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## Remuneration Committee Charter Walsin Lihwa Corporation

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### **Article 1 Purpose and basis for adoption**

To strengthen corporate governance and remuneration management by the Board of Directors of Walsin Lihwa (hereafter referred to as the Company), the Remuneration Committee (hereafter referred to as the Committee) is established and this Charter of the Committee is laid down pursuant to Article 14-6 of the Securities and Exchange Act and the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or the Taipei Exchange (hereafter referred to as the Regulations)..

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### **Article 2 Committee members**

Committee composition, number of Committee members, and term of Committee members:

1. The Committee members shall be appointed by resolution of the Board of Directors of the Company and shall be at least three persons, and more than half of the Committee members shall be independent directors.
  2. The term of the Committee members shall end at the same time as that of the Board of Directors appointing such members.
  3. When a member of the Committee is dismissed for any reason resulting in fewer than 3 members, a Board of Directors meeting shall be held within 3 months from the date of dismissal to appoint a replacement. In the event of resignation or dismissal of an independent director who is a member of the Committee, the Company may first designate a non-independent director to fill the vacancy left by the independent director and then holds a director by-election to have a new independent director elected and appointed to the Committee.
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### **Article 3 Qualification for members**

A Committee member shall meet one of the professional qualification and work experience requirements as prescribed in Article 5 of the Regulations, and shall not engage themselves in what is restricted or prohibited by Article 6 of the Regulations.

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### **Article 4 Remuneration for members**

The remuneration for the Committee members shall be paid in accordance with the standard set by the Board of Directors.

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**Article 5 Official powers**

The Committee shall exercise the care of a good administrator in faithfully performing the official powers listed below, and shall submit its recommendations for deliberation by the Board of Directors:

- 1) Periodically reviewing this Charter and making recommendations for amendments.
- 2) Establishing and periodically reviewing the annual performance goals for the directors, and managerial officers and the policies, systems, standards, and structure for their compensation.
- 3) Periodically assessing the degree to which performance goals for the directors, and managerial officers of the Company have been achieved, and setting the types and amounts of their individual compensation based on the results of the reviews conducted in accordance with the performance assessment standards. The annual report shall disclose the compensation of the directors and managerial officers pursuant to relevant regulations.

When performing the official powers of the preceding paragraph, the Committee shall follow the principles listed below:

- 1) It shall ensure that the compensation arrangements of the Company comply with applicable laws and regulations and are sufficient to recruit outstanding talent.
  - 2) With respect to the performance assessment and remuneration of directors and managerial personnel, it shall refer to the typical pay levels adopted by peer companies, and take into consideration the reasonableness of the correlation between remuneration and individual performance, the company's business performance, and future risk exposure.
  - 3) There shall be no incentive for the directors or managerial officers to pursue compensation by engaging in any activities that exceed the tolerable risk level of this Corporation.
  - 4) It shall take into consideration the characteristics of the industry and the nature of the Company's business when determining the ratio of bonus payout based on the short-term performance of its directors and senior management and the time for payment of the variable part of remuneration.
  - 5) It shall take into consideration whether the amounts and types of compensation for the Company's directors and managerial officers are reasonable. The decisions on their compensation shall not significantly deviate from the Company's financial performance, and their compensation shall not be higher than the level of the previous year when the Company has any serious earning decline or long-term loss.
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When the Company has any serious earning decline or long-term loss whereas their compensation is still higher than the level of the previous year, why it is reasonable shall be explained in the annual report and reported at the shareholders' meeting.

- 6) No member of the Committee may participate in discussion and voting when the Committee is deciding on that member's individual compensation.
- 7) When the compensation for any member of The Committee is discussed at a meeting, what is discussed shall be explained at that meeting. If the member's interest is likely to prejudice the interest of the company, the member may not participate in discussion and voting, and shall recuse himself or herself from the discussion and voting and also may not exercise voting rights as a proxy for any member.

"Remuneration" as used in the preceding two paragraphs includes cash compensation, stock options, profit sharing and stock ownership, retirement benefits or severance pay, allowances or stipends of any kind, and other substantive incentive measures. Its scope shall be consistent with that of remuneration for directors and managerial officers as set out in the Regulations Governing Information to be Published in Annual Reports of Public Companies.

If the decision-making and handling of any matter relating to the remuneration of directors and managerial officers of a subsidiary is delegated to the subsidiary but requires ratification by the Board of Directors of the Company, the Committee shall be asked to make recommendations before the matter is submitted to the Board of Directors for deliberation

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#### **Article 6 Convening and holding of meetings**

The Committee shall convene at least twice a year.

In calling a meeting of the Committee, a notice setting forth therein the subject(s) to be discussed at the meeting shall be given to each member at least 7 days in advance. In emergency circumstances, however, the meeting may be convened on shorter notice.

The Committee members all shall elect an independent director among them to serve as the Committee convener and meeting chair. When the convener goes on leave or otherwise for any reason whatsoever is unable to convene a meeting, the meeting shall be convened by another independent director of the Committee designated by the convener, or if there is no other independent director on the committee, by another member elected by and from among the other members of the committee.

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The Committee may invite Directors of the Board, managerial officers of relevant departments, internal auditors, certified public accountants, legal consultants, or other personnel to attend meetings as nonvoting participants and provide relevant necessary information, provided that they shall leave the meeting when discussion or voting takes place.

The Human Resources Division at the headquarters of the Company is the unit responsible for rules of procedure for meetings of the Committee to assist the Committee in meeting agenda preparation, convention notification, meeting processes, minuting, and other relevant matters.

The Committee shall set up an executive secretary as a nonvoting participant in Committee meetings, and the most senior executive of the Human Resources Division shall be the executive secretary to assist the Committee in carrying out relevant duties.

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**Article 7 Meeting agenda, attendants, and minutes**

The Committee meeting agenda shall be drawn up by the convener. Other members also may submit motions for deliberation by the Committee. The meeting agenda shall be provided to the Committee members in advance.

When a Committee meeting is held, an attendance book shall be provided for signature by the members attending the meeting and thereafter made available for reference.

The Committee members shall attend the Committee in person; a member who cannot attend in person may appoint another member to attend as his or her proxy. Attendance via tele- or video-conference is deemed as attendance in person.

A proxy under the preceding paragraph 3 may accept a proxy from one person only. A Committee member appointing another member to attend the Committee meeting in his or her place shall in each instance issue a written proxy stating the scope of authorization relevant to the meeting.

A resolution of the Committee shall require the approval of one-half of all its members. During voting, if the Committee chair solicits and receives no dissents, the motion is deemed passed, with equivalent force as a resolution by vote. The results of voting shall be made known immediately, and recorded in writing.

Minutes of the Committee shall be prepared in pursuance with Article 10 of the Regulations.

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**Article 8 Appointment of external consultants**

The Committee may, at the expense of the Company, resolve to retain the service of

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an attorney, certified public accountant, or other professional to conduct a necessary audit or to provide advice on matters relating to the exercise of the Committee's powers.

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**Article 9 Enforcement and Amendment**

This Charter, and any amendments hereto, shall enter into force after adoption by the Board of Directors.

This Charter came into force on September 19, 2011 and was amended for the first, second, third, and the fourth time respectively on August 4, 2017, February 23, 2018, February 27, 2020, and August 4, 2020. The amendments came into force after passage by the Board of Directors.

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