

# CTCI Corporation

## Organizational Charter of Nominating Committee

Approved on 13 December 2016  
1<sup>st</sup> Amended on November 2, 2018  
2<sup>nd</sup> Amended on May 28, 2020

Article 1 To ensure the soundness of the board and strengthen the management mechanism of this Company, the Organizational Charter of the Nominating Committee (below, "this Charter") is adopted pursuant to Article 27, Paragraph 3 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2 Except as otherwise provided by law and regulation or by the articles of incorporation, matters relating to the official powers of the Nominating Committee (below, "the Committee") shall be handled in accordance with this Charter.

Article 3 This Company shall make the content of this Charter available on its website and the Market Observation Post System for public reference.

Article 4 The Committee shall be composed of at least three directors selected by the board of directors from among themselves; a majority of the Committee members shall be independent directors.

The term of a Committee member, except as otherwise provided by law and regulation or this Company's articles of incorporation or bylaws, shall extend from the date of the director's selection as Committee member by the board to the date of expiration of the director's term, the director's resignation from the committee or the directorship, or the director's replacement by another director selected as Committee member by the board.

Article 5 With authorization from the board of directors (below, "the board"), the Committee shall exercise the due care of a good administrator to faithfully perform the following duties and shall submit its proposals to the board for discussion:

1. Laying down the standards of independence and a diversified background covering the expertise, skills, experience, gender, etc. of members of the board and managerial officers, and nominating candidates for directors and reviewing candidates for managerial officers based on such standards.
2. Establishing and developing the organizational structure of the board and each committee, and evaluating the performance of the board and the independence of the independent directors.
3. Establishing and reviewing on a regular basis programs for director continuing education and the succession plans of directors and senior executives.

If a member of the Committee has a stake in performing the duties in the preceding paragraph, he/she shall state the important aspects of its stake in the meeting of the Committee concerned, and where there is a likelihood that the interests of this Company would be prejudiced, he/she may not participate in discussion or voting, shall recuse himself/herself from any such discussion and voting, and may not exercise voting rights as proxy on behalf of another member of the Committee.

Article 6 Pursuant to the preceding Article, Paragraph 1, Subparagraph 1 of, the Committee shall undertake the following tasks:

1. Prescribing and reviewing on a regular basis the number and qualifications of the directors and managerial officers based on the scale and business nature of the Company, taking into account the expertise, skills, experience, gender and independence required of them.

The expertise and representation of the members of the board shall be considered with regards to the short-term, mid-term and long-term development strategies of the Company.

The consideration for director candidates shall include but not be limited to the following conditions:

- (1) Level of contribution in commercial and other special domains.
  - (2) Personal expertise, capability and experience in the fields of finance, accounting, information disclosure, legal practice and enterprise operation and management.
  - (3) Willingness and time to participate in the affairs of the Company.
  - (4) Directorship and management positions held in other companies.
2. In nominating independent directors, the Committee shall take note of the experience, professional qualifications, and integrity of the nominee, any concurrent position of director, supervisor, committee member or chairperson that the nominee may hold in another company, as well as whether the nominee meets the requirements for independent director set out in the Securities and Exchange Act and the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and as set by the Taiwan Stock Exchange Corporation; the prime consideration shall be that the nominee will act in the long-term interests of shareholders.
  3. Based on the qualifications set forth in Subparagraph 1, conducting review candidates for managerial officers in advance, and present the results of the review to the board for approval.

Article 7 The Committee shall undertake the following tasks pursuant to Article 5, Paragraph 1, Subparagraph 2:

1. Prescribing standards for establishment and qualifications for members and recommending an organizational charter for each committee under the board of directors and presenting timely recommendations to the board regarding amendments.
2. Reviewing the qualifications of member candidates for each board committee and any potential conflict of interests, and recommending to the board new members and candidates for the conveners of each committee.
3. Evaluating the performance of board every year and providing recommendations to the board on the necessity of replacements. The terms of the convener and the members of each board committee shall be consistent with the terms of the directors, and in principle shall be three-year terms.

Article 8 The Committee shall convene at least once a year, and may call a meeting at its discretion whenever necessary.

In calling a Committee meeting, a notice setting out the reasons for the meeting shall be given to the Committee members earlier than seven days in advance of the meeting. In emergency circumstances, however, the meeting may be called on shorter notice.

The convener and chairperson of a Committee meeting shall be an independent director. If the Committee convener is on leave, unable to convene a meeting for any reason, or required to recuse himself/herself pursuant to Article 5, Paragraph 2, the convener shall appoint another independent director on the Committee to act as a convener, or, when necessary, may appoint another member of the Committee to act as a convener. If the convener does not make such an appointment, the other Committee members shall select one independent director to serve as a convener.

The Committee may request management-level personnel of relevant departments, internal auditors, accountants, legal consultants or other personnel of the Company to attend the meeting and provide related information as required, provided such delegates shall leave upon any discussion or voting being conducted.

Article 9 The Committee's meeting agenda shall be drafted by the convener. Other members may also propose motions to the Committee for discussion. The meeting agenda shall be provided to members of the Committee in advance.

When a Committee meeting is convened, the Company shall make available an attendance book for attending members to sign and also for reference.

Committee members shall attend meetings in person. If a Committee member is unable to do so, it may appoint another member to do so as its proxy. Attendance via videoconferencing is deemed attendance in person.

A Committee member appointing another member to attend a meeting as its proxy shall issue a letter of authorization for each such appointment setting out the authorization in regard to matters for which the meeting is convened.

The proxy mentioned in Paragraph 3 above may accept the appointment by one person only.

Article 10 Except as otherwise provided by law and regulation or by this Company's articles of incorporation and bylaws, a resolution of the Committee requires the approval of a majority of the members present at the meeting attended by two-thirds or more of all Committee members.

The proceedings of a Committee meeting shall be recorded in minutes, which shall specify the following matters in detail:

1. Session, time, and place of the meeting
2. Chairperson's name
3. Attendance of members, including names and numbers of members who are present at the meeting, on leave or absent from the meeting
4. Names and titles of nonvoting delegates at the meeting
5. Name of minutes taker
6. Matters reported on
7. Matters for discussion: the resolution method and outcome of each motion, and any objections or reservations expressed by any Committee member
8. Extempore motions: the name of the person submitting the motion, the resolution method and outcome of the motion, and summary of statements and objections or reservations expressed by members of the Committee, experts and other persons
9. Other matters required to be recorded.

The attendance book of the meeting, and the video and audio record in the event of a videoconference convened, are an integral part of the minutes of the proceedings.

Minutes of the proceedings must be signed or sealed by the chairperson and the minute taker of the meeting, and copies thereof shall be distributed to all Committee members within 20 days after the meeting. The minutes shall also be submitted to the board and be deemed important files of the Company, and shall be retained for five years. Preparation and distribution of the minutes of the proceedings may be done electronically.

In the event of a suit in respect of a matter concerning the Committee before the retention period in the preceding paragraph expires, the minutes shall be retained until the conclusion of the litigation.

Article 11 The Committee may resolve to retain the service of an attorney, professional human resources agency, investment bank, certified public accountant, or other professionals to provide advice with respect to matters in connection with Articles 5 and 6. The costs of their services shall be borne by this Company.

Article 12 The Company shall disclose information relevant to the Committee, including the composition of the Committee, number of meetings held, and attendance of members, in the annual report and on the Market Observation Post System.

Article 13 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 14 This Charter and any amendments hereto, shall come into force after approval by the board of directors.