

Formosa Petrochemical Corp.,
ANNUAL MEETING OF SHAREHOLDERS
MAY 31.2022
QUESTIONS FROM DWS INVESTMENT GMBH

Dear Mr. Bao Lang Chen
Dear Mr. Mihn Tsao
Dear Members of the Board

As one of the largest asset managers in Europe, ahead of your 2022 Annual Shareholders' Meeting, we would like to share our questions with you. As a responsible investor in Formosa Petrochemical Corp, it is part of our fiduciary duty at DWS to express our expectations on sustainability in the best interest of our clients. Our commitment to responsible environmental and social practices as well as sound governance (ESG) is not only a crucial element of our responsibilities but also forms an integral part of our investment process.

Thank you for your consideration and answers in advance. We would highly appreciate if we could receive your answers in written form. Please note that we will be also sharing our questions on our www.dws.com website on the day of your AGM.

Independence

Qualified, experienced and independent directors are essential for competent and efficient decision-making processes at board level. Having a majority of independent members serving on boards and committees, is important for us to ensure objective-driven decision making and challenging discussions within the Board. The overall level of the Board's independence is less than 30% because 11 members of the Board are executive directors and the tenure of 3 non-executive directors is over 10 years. The lack of independence could limit the company's ability to provide independent management oversight.

QUESTION 1: Can we expect you to increase the independence of the Board in the near future and if so, when?

DWS considers the transparent appointment of directors as essential for good corporate governance. Hence, DWS expects a separate nomination committee with majority of independent directors.

QUESTION 2: When can we expect you to set up a nomination committee at board level?

Gender Diversity

Qualified, experienced and independent directors are essential for competent and efficient decision-making processes at board level. DWS has a holistic understanding of diversity that encompasses age, gender, qualifications, internationalization, cultural backgrounds, independence, sector experience and tenure. These factors should reflect the structure and nature of the company in order to make better-informed decisions. In this context, gender diversity should provide for a more dynamic, well rounded board of directors, bringing unique perspectives, experience, talents and expertise together. The gender diversity on the Board is significant below peer companies.

QUESTION 3: How will Formosa Petrochemical Corp. integrate gender diversity into the Board's recruitment, nomination and refreshment process?

Executive Remuneration

Executive pay is one of the most important aspects of good corporate governance as it is one of the signals for a well-operated and supervised business. Our expectation is that the Board ensures full transparency, clear and plausible key performance indicators for investors, the structure of the incentives encourages the achievement of corporate financial, social and environmental objectives, and the amount ultimately granted is in line with performance. Furthermore, a rigorous remuneration system should achieve the alignment of the interests of shareholders and management.

QUESTION 4: What are the financial KPIs for the short-term incentive and long-term incentive?

QUESTION 5: Are sustainability performance objectives integrated in the executive managers' remuneration?

Auditor

A strong degree of transparency regarding the audit fees, the balance between audit and non-audit fees, the tenure of the audit firm and the lead audit partner is key for us to assess whether ratifications for audit firms are deemed suitable. We note that Formosa Petrochemical Corp. is audited by Ernst & Young Taiwan, however, Formosa Petrochemical Corp. did not seek shareholder approval for the appointment of the auditor and therefore is not aligned with the international best practice. Shareholders should have the right to vote on the appointment of the audit company. We also consider the transparent appointment of the auditor as essential for good corporate governance.

QUESTION 6: Can we expect to vote on the appointment of the auditor at an AGM and if so, when?

Sustainability

Climate change is one of the greatest environmental challenges. Therefore, corporations and investors, as owners and lenders, have a key role to play towards the need for emissions to be reduced in the mutual goal of coping with the impacts of global warming. In this regard, we are supporter of the Climate Action 100+ and the Net Zero Asset Managers initiatives with the aim to enhance the governance of climate change risks and opportunities, curb emissions and strengthen climate-related financial disclosures. Our active ownership approach revolves around carefully monitoring our investees and engaging with them with the aim of improving their financial and non-financial performance, building a sound understanding of their business and a constructive dialogue on their sustainable development. Furthermore, DWS expects a sustainability committee at board level.

QUESTION 7: Can we expect you to set up a sustainability committee at board level in the near future and if so, when?

QUESTION 8: Does Formosa Petrochemical Corp's net-zero targets include scopes 1, 2 and 3 cover all operations?

QUESTION 9: How much does the Formosa Petrochemical Corp rely on carbon offsets to achieve its carbon reduction targets?

To conclude, we would like to thank all members of the Board and all the Formosa Petrochemical Corp employees cordially on their commitment and dedication over the past year.

A special thank you in advance for your answers.