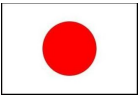


SHIN-ETSU CHEMICAL CO LTD

MEETING DATE	Tue, 29 Jun 2021 10:00 am	TYPE	AGM	ISSUE DATE	Thu, 17 Jun 2021
MEETING LOCATION	Conference Centre 2nd floor, Otemachi Place East Tower at 3-1, Ohtemachi, 2 Chome, Chiyouda-ku, Tokyo.				
CURRENT INDICES	PIRC Japan				
SECTOR	Plastics materials, synthetic resins, and nonvulcanizable elastomers				

PROPOSALS		ADVICE
1	<p>Appropriation of Surplus</p> <p>Japanese companies seek specific authority for the appropriation of any surplus in earnings and this authority includes any distribution of a dividend. The approach to such resolutions rests on the degree to which the dividend payout ratio is in line with the level of distribution which investors could reasonably expect. A dividend of 140 yen per share is proposed, and the dividend payout ratio is approximately 35.4%. This exceeds the minimum acceptable threshold of 15% and the company did not make a loss during the year under review. Triodos supports this resolution.</p>	For
2*	<p>Amend Articles</p> <p>The board seek to approve amendments to the Articles of Association in order to reduce the maximum number of board members to less than fourteen, and reduce the term of directors to one year. No significant concerns have been identified. The proposed amendments are in line with applicable regulation. Triodos supports this resolution.</p>	For
3.1	<p>Elect Saitou Yasuhiko - President</p> <p>Executive Director, President. It is considered the responsibility of the most senior Board member to ensure that there is appropriate outside oversight of Board decisions. As there are three or more outside directors, it is considered that there is adequate outside presence on the Board, and support is therefore recommended. Triodos supports this resolution.</p>	For
3.2	<p>Elect Ueno Susumu - Executive Director</p> <p>Executive Director.</p>	For
3.3	<p>Elect Frank Peter Popoff - Non-Executive Director</p> <p>Non-Executive Director. Not considered independent as the candidate's tenure exceeds twelve years. There is insufficient independent representation on the Board (less than one-third of the whole Board). Triodos opposes this resolution.</p>	Oppose
3.4	<p>Elect Miyazaki Tsuyoshi - Non-Executive Director</p> <p>Non-Executive Director. Not considered independent as the candidate's tenure exceeds twelve years. There is insufficient independent representation on the Board (less than one-third of the whole Board). Triodos opposes this resolution.</p>	Oppose
3.5	<p>Elect Fukui Toshihiko - Non-Executive Director</p> <p>Non-Executive Director. Not considered independent as the candidate's tenure exceeds twelve years. There is insufficient independent representation on the Board (less than one-third of the whole Board). Triodos opposes this resolution.</p>	Oppose
4.1	<p>Elect Kagami Mitsuko as Corporate Auditor</p> <p>Independent Corporate Auditor. Support is recommended.</p>	For

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|----------|---|------------|
| 5 | Approve Compensation Ceiling for Directors
It is proposed to approve the aggregate remuneration of directors, pursuant to the provisions of the Companies Act and the Ordinance for Enforcement of the Companies Act. The increase has been justified and it is within recommended limits. Also, performance-related pay is restricted to executives. Triodos supports this resolution. | For |
| 6 | Issuance of Stock Subscription Right for Option Plan to Directors
The board is seeking authority to issue stock subscription rights under its share option plan. The plan is limited to executives. Acceptable proposal. | For |
| 7 | Issuance of Stock Subscription Right for Option Plan to Employees
The board is seeking authority to issue stock subscription rights under its share option plan. The plan is limited to executives. Acceptable proposal. | For |
- * = Special resolution*
-

SUPPORTING INFORMATION FOR RESOLUTIONS

Proposal 4.1 - Elect Kagami Mitsuko as Corporate Auditor

The traditional governance structure for Japanese companies (Kansayaku) involves the appointment of corporate auditors. Large Japanese companies are required to form a board of corporate auditors with powers to examine board activities and oversee financial reports. Such companies are required by law to appoint at least three statutory auditors to the corporate audit board. At least half the corporate auditors must qualify as 'outsiders'. Beyond this legal minimum, it is considered to be best practice that boards of corporate auditors should be composed wholly of outsiders. New appointments are therefore considered in the context of their effect on the balance of independence.

Note: It is considered that the corporate auditor board will be 20.0% independent following the Annual Meeting.

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