

## Remuneration Committee Charter of Far Eastern New Century Corporation

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### Article 1 (Purpose and basis for adoption)

To ensure a sound corporate governance system, and a sound system for compensation of the Directors and managerial officers of Far Eastern New Century Corporation (hereinafter referred to as the "Company"), this Remuneration Committee (hereinafter referred to as "the Committee") is appointed and this Remuneration Committee Charter (hereinafter referred to as "this Charter") is adopted pursuant to 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".

### Article 2 (Scope of application)

Matters in connection with the composition, number, term of office, meeting rules and resources to be provided by the Company when the Committee exercise its powers, except as otherwise provided by law or regulation or by the articles of incorporation, shall be handled in accordance with this Charter.

### Article 3 (Committee members)

- 1) The Committee members shall be appointed by resolution of the Board of Directors. The Committee shall not be less than three members, and it is advisable that more than half of the committee members be independent directors. After the election of the Independent Directors of the Company, one of the Independent Directors shall be elected by all Committee members as the convener and meeting chair.
- 2) The term of the Committee members shall be the same as that of the Board of Directors that appointed the members.

- 3) When a member of the Committee is dismissed for any reason, resulting in there being less than three members, a Board of Directors meeting shall be held within three months counting from the date of occurrence of the event to appoint a replacement.
- 4) When there is any appointment of, or change in, a member of the Committee, the Company shall, within two 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.
- 5) The requirement and qualification of the members of the Committee shall meet 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”.

Article 4 (Scope of duties)

- 1) The Committee shall exercise the care of a good administrator to faithfully perform the following duties and present its recommendations to the Board of Directors for discussion:
  - a) Establishing and periodically reviewing the performance goals for the Directors and managerial officers of the Company and the policies, systems, standards, and structure for their compensation.
  - b) Periodically assessing the compensation of the Directors and managerial officers of the Company.
- 2) The Committee shall perform their duties under the preceding paragraph in accordance with the following principles:
  - a) Performance assessments and compensation levels of Directors and managerial officers shall take into account the general pay levels in the industry, their performance, and the reasonableness of the correlation between the individual's performance, the Company's operational performance and future risk exposure.
  - b) 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 the Company.

- c) For Directors and senior managerial officers, the percentage of bonus 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 the Company's business.
- 3) "Compensation" 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 the compensation for Directors and managerial officers as set out in the "Regulations Governing Information to be Published in Annual Reports of Public Companies".
- 4) When deliberating the recommendations of the Committee, the Board of Directors shall give comprehensive consideration to matters including amounts of compensation, payment methods, and the Company's future risk.
- 5) If the Board of Directors will decline to adopt, or will modify, a recommendation of the 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 compensation passed by it exceeds in any way the recommendation of the Committee.
- 6) If the compensation passed by the Board of Directors exceeds the recommendation of the 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 two days counting from the date of passage by the Board of Directors.

- 1) The Human Resources Department shall be charged with the meeting of the Committee, such as meeting notice, preparation of agenda, proceeding of meeting, meeting minutes and report.
- 2) Meetings of the Committee shall be held at least twice a year. 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 seven days in advance. In emergency circumstances, however, the meeting may be convened on shorter notice.
- 3) 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.
- 4) 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.
- 5) 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, however, the proxy may accept a proxy from one person only. Attending a meeting via telecommunications will be deemed attendance in person.
- 6) 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.
- 7) 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 shall be made known immediately and recorded in writing.

- 8) 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 the Company 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 6 (Meeting minutes)

- 1) Discussions at a meeting of the Committee shall be included in the meeting minutes, which shall faithfully record the following:
  - a) The session, time, and place of the meeting.
  - b) The name of the meeting chair.
  - c) Attendance of the Committee members at the meeting, specifying the names and the number of members present, excused, and absent.
  - d) The names and titles of those attending the meeting as non-voting participants.
  - e) The name of the minute taker.
  - f) The matters reported at the meeting.
  - g) Agenda items: for each proposal, the method of resolution and the result; a summary of the comments made by the Committee members on the Committee and experts and other persons present at the meeting; the name of any Committee members who is an interested party as referred to in Article 7; an explanation of the name of Committee member, the critical part of personal interest matter, the

status of the recusal; and any objections or reservations expressed at the meeting.

- h) Extraordinary motions: the name of the mover; the method of resolution and the result for each motion; a summary of the comments made by the Committee members on the Committee and experts and other persons present at the meeting; the name of any Committee members who is an interested party as referred to in Article 7; an explanation of the name of Committee member, the critical part of personal interest matter, the status of the recusal; and any objections or reservations expressed at the meeting.
  - i) Other matters required to be recorded.
- 2) Any objections or reservations expressed with record in writing by any members in connection with the resolutions of the Committee, should, other than recorded in the meeting minutes, be publicly announced and reported on the information website designated by the relevant regulatory authority within two days from the occurrence of fact.
  - 3) The attendance book constitutes part of the minutes for each meeting of the Committee; if the meeting is held via telecommunications, the audio and video materials also constitute part of the meeting minutes.
  - 4) The minutes of each meeting of the Committee shall bear the signature or seal of both the meeting chair and the minute taker. A copy of the minutes shall be distributed to each member on the Committee within twenty days after the meeting, and shall be presented to the Board of Directors and retained as important corporate records for five years.
  - 5) If, before the expiration of the retention period under the preceding paragraph, any litigation arises in connection with any matter relating to the Committee, the meeting minutes shall be preserved until the conclusion of the litigation.
  - 6) The meeting minutes may be produced and distributed in electronic form.

Article 7 (Prevention of conflicts of interest)

A Committee member who has a personal interest with a respect to a given agenda should explain to the Committee the critical part of such interest. If such interest is likely to prejudice the interests of the Company, such Committee member shall not join discussion, vote nor exercise the voting right on behalf of another Committee member, and shall recuse himself or herself during the discussion and voting.

Article 8 (Resources to be provided when the Committee exercise its powers)

The Committee may, at the expense of the Company, 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 9 (Others)

- 1) The execution of tasks relating to resolutions adopted by the Committee, and subsequent work, may be delegated to the convener or other Committee members for follow-up, with a written 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.
- 2) Related law and regulations of the Company or competent authority should be applied where matters are not mentioned herein.

Article 10 (Enforcement)

This Charter herein takes effect after approval at the Director's meeting. The same applies for any amendments.

*\*In case of any discrepancy between this English translation and the Chinese text of this document, the Chinese text shall prevail.*