

# **Zhen Ding Technology Holding Limited**

## **Remuneration Committee Charter**

### Article 1

(Purpose and basis for adoption)

This Charter is adopted pursuant to Article 3 of 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 Traded Over the Counter" formulated by the securities authority of Taiwan (hereinafter, "Taiwan").

### Article 2

(Scope of application)

The composition, number and term of office of the committee, official powers, rules of procedure for meetings and resources to be provided by the company when the remuneration committee exercises its official powers shall be handled in accordance with this Charter.

### Article 3

(Committee composition and disclosure)

The remuneration committee members shall be appointed by resolution of the board of directors. The committee shall not be fewer than three members; a majority of the members shall serve as independent directors. One of the independent directors shall be elected by all members of the Committee as the convener and meeting chair.

The term of the Committee members shall be the same as that of the board of directors by whom they were appointed.

When a member of the Committee is dismissed for any reason, resulting in there being less than three members, a board meeting to make a new appointment shall be held within 3 months from the date of occurrence. In the event that an independent director is dismissed and there is no other independent director, the Corporation may appoint someone who is not qualified to act as independent director to be a member of the Committee until the appointment of an independent director at a by-election as required, and the independent director elected in the by-election will be appointed after the by-election.

When there is any appointment of, or change in, a member of the remuneration committee, the company shall, within 2 days counting from the date of occurrence of the event, publicly announce and report it on the information reporting website designated by the competent authority.

### Article 3-1

(Independence)

Within the scope of execution of business, a remuneration committee member of a public company shall maintain independence, and may not have any direct or indirect interest relationship with the company. During the 2 years before being appointed or during the term of office, a remuneration committee member shall not have been or be any of the following:

1. An employee of the company or any of its affiliates.
2. A director or supervisor of the company or any of its affiliates.

3. A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under any other's name, in an aggregate amount of 1 percent or more of the total number of issued shares of the company or ranking in the top 10 in shareholding.
4. A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.
5. A director, supervisor, or employee of a corporate shareholder that directly holds 5 percent or more of the total number of issued shares of the company, or that ranks in the top 5 in shareholding, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act.
6. If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company.
7. If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution.
8. A director, supervisor, managerial officer, or shareholder holding 5 percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company.
9. A professional individual who, or an owner, partner, director, supervisor, or managerial officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided that this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.

Subparagraph 2 and subparagraphs 5 to 7 of the preceding paragraph and subparagraph 1 of paragraph 4 do not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the company and its subsidiary.

The requirement of paragraph 1 in relation to "during the two years before being appointed" does not apply where a remuneration committee member has served as an independent director of the company or any of its affiliates, or of a specified company or institution that has a financial or business relationship with the company, as stated in subparagraph 2 or 8 of paragraph 1, but is currently no longer in that position.

The term "specified company or institution" as used in paragraph 1, subparagraph 8, means a company or institution that has one of the following relationships with the company:

1. It holds 20 percent or more and no more than 50 percent of the total number of issued shares of the company;

2. It holds shares, together with those held by any of its directors, supervisors, and shareholders holding more than 10 percent of the total number of shares, in an aggregate total of 30 percent or more of the total number of issued shares of the company, and there is a record of financial or business transactions between it and the company. The shareholdings of any of the aforesaid persons include shares held by the spouse or minor children of the person or by the person under any other's name.
3. It and its group companies are the source of 30 percent or more of the operating revenue of the company.
4. It and its group companies are the source of 50 percent or more of the quantity or the total purchase amount of principal raw materials (those that account for 30 percent or more of the total purchase amount, and are indispensable and key raw materials in product manufacturing) or principal products (those accounting for 30 percent or more of the total operating revenue) of the company.

For the purposes of paragraphs 1 and 2 and the preceding paragraph, the terms "subsidiary", and "group" shall have the meanings as determined under International Financial Reporting Standards 10.

The term "affiliate" in paragraphs 1 and 3 means an affiliated enterprise under Chapter VI-1 of the Company Act, or a company for which consolidated financial reports are required to be prepared under the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises or under International Financial Reporting Standard 10.

#### Article 4

(Scope of duties)

The remuneration committee shall exercise the care of a good administrator in faithfully performing the official powers listed below; accountable to the board of directors, and shall submit its recommendations for deliberation by the board of directors:

1. Prescribe and periodically review the performance review and remuneration policy, system, standards, and structure for directors, supervisors and managerial officers, and disclose the content of the performance evaluation criteria in the annual report
2. Periodically evaluate and prescribe the remuneration of directors, supervisors, and managerial officers.

The proposal on the remuneration of members of the audit committee in the preceding paragraph shall be submitted to the board of directors for discussion, and the remuneration of the members of the audit committee shall be limited to those stipulated in the articles of association of the company or authorized by the board of directors through the resolution of the shareholders meeting.

#### Article 5

(Principle of performance of functions)

The Committee shall perform the duties under the preceding paragraph in accordance with the following principles:

1. Performance assessments and compensation levels of directors, audit committee members, and managerial officers shall take into account the general pay levels in the industry, individual

performance assessment results, the time spent by the individual and their responsibilities, the extent of goal achievement, their performance in other positions, and the compensation paid to employees holding equivalent positions in recent years. Also to be evaluated are the reasonableness of the correlation between the individual's performance and this Corporation's operational performance and future risk exposure, with respect to the achievement of short-term and long-term business goals and the financial position of this Corporation.

2. There shall be no incentive for the directors or managerial officers to pursue compensation by engaging in activities that exceed the tolerable risk level of this Corporation.
3. For directors and senior managerial officers, the percentage of remuneration to be distributed based on their short-term performance and the time for payment of any variable compensation shall be decided with regard to the characteristics of the industry and the nature of this Corporation's business.

"Remuneration" as used in this Charter 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.

Managerial officers referred to in these Charter include:

- (1) General manager and equivalent level.
- (2) Deputy general manager and equivalent level.
- (3) Associate and equivalent level.
- (4) Financial supervisor.
- (5) Accounting supervisor.
- (6) Other persons who have management affairs and signature rights for the company.

When deliberating the recommendations of the remuneration committee, the board of directors shall give comprehensive consideration to matters including amounts of remuneration, payment methods, and the company's future risk.

If the board of directors will decline to adopt, or will modify, a recommendation of the remuneration committee, it shall require the consent of a majority of the directors in attendance at a meeting attended by two-thirds or more of the entire board, which in its resolution shall give the comprehensive consideration under the preceding paragraph and shall specifically explain whether the remuneration passed by it exceeds in any way the recommendation of the remuneration committee.

If the remuneration passed by the board of directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified in the board meeting minutes, and shall be publicly announced and reported on the information reporting website designated by the competent authority within 2 days counting from the date of passage by the board of directors.

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 this Corporation, the Committee shall be asked to make recommendations before the matter is submitted to the board of directors for deliberation.

## Article 6

### (Convening and holding of meetings)

The remuneration committee shall convene at least twice a year, and hold meetings at any time as needed.

In convening a meeting of the Committee, a notice setting forth the subjects 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 notification in the preceding Paragraph may be done electronically.

One of the independent directors shall be elected by all members of the Committee as the convener and meeting chair. If the convener takes leave or is unable to convene a meeting for any reason, the convener shall appoint another independent director on the Committee to act in his or her place. If there is no other independent director on the Committee, the convener shall appoint another Committee member to act on his or her behalf. If the convener does not make such an appointment, a member of the Committee shall be elected by and from among the other members on the Committee to serve as convener.

The convener of the committee represents the committee externally.

When the Committee calls a meeting, it may request directors, managers of relevant departments, internal audit officers, certified public accountants, attorneys, or other personnel of this Corporation to attend the meeting as non-voting participants and to provide pertinent and necessary information, provided that they shall leave the meeting when deliberation and voting take place.

## Article 7

### (Drafting of meeting agendas and resolution)

The Committee's meeting agenda shall be drafted by the convener. Other members may submit motions to the Committee for discussion.

Meeting agendas shall be forwarded to the Committee members in advance.

When a meeting of the Committee is held, an attendance book shall be made available for sign-in by the Committee members in attendance and thereafter made available for reference.

The Committee members shall attend the meeting in person. If a member is unable to attend the meeting in person, the member may appoint another member to attend as his or her proxy. Attending a meeting via telecommunications will be deemed attendance in person. However, if less than two committee members attend the meeting in person, the meeting shall not be held.

A member of the Committee that appoints another member as proxy to attend a meeting shall in each instance issue a written proxy stating the scope of authorization with respect to the items on the meeting agenda.

Resolutions at meetings of the Committee shall be adopted with the consent of one half or more of the entire membership. When a matter comes to a vote at a Committee meeting, if upon inquiry by the meeting chair no member voices an objection, the matter will be deemed approved, with the same effect as approval by vote. The result of the vote under the preceding paragraph shall be made known immediately and recorded in writing.

The proxy under paragraph 3 may accept a proxy from one person only.

When a meeting of the Committee will discuss the remuneration of any member of the Committee, it will be clearly stated at the meeting. If there is likely to be any prejudice to the interests of the

Corporation, that member may not participate in the discussion or voting and shall enter recusal during the discussion and voting. The member also may not act as another Committee member's proxy to exercise voting rights on that matter.

If the committee is unable to hold a meeting or make a resolution due to the third proviso or the preceding paragraph, it shall report to the board of directors, and the board of directors shall discuss and make a resolution.

For the discussion and resolution by the board of directors in accordance with the preceding paragraph, in addition to being recorded in the minutes of the board of directors meeting, and shall be publicly announced and reported on the information reporting website designated by the competent authority within 2 days counting from the date of the resolution.

## Article 8

(Meeting minutes)

Discussions at a meeting of the Committee shall be included in the meeting minutes, which shall faithfully record the following:

1. The session, time, and place of the meeting.
2. The name of the meeting chair.
3. Attendance of the Committee members at the meeting, specifying the names and the number of members present, excused, and absent.
4. The names and titles of those attending the meeting as non-voting participants.
5. The name of the minute taker.
6. The matters reported at the meeting.
7. Agenda items: For each proposal, the method of resolution and the result; the name, content of remuneration, and specifics regarding recusal of any member whose own remuneration comes under discussion under the Article 7; and any objections or reservations expressed by any member.
8. Extraordinary motions: The name of the mover; the method of resolution and the result for each motion; a summary of the comments of the independent director members of the Committee and experts and other persons present at the meeting; the name, content of remuneration, and specifics regarding recusal of any member whose own remuneration comes under discussion under the preceding article; and any objections or reservations expressed by a member.
9. Other matters required to be recorded.

If with respect to any resolution of the remuneration committee, any member has a dissenting or qualified opinion that is on record or stated in a written statement, the opinion shall be stated in the meeting minutes, and additionally, within two days counting inclusively from the date of occurrence, shall be publicly disclosed and reported on the information reporting website designated by the competent authority.

The remuneration committee attendance book constitutes an integral part of the minutes of each meeting of the committee.

The meeting minutes shall bear the signature or seal of the chair and the minute taker. The minutes shall be distributed to each committee member within 20 days after the meeting, and shall be submitted to the board of directors and treated as important records of the company, and shall be preserved for 5 years.

If before the end of the preservation period under the preceding paragraph, any litigation arises with respect to any matter in connection with the remuneration committee, the minutes shall be preserved until the litigation is concluded.

The meeting minutes of paragraph 1 may be produced and distributed in electronic form.

If a remuneration committee meeting is convened by video conference, the video conference audiovisual data constitute an integral part of the meeting minutes.

#### Article 9

(Resources to be provided when the Committee exercises its powers)

When the Committee calls a meeting, it may request directors, managers of relevant departments, internal audit officers, certified public accountants, attorneys, or other personnel of this Corporation to attend the meeting as non-voting participants and to provide pertinent and necessary information, provided that they shall leave the meeting when deliberation and voting take place..

The Committee may, at the expense of this Corporation, resolve to retain the service of 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.

#### Article 10

(Implementation of meeting resolutions)

The committee shall periodically reviewing this Charter and making recommendations for amendments to the board of directors.

The execution of tasks relating to resolutions adopted by the Committee may be delegated to the convener or other Committee members for follow-up, with a written or verbal report to be presented to the Committee during the implementation period. When necessary, the matter shall be presented for ratification or a report made at the next meeting of the Committee.

#### Article 11

(Enforcement)

This Charter shall take effect after having been submitted to and adopted by the board of directors. Subsequent amendments thereto shall be effected in the same manner.