

Shinkong Synthetic Fibers Corporation

Rules of Procedure for Board of Directors Meetings

(Approved by the Board of Directors on May 7, 2024)

Article 1 (Scope)

These Rules of Procedure govern the conduct of meetings of the Board of Directors of the Company, including the principal agenda items, operating procedures, matters to be recorded in the minutes, public announcements, and other matters to be observed.

Article 2 (Convening of Board Meetings)

Meetings of the Board of Directors shall be convened at least once every quarter and shall be held at the Company's location during business hours or at a location and time convenient for directors to attend and suitable for convening Board meetings.

Notices of Board meetings shall specify the reasons for convening and shall be given to all directors at least seven (7) days in advance. In the event of emergency circumstances, meetings may be convened at any time.

With the consent of the recipient, notices referred to in the preceding paragraph may be given electronically.

Matters specified in Paragraph 1 of Article 5 shall be enumerated in the notice of meeting and shall not be raised as extraordinary motions.

Article 3 (Board Secretariat)

The Company's Board Secretariat shall, under the direction of the Chairperson, handle matters relating to Board meetings and other routine affairs.

The Board Secretariat shall prepare the meeting agenda and provide meeting materials, which shall be sent together with the meeting notice.

Where directors consider the meeting materials insufficient, they may request supplementation from the responsible unit. Where directors consider the agenda materials insufficient, deliberation may be postponed upon resolution of the Board.

Article 4 (Agenda Items for Regular Board Meetings)

The agenda items of regular Board meetings shall include the following:

1. Reports:

- (1) Minutes of the previous meeting and status of implementation.
- (2) Important financial and business reports.
- (3) Internal audit reports.
- (4) Other important matters.

2. Discussion matters:

- (1) Matters reserved for discussion from the previous meeting.
- (2) Matters scheduled for discussion at the current meeting.

3. Extraordinary motions.

Article 5 (Matters to Be Submitted to the Board of Directors for Discussion)

The following matters shall be submitted to the Board of Directors for discussion:

1. Business plans of the Company.
2. Annual financial reports and semiannual financial reports; provided that semiannual financial reports not required by law to be audited by a CPA are excluded.
3. Adoption or amendment of internal control systems and evaluation of their effectiveness.
4. Procedures for the Company's acquisition or disposal of assets, engagement in derivative transactions, lending of funds to others, and provision of endorsements or guarantees.
5. Offering, issuance, or private placement of equity-type securities.
6. Where the Board has not established standing directors, the appointment or removal of the Chairperson.
7. Appointment or dismissal of heads of finance, accounting, or internal audit.
8. Donations to related parties or material donations to non-related parties; provided that public-interest donations for emergency relief in response to major natural disasters may be ratified at the next Board meeting.

9. Matters required under Article 14-3 of the Securities and Exchange Act, other matters required by laws or the Articles of Incorporation to be resolved by shareholders' meetings or submitted to the Board, or other material matters as required by the competent authority.

For the purposes of Subparagraph 8 of the preceding paragraph, "related parties" refers to those defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. "Material donations to non-related parties" refers to any single donation, or cumulative donations to the same recipient within one year, reaching NT\$100 million or more, or reaching one percent (1%) of net operating revenue or five percent (5%) of paid-in capital as shown in the most recent CPA-audited financial report.

The one-year period referred to in the preceding paragraph shall be calculated retrospectively from the date of the Board meeting. Amounts previously approved by the Board shall not be included again.

At least one independent director shall attend Board meetings in person. For matters specified in Paragraph 1, all independent directors shall attend Board meetings. Where an independent director is unable to attend in person, another independent director shall attend as proxy.

Article 6 (Delegation of Authority)

Except for matters required by laws or the Articles of Incorporation to be resolved by the Board, the Chairperson is authorized, in accordance with the Company's approval authority matrix, to direct and supervise matters.

Article 7 (Attendance at Board Meetings)

A sign-in register shall be prepared at Board meetings for attending directors to sign.

Directors shall attend Board meetings in person. Where a director is unable to attend in person, another director may be appointed as proxy in accordance with the Articles of Incorporation. Attendance by video conference shall be deemed in-person attendance.

Where a director appoints another director as proxy, a proxy form prepared by the Company shall be submitted for each meeting, specifying the scope of authorization.

Each proxy may represent only one director.

Article 8 (Chairperson of Board Meetings)

Where Board meetings are convened by the Chairperson, the Chairperson shall preside. For the first Board meeting of each term, the director who received the highest number of votes in the shareholders' meeting shall convene the meeting and serve as chairperson. Where there are two or more such directors, one shall be elected by mutual consent to serve as chairperson.

Where Board meetings are convened by a majority of directors pursuant to Article 203, Paragraph 4 or Article 203-1, Paragraph 3 of the Company Act, one director shall be elected by mutual consent to serve as chairperson.

Where the Chairperson is on leave or otherwise unable to exercise his or her duties, the Vice Chairperson shall act. Where there is no Vice Chairperson or the Vice Chairperson is also unable to act, the Chairperson shall designate a director to act. Where no designation is made, one director shall be elected by mutual consent to act.

Article 9 (Non-voting Attendees)

The Chairperson may notify relevant departments or subsidiary personnel to attend Board meetings as non-voting attendees based on agenda content. Where necessary, CPAs, attorneys, or other professionals may also be invited to attend and provide explanations; however, such persons shall withdraw during discussion and voting.

Article 10 (Commencement of Board Meetings)

If, at the scheduled meeting time, fewer than one-half of all directors are present, the chairperson may announce an adjournment and postpone the meeting. The number of postponements shall be limited to two. If quorum is still not met after two postponements, the chairperson shall reconvene the meeting in accordance with Article 2.

For purposes of these Rules, "all directors" refers to directors actually in office.

Article 11 (Discussion of Agenda Items)

Board meetings shall proceed in accordance with the agenda specified in the meeting notice. With the consent of a majority of attending directors, the agenda may be modified.

Without the consent of a majority of attending directors, the chairperson shall not unilaterally adjourn the meeting.

During Board meetings, where the number of attending directors falls below a majority, the chairperson shall, upon motion by an attending director, announce a suspension of the meeting, and Article 10 shall apply mutatis mutandis.

Where the chairperson is unable to preside or improperly adjourns the meeting, the selection of an acting chairperson shall be handled in accordance with Article 8, Paragraph 3.

Article 12 (Voting)

When the chairperson deems that discussion of an agenda item has been sufficiently concluded, the chairperson may announce the closure of discussion and submit the matter for voting.

Voting shall be conducted by show of hands. Where the chairperson inquires and all attending directors raise no objection, the proposal shall be deemed approved with the same effect as a vote.

Except where proposals are deemed approved by unanimous consent, the chairperson may designate personnel to count votes, and all attending directors shall serve as vote supervisors.

For purposes of the preceding two paragraphs, "all attending directors" excludes directors who are not entitled to exercise voting rights under these Rules.

Article 13 (Adoption of Resolutions)

Except as otherwise provided by laws or the Articles of Incorporation, resolutions of the Board shall require the attendance of a majority of directors and the consent of a majority of attending directors. In the event of a tie vote, the chairperson shall decide.

The results of resolutions shall be announced on-site and recorded.

Article 14 (Recusal Due to Conflicts of Interest)

Where a director has a personal interest in a matter on the meeting agenda, or represents a juristic person with an interest therein, the director shall explain the material aspects of such interest at the meeting. Where there is a risk of prejudice to the Company's interests, the director shall not participate in discussion or voting, shall recuse himself or herself, and shall not exercise voting rights on behalf of other directors.

Where a director's spouse, relatives within the second degree of consanguinity, or a company under the director's control has an interest in the matter, such director shall be deemed to have a personal interest.

With respect to directors who are not entitled to exercise voting rights pursuant to the preceding paragraphs, Article 206, Paragraph 4 of the Company Act, mutatis mutandis Article 180, Paragraph 2, shall apply.

Article 15 (Minutes of Board Meetings)

Minutes shall be prepared for Board meetings and shall accurately record the following:

1. Meeting session, time, and venue.
2. Name of the chairperson.
3. Attendance status of directors, including names and numbers of those present, on leave, or absent.
4. Names and titles of non-voting attendees.
5. Name of the recorder.
6. Reports: names and titles of reporters and key opinions expressed.
7. Discussion matters: resolution methods and results, key opinions expressed, names of directors with conflicts of interest, explanation of material aspects of such interests, reasons for recusal or non-recusal, recusal status, and any dissenting or qualified opinions recorded or submitted in writing.
8. Extraordinary motions: proposer's name, resolution methods and results, key opinions expressed, conflicts of interest information, recusal status, and dissenting or qualified opinions.
9. Other matters required to be recorded.

Where any independent director has expressed dissenting or qualified opinions that are recorded or submitted in writing, such information shall be recorded in the minutes and publicly announced and filed on the information disclosure website designated by the competent authority within two (2) days from the date of the Board meeting.

The attendance register shall form part of the minutes and shall be properly preserved during the existence of the Company.

Minutes shall be signed or sealed by the chairperson and the recorder and distributed to all directors within twenty (20) days after the meeting. Minutes shall be included among the Company's important records and preserved during the existence of the Company. Preparation and distribution of minutes may be conducted electronically.

Article 16 (Preservation of Meeting Proceedings)

The Company shall audio- or video-record the entire proceedings of Board meetings and preserve such recordings for at least five (5) years. Preservation may be conducted electronically.

Where litigation arises before the expiration of the preservation period, relevant recordings shall continue to be preserved until the conclusion of the litigation.

Where Board meetings are convened by video conference, audio or video recordings shall form part of the minutes and shall be preserved during the existence of the Company.

Article 17 (Supplementary Provisions)

These Rules shall be implemented upon approval by the Board of Directors. The same shall apply to any amendments.

These Rules were implemented on January 1, 2007; first amended on April 27, 2009; second amended on March 15, 2012; third amended on March 14, 2013; fourth amended on May 29, 2014; fifth amended on August 10, 2017; sixth amended on March 24, 2020; seventh amended on November 7, 2022; and eighth amended on May 7, 2024.