

Taiwan Mask Corporation

Minutes of the 2022 First Extraordinary Shareholders' Meeting

Meeting Time: 09:00 am, July 26, 2022 (Tuesday)

Meeting Location: No. 1, Industrial East 2nd Road, Hsinchu Science Park (Darwin Hall, 2nd Floor, Science and Technology Living Hall)

Attendance: The total number of shares represented by shareholders and proxies in attendance was 127,250,270 (including 45,366,770 shares by electronic means), representing 61.89% of the total number of 205,593,095 issued shares (after deducting 50,080,440 shares without voting rights under Article 179 of the Company Act).

Chair: Chairman Sean Chen

Minute Taker: Eve Yang

Directors in Presence: Chairman Sean Chen, director Lidon Chen, independent director Wei-Chen Wang (convener of the Audit Committee), independent director Huan-Kuei Cheng, independent director Hui-Fen Chan, and director Chao-Yi Wu.

Nonvoting attendance: Vice President Eve Yang, CPA Ya-Hui Cheng, CPA Chien-Yu Liu.

- I. Call the meeting to order: The number of shares present has reached the quorum, and the chairman announced the start of the meeting.
- II. Chairperson's opening remarks: Omitted.
- III. Report:

- (I) The Company's 29th share repurchase for transferring to employees is hereby presented for your review. (Proposed by the Board of Directors)

Explanation: 1. In order to motivate employees and to attract and retain talents to further enhance the Company's competitiveness, the Company repurchased the Company's shares to transfer to employees for the 29th time on May 6, 2022 by resolution of the Board of Directors, and the repurchase was executed as follows.

Session of share repurchase	The 29th time
Date of resolution of the Board of Directors	2022.05.06
Purpose of share repurchase	Transfer shares to employees
Expected repurchase period	2022.05.09-2022.07.08
Expected repurchase price range	NT\$55 to NT\$110
Total number of shares expected to be repurchased	Common stock of 10,000,000 shares
Expected repurchase period	2022.05.13-2022.07.08
Type and number of shares repurchased	Common stock of 10,000,000 shares
Total amount of share repurchase	NT\$842,535,928
Average price per share of share repurchase	NT\$84.25
Number already repurchased as a percentage of expected number to be repurchased	3.91%
Number of shares retired and transferred	0 share
Accumulated number of shares held by the Company	14,485,000 shares
Accumulated number of shares held by the Company As a percentage of total number of shares issued	5.67%

2. Please refer to Attachment 1 of this Handbook for the measures for share repurchase for transferring to employees.

Present the above content for review.

IV. Discussion Topics

No. 1: (Proposed by the Board of Directors)

Subject: The proposal to issue common shares by private placement is hereby submitted for resolution.

Note: 1. In order to raise operating capital to build a robust financial structure, expand the factory and purchase machinery and equipment to increase the scale of operations, and attract long-term strategic partners to meet the needs of the Company's long-term development, and considering the timeliness and convenience of raising funds, the Company intends to increase capital in cash by private placement of new shares. It is estimated that the private placement of commons stock will not exceed 125,000 thousand shares, with a par value of NT\$10 per share. It is proposed to have the shareholder meeting authorize the Board to issue shares in one to three installments within one year from the date of the resolution of the shareholders' meeting, and to determine the number of shares to be issued each time, depending on the actual fund raising situation.

2. In accordance with Article 43-6 of the Securities and Exchange Act, the matters that should be explained for private placement are as follows:

(1) The basis and reasonableness for the pricing of the private placement

A. The price of common shares in this private placement shall not be lower than 80% of the higher of the price calculated using any one of the following two bases before the pricing date.

a. The simple arithmetic mean of the closing prices of the common shares for either 1, 3, or 5 business days before the pricing date, after adjustment for any stock dividends, cash dividends or capital reduction.

b. The simple arithmetic mean of the closing prices of the common shares for 30 business days before the pricing date, after adjustment for any stock dividends, cash dividends or capital reduction.

B. The actual issue price, within the range of not less than the percentage resolved by the shareholders' meeting, is authorized to be determined by the Board, depending on the negotiations with specific parties and market condition in the future. The aforementioned pricing of private placement complies with the provisions of the Directions for Public Companies Conducting Private Placements of Securities, so it is considered reasonable.

(2) Selection method of the specific parties, purpose, necessity and expected benefits:

- A. Selection method and purpose of specific parties: They are selected in accordance with the provisions of Paragraph 1, Article 43-6 of the Securities and Exchange Act and other relevant orders. The selection of subscribers is limited to the strategic investors in the electronics industry who can assist the Company in expanding the scale of operations and are complementary to the Company without causing major changes in the Company's future management rights.
- B. Necessity: In order to integrate the Company's business and reinforce its competitiveness, it is a necessary strategy for the Company's long-term development to incorporate complementary strategic investors in the electronics industry who can expand the Company's future scale of operations.
- C. Expected benefits: After each round of private placement and the use of funds are completed, it is expected that the Company's competitiveness and operational efficiency can be improved, which will be beneficial to shareholders' equity.
- D. So far, we have not determined any specific subscribers.

(3) Necessary reasons for private placement:

Compared with public offering, the requirement of restricted transfer of securities within three years for private placement will better ensure long-term cooperative relationship between the Company and strategic investment partners. Considering the timeliness of fundraising, we choose to issue new shares through private placement instead of public offering for cash capital increase.

(4) Use of funds and expected benefits:

Depending on the market condition and the situation of the specific parties, we will organize one to three rounds of private placement. The purpose of each private placement is to raise operating capital to build a robust financial structure, expand the factory and purchase machinery and equipment to increase the scale of operations, and attract long-term strategic partners to meet the needs of the Company's long-term development. After each round of private placement and the use of funds are completed, it is expected that the Company's competitiveness and operational efficiency can be improved, which will promote the Company's stable growth and be beneficial to

shareholders' equity.

3. The Company reserves the flexibility to conduct one to three private placements of common stock within the private placement quota to increase the opportunity to bring in different strategic investors, to diversify the subscribers of the private placement as much as possible, and to further reduce the chance of changes in management rights as a result of the private placement to ensure the shareholders' equity. In the future, we will also negotiate with the subscribers in advance when looking for strategic investors, so that there will be no major changes in management rights.
4. The rights and obligations of the common shares of the private placement are the same as those of the Company's issued common shares; however, according to Article 43-8 of the Securities and Exchange Act, the shares of private placement shall be restricted from transfer within three years from the delivery date. After three years from the date of delivery of the private placement, the Company intends to obtain a letter of consent from the Taiwan Stock Exchange to approve the listing and trading in accordance with the relevant laws and regulations before reporting to the competent authorities to complete the public offering procedures and apply for listing and trading.
5. For this private placement of common shares, it is proposed to request the shareholders' meeting to authorize the chairman or his designated person to sign and negotiate all contracts and documents related to the private placement on behalf of the Company and handle all matters related to the private placement for the Company.
6. The number of shares, issue price, terms and conditions, planning items and other outstanding matters related to the private placement of common shares are proposed to the shareholders' meeting to authorize the Board of Directors to determine, depending on the market condition and the needs of the Company's operations. In the event that the regulations of the competent authorities or objective circumstances require future changes, the Board of Directors shall also be authorized to handle by following the relevant regulations.

Supplementary Note: A letter from shareholder account No. 134862, Securities and Futures Investors Protection Center, requesting the Company to explain to its shareholders the necessity and reasonableness of the private placement to raise capital and the impact on the management rights.

- I. On May 26, 2022, the Board of Directors resolved to conduct a private placement of common stock (hereinafter referred to as "the private placement"). The private

placement is subject to the approval of the extraordinary shareholders' meeting on July 26, 2022. No negotiation has yet been made with any subscribers. The selection of the subscribers will be made in accordance with the provisions of Article 43-6 of the Securities and Exchange Act and related letter orders. The purpose, necessity and expected benefits of the selection of the subscribers are described as follows.

1. The method and purpose of the selection of the subscribers:

The selection of the subscribers is made in accordance with Article 43-6 of the Securities and Exchange Act and the related letter orders. The selection of subscribers is limited to the strategic investors in the electronics industry who can assist the Company in expanding the scale of operations and are complementary to the Company without causing major changes in the Company's future management rights.

2. Necessity:

In order to integrate the Company's business and reinforce its competitiveness, it is a necessary strategy for the Company's long-term development to incorporate complementary strategic investors in the electronics industry who can expand the Company's future scale of operations.

3. Expected benefits:

After each round of private placement and the use of funds are completed, it is expected that the Company's competitiveness and operational efficiency can be improved, which will be beneficial to shareholders' equity.

II. On July 5, 2021, the Company held a by-election for two independent directors, mainly because the original independent director, Tai-Ning Hsieh, resigned on June 23, 2020 due to personal career planning, and the original independent director, Hsin Chen, passed away on March 13, 2021, so the shareholders' meeting held a by-election of two independent directors, Huan-Kuei Cheng and Wei-Chen Wang, on July 5, 2021. Yu-Chun Wu, the original independent director, resigned on September 6, 2021 due to personal career planning. On May 26, 2022, the shareholders' meeting held a by-election to appoint one independent director, Hui-Fen Chan, resulting in a change of the number of directors by one third. Among the three newly elected independent directors, only Huan-Kuei Cheng and Hui-Fen Chan hold shares, with 6,051 and 7,000 shares, respectively and a combined shareholding of 0.005%, and the independent directors are not involved in the Company's actual business decisions and operations. In addition, there is no change in the key management team and other directors, so there should not

be any material change in the Company's substantive management rights as a result of the by-election of independent directors.

III. The private placement will be limited to 125,000,000 shares, to be issued in one to three installments within one year. If all the shares are subscribed, the Company's paid-in capital is estimated to reach NT\$4,006 million (including the current paid-in capital, CB1 full conversion and private placement of issued common shares), and the private placement shares will account for 31.2% of the paid-in capital. According to the explanation in II, the Company will introduce strategic investors in the future on the premise that the selection of the subscribers will not cause significant changes in the Company's future management rights as the long-term relationship with each other helps the Company's development. Therefore, there should be no adverse impact on the management rights and shareholders' equity.

Please be informed of the above supplementary note.

Resolution: The voting results of the motion are shown as follows. The number of votes in favor of the motion exceeded the statutory amount, and the motion was approved. The results of voting are as follows.

Total voting rights at the time of voting	Results of voting	Shares of voting rights of shareholders present (%)
125,963,176 shares	Number in favor: 97,639,296 shares (Voting rights exercised by electronic means: 17,088,899 shares)	77.51%
	Number against: 24,763,543 shares (Voting rights exercised by electronic means: 24,733,543 shares)	19.65%
	Invalid: 0 shares	0.00%
	Abstention/Did not vote: 3,560,337 shares (Voting rights exercised by electronic means: 3,544,328 shares)	2.82%

V. Extraordinary Motions: None.

VI. Ending of meeting: At 09:17 am on the same day, the chairperson announced the ending of the meeting.

*Note: The meeting minutes recorded the essentials and results of the meeting in accordance with the provisions of Paragraph 4, Article 183 of the Company Act. The actual content, procedures and shareholder speeches during the meeting are subject to the audio and video recordings of the meeting.

[Attachment 1]

Taiwan Mask Corporation
Measures for the 29th share repurchase for transferring to employees
Established on May 6, 2022

Article 1 Purpose of establishment

In order to motivate employees and attract and retain outstanding talents, and to further enhance the Company's competitiveness, the Company has established the Company's measures for share repurchase for transferring to employees in accordance with Article 28-2, Paragraph 1, Subparagraph 1 of the Securities and Exchange Act and relevant regulations issued by the Financial Supervisory Commission (FSC), including the "Regulations Governing the Share Repurchase by Listed and OTC Companies". Except for the provisions of the relevant laws and regulations, the Company's share repurchase for transferring to employees is governed by the provisions of the Measures.

Article 2 Types of shares to be transferred, content of rights and restrictions on rights

The shares to be transferred to employees are common shares, and their rights and obligations are the same as other outstanding common shares, except as otherwise provided in the relevant laws and regulations and the Measures.

Article 3 Transfer period

The shares repurchase by the Company this time may be transferred to the employees in one or several tranches within five years from the date of repurchase in accordance with the provisions of the Measures.

Article 4 Qualifications of the transferee

All the employees (including part-time employees and consultants) of the Company and domestic and foreign controlled or subordinate companies who have come to work before the base date of the stock subscription or made special contributions to the Company and have been approved by the chairman of the board of directors shall be qualified to subscribe in accordance with the subscription amount set forth in Article 5 of the Measures. The so-called controlled or subordinate companies are determined in accordance with Article 369-2, Article 369-3, Article 369-9-2 and Article 369-11 of the Company Act.

Part-time employees referred to in the preceding paragraph: Employees who are employed by the Company on a time basis (i.e., those whose working hours do not exceed eight hours per

day) or on a fixed-term contract and who receive salary. Consultant: A person who is employed by the Company on a fixed-term contract to perform special or project tasks assigned by the Company and receive remuneration.

For the employees of controlled or subordinate companies as mentioned in the first paragraph, a certified public accountant should be consulted for an opinion on whether they meet the eligibility criteria and a report should be submitted to the Board of Directors. Except for those employees of controlled or subordinate companies who meet the provisions of Article 369-2, Paragraph 1 of the Company Act.

If the target of the transfer leaves the Company between the base date of the employee stock option and the payment deadline of the stock subscription, he or she is disqualified from the subscription.

Article 5 Number of shares to be subscribed by employees

- I. The Company shall determine the number of shares to be transferred to employees, taking into account the criteria of their rank, years of service and special contributions to the Company, and report to the Chairman for approval.
- II. The number of shares to be transferred to managerial officers and directors who are also employee should be approved by the Remuneration Committee and then proposed to the Board of Directors for resolution. any current employee (part-time employees and advisers included) of the Company and domestic and international companies controlled by or subordinated to the Company who also concurrently serves as a managerial officer and director shall comply with the aforesaid procedures.
- III. For the employees of the Company and domestic and international companies controlled by or subordinated to the Company, other than the aforesaid, the shares they are eligible to subscribe shall be agreed by the Audit Committee, submitted to the board of directors for resolution.

Article 6 Procedures for Transfer

The procedures for share repurchase for transferring to employees this time:

- I. In accordance with the resolution of the Board of Directors, the Company shall announce, report and repurchase the Company's shares by the execution deadline.

- II. The Board of Directors shall set and announce the base date of employee's stock subscription, the standard of the number of shares to be subscribed, the period of subscription payment, the content of the rights and the restriction conditions, etc. in accordance with the Measures. The specific qualification of subscription and number of subscription will be determined by the board of directors.
- III. Any employees who fail to subscribe and pay during the subscription period are deemed to have abstained the subscription; the Chairman of the Board of Directors shall negotiate with other employees to subscribe the remaining balance.
- IV. Make statistics of the actual number of shares subscribed and paid, and process the registration of share ownership transfer.

Article 7 Agreed transfer price per share

The transfer price of the repurchased shares to the employees shall be the average price of the actual repurchased shares, except that the transfer price may be adjusted in proportion to the increase or decrease in the number of shares of common stock issued by the Company before the transfer.

Transfer price adjustment formula:

Adjusted transfer price = actual average repurchase price per share × (total number of common shares at the time of the Company's share repurchase ÷ total number of common shares before the Company transferred the repurchased shares to employees)

Article 8 Rights and obligations after the transfer

After the transfer of the repurchased shares to the employees and the registration of the ownership transfer, their rights and obligations shall be the same as the original shares, unless otherwise specified.

Article 9 Other matters concerning the rights and obligations of the Company and its employees

In the event of a transfer of shares pursuant to the Measures, taxes incurred shall be governed by the laws and regulations in effect at the time of the transfer and the relevant operations of the Company.

Article 10 Other matters related to transfer

For the treasury shares repurchased by the Company for transferring to employees, the part that

is not transferred by the deadline shall be regarded as the Company's unissued shares, and the change registration for the retirement of the shares shall be processed in accordance with the law.

Article 11 The Measures shall be effective upon the approval of the Board of Directors and may be amended by resolution of the Board of Directors.

Article 12 The Measures shall be reported to the shareholders' meeting and the same applies to any amendment.

Article 13 The Measures were established on May 6, 2022. The 1st amendment was made on May 26, 2022.