- II. Accounting and financial analysis ability.
- III. Business management ability.
- IV. Crisis management ability.
- V. Knowledge of the industry.
- VI. International market perspective.
- VII. Leadership ability.
- VIII. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

The board of directors of the Company shall consider adjusting its composition based on the results of performance evaluation.

For the Company, the qualifications of independent directors shall comply with the provisions of Articles 2, 3, and 4 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".

The election of independent directors of the Company shall comply with the provisions of Articles 5, 6, 7, 8, and 9 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", and shall be based on the provisions of "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" stipulates in Article 24.

Article 4

The election of directors of the Company shall be conducted in accordance with the procedures for the nomination of candidates stipulated in Article 192-1 of the Company Act.

If the vacancy of directors reaches one-third of the total seats stipulated in articles of incorporation, the Company shall hold a by-election for an extraordinary shareholder meeting within 30 days from the date of occurrence of the fact; after becoming a public company, a by-election of an extraordinary shareholders meeting shall be held within 60 days of the occurrence of the fact.

Upon the Company becomes a public company, if the number of independent directors does not meet the proviso of Article 14-2, Paragraph 1 of the Securities and Exchange Act, relevant provisions of the TPEX Review Guidelines or the specific identification standards stipulated in Paragraph 8 of the "Standards for Determining Unsuitability for TPEX Listing under Article 10, Paragraph 1 of the Taipei Exchange Rules Governing the Review of Securities for Trading on the TPEX", a by-election shall be held at the latest shareholders' meeting; when all independent directors are dismissed, a by-election shall be held at an extraordinary shareholders' meeting within 60 days from the date of occurrence.

Article 5

The cumulative voting method shall be used for election of the directors at the Company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

Article 6

The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 7

The number of directors will be as specified in the Company's articles of incorporation, with voting rights separately calculated for director positions and 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 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. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

Article 9

A ballot is invalid under any of the following circumstances:

- I. The ballot was not prepared by a person with the right to convene.
- II. A blank ballot is placed in the ballot box.
- III. The writing is unclear and indecipherable or has been altered.
- IV. The candidate whose name is entered in the ballot does not conform to the director candidate list.
- V. Other words or marks are entered in addition to the number of voting rights allotted.

Article 10

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 recording shall be retained until the conclusion of the litigation.

Article 11

The board of directors of the Company shall issue notifications to the persons elected as directors.

Article 12

These Procedures and all amendments thereto shall be enforced upon approval by a shareholders' meeting.

Article 13

Formulated on January 6, 2017.

1st amendment on April 29, 2019.

2nd amendment on August 25, 2021.

3rd amendment on June 17, 2022.

4th amendment on May 12, 2023