

Wiwynn Corporation

Compensation Committee Charter

- Article 1 Wiwynn Corporation (the “Company”) hereby sets up the Compensation Committee (the “Committee”) pursuant to Article 14-6 of the Securities and Exchange Act (the “Act”), and 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 (the “Regulations”). Except as otherwise where other applicable mandatory laws or special regulations specified, the provisions of such laws or regulations shall prevail.
- Article 2 Scope
The matters relating to the Committee composition, number, term, responsibilities and duties, meeting rules and the provision of resources when the Committee exercises its powers, shall be in accordance with the Compensation Committee Chart (the “Charter”).
- Article 3 Disclosure for public reference
This Corporation shall upload the content of this Charter to its website and the Market Observation Post System (MOPS) for public reference.
- Article 4 Organization (composition, number and term of office)
The members of the Committee shall be appointed by the Board of Directors resolution. The Committee shall be no less than 3 persons, one of whom shall be appointed as convener. The terms of each Committee member shall be the same as that of the Board of Directors. When a member of the Committee resigns or is dismissed for any reason that results in the Committee less than three members, the Board of Directors shall hold a meeting to appoint a replacement within 3 months from the date of occurrence of the event. When there is any appointment of, or change of, any member of the Committee, the Company shall release public announcement thereof on the public website designated by the relevant competent authority within 2 days from the date of occurrence of the event.
- Article 5 Selection criteria (professional qualification and working experience)
Each member of the Committee requires one of the following professional qualifications, and a minimum of 5- year working experience:
1. A lecturer or higher in either department of commerce, law, finance, accounting, or other academic department related to the business needs of the Company in a public or private college, or university.

2. Licensed to practice as a judge, public prosecutor, attorney in law, certified public accountant, or otherwise related professional or technical specialist in any professions related to the Company business area.

3. Required working experience in the area of commerce, law, finance, or accounting, or otherwise necessary to the Company business.

Committee member; if such member has already served in such capacity, it shall be dismissed:

1. Any of the circumstances in the subparagraphs of Article 30 of the Company Act.

2. Any violation of the Committee member qualification requirements set out in the Charter.

Article 6 Selection criteria (restrictions)

Within the scope of execution of business, a compensation 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 compensation 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 compensation 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, a public company and its parent or subsidiary or a subsidiary of the same parent.

The requirement of paragraph 1 in relation to “during the two years before being appointed” does not apply where a member of the Committee 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” been referred in paragraph 1, subparagraph 8 of this Article, 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 paragraph 1 and 2 and the preceding paragraph, the terms “parent”, “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 7 Responsibilities and duties

The Committee shall exercise the due care of a good manager in fiducially performing the responsibilities and duties listed below, and shall submit its recommendations for deliberation by the Board of Directors:

1. Review this Charter and making recommendations for amendments.
2. Prescribe and periodically review the performance review and remuneration policy, system, standards, and structure for directors, supervisors and managerial officers.
3. Periodically evaluate and prescribe the remuneration of directors, supervisors, and managerial officers.

When performing the responsibilities and duties of the preceding paragraph, the Committee shall follow the principles listed below:

1. Ensuring that the compensation arrangements of this Corporation comply with applicable laws and regulations and are sufficient to recruit outstanding talent.
2. With respect to the performance assessment and remuneration of directors, supervisors and managerial personnel of the Company, 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. It shall not produce an incentive for the directors or managerial officers to engage in activity to pursue remuneration which exceeds the risks that the Company shall bear.
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. No member of the Committee may participate in discussion and voting when the Committee is deciding on that member’s individual compensation.

“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, supervisors, and managerial officers as set out in the Regulations Governing Information to be Published in Annual Reports of Public Companies. When deliberating the recommendations of the 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 declines to adopt, or decides to 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 remuneration passed by it exceeds in any way the recommendation of the Committee.

If the remuneration 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 2 days counting from the date of passage by the Board of Directors.

If 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, the Compensation Committee shall be asked to make recommendations before the matter is submitted to the Board of Directors for deliberation.

Article 8 Convening meetings, meeting chair and attending meetings as nonvoting participants

The Committee shall convene at least twice a year, which requirement shall be expressly provided in the Charter. Each Committee member shall be notified of the reasons for the convening of a Committee meeting at least seven (7) days in advance. In emergency circumstances, however, this requirement does not apply.

The notice of convening in the preceding paragraph may be made in writing or electronically. At least one independent director shall participate on the Committee, and the entire membership shall unanimously elect the independent director to serve as the 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. 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 Committee shall invite the Chairman of the Board to attend meetings as a nonvoting participant. The Chairman of the Board shall recuse himself/herself from participating in discussions about agenda items that involve personal interest, and then the Committee may invite directors, managerial officers of relevant departments, internal auditors, accountants, legal counsels, or other personnel to attend meetings as nonvoting participants and provide them with pertinent and necessary information, provided that they shall leave the meeting when deliberation and voting take place.

Article 9 Attendance and resolutions

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 the Committee meeting is held, the Company shall provide an attendance book for signature by the members attending the meeting and thereafter make it available for reference. Committee members shall attend the Committee meetings in person; a member who cannot attend in person may appoint another member to attend as his/her proxy.

Attendance via tele- or video-conference is hereby deemed to be attendance in person.

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

Resolutions of the Committee meeting shall be adopted with the consent of one-half or more of all of the 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.

A member serving as proxy under paragraph 3 may accept a proxy from one other Committee member only.

Article 9-1 When a meeting of the committee will discuss the compensation 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 Company, 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.

Article 10 Meeting minutes

Discussions at a Committee meeting shall be included in the meeting minutes. The following items shall be recorded faithfully and in detail in the minutes:

1. Session, time, and place of the meeting.
2. Name of the meeting chair.
3. Member attendance, specifying the names and number of members present, excused, and absent.
4. Names and titles of those present attending the meeting as nonvoting participants.
5. Name of minutes-taker.
6. Matters reported.
7. Agenda items: the resolution method and outcome of each motion; the name of any member whose own compensation comes under discussion, the content of the discussion about the member's compensation, and the specifics regarding recusal of the member; and any objections or reservations expressed by any member.

8. Extraordinary motions: the name of the mover, the resolution method and outcome of the motion; summary of the comments made by any member, expert, or other person; the name of any member whose own compensation comes under discussion, the content of the discussion about the member's compensation, and the specifics regarding recusal of the member; and any objections or reservations expressed by any member.

9. Other matters required to be recorded.

Where there is any record or written statement of the objection or reservations expressed by members regarding the resolution of the Committee, in addition to being stated in the minutes, they shall, within two days from the date of occurrence of the event, be publicly announced and reported on the public information report website designated by the competent authority.

The attendance book of the Committee meetings is a part of the meeting minutes thereof.

The meeting minutes shall be signed or sealed by both the meeting chair and the minutes-taker, and a copy shall be distributed to each member of the Committee within twenty days after the meeting and be carefully preserved as part of important company records for five years.

In the event of any litigation claims regarding matters concerning the Committee prior to the expiration of the preservation period referred to in the preceding paragraph, the minutes shall be preserved until the conclusion of the litigation.

The production and distribution of the meeting minutes in the paragraph 1 may be conducted electronically.

Where the meeting is convened by tele- or video-conference, the recording data shall constitute part of the meeting minutes.

Article 11 Professional investigations and consulting

The Committee may by resolution, at the cost of the Company, engage an attorney, accountant, or other professional to conduct a necessary audit or provide advice with respect to any matter related to the exercise of the Committee's powers.

Article 12 Execution

The committee may authorize the convener or other members of the committee to continue the implementation of the resolutions based on the responsibilities and duties specified in Article 7, or the appointment of professionals in accordance with the resolution of Article 11. Written report(s) shall be provided to the Committee during such period of execution and when necessary, proposed to the Committee at the next meeting for ratification or report.

Article 13 Enforcement

This Charter, and any amendment hereto, shall enter into force after the approval by the Board of Directors on October 30, 2017.

The 1st amendment was made on March 20, 2020.