

CTCI Corporation

Remuneration Committee Charter

Adopted on December 22, 2011

1st Amended on August 8, 2014

2nd Amended on March 10, 2020

Article 1 (purpose and legal basis)

To enhance and ensure a sound remuneration system of the directors and managerial officers of CTCI Corporation (hereinafter the “Company”), the Remuneration Committee Charter (hereinafter the “Committee 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” (hereinafter the “Regulations of the Committee”).

Article 2 (scope of application)

Unless otherwise provided by other laws or the Company’s articles of incorporation, matters related to official powers of the Company’s Remuneration Committee (hereinafter the “Committee”) shall be subject to the Committee Charter.

Article 3 (public announcement)

The Company shall publicly announce the Committee Charter on websites of the Company and the Market Observation Post System for reference.

In the event that there is any appointment of, or change in, a member of the Committee, the Company shall, within two days from the date of occurrence of such event, publicly announce it on and report it to the Market Observation Post System for reference.

Article 4 (function of the Committee)

The Committee shall evaluate the remuneration policy and system of the directors and managerial officers of the Company in a professional and objective manner, and shall submit its recommendations to the board of directors for their reference in decision making.

Article 5 (composition of the Committee)

The Committee shall not be fewer than three members appointed by resolution of the board of directors. One of such members shall be the convener.

The professional qualifications and independent requirements of the members of the Committee shall meet the requirements set forth under Article 5 and Article 6 of the Regulations of the Committee.

Article 6 (term and replacement of the members)

The term of the members of the Committee shall end at the same time as that of the board of directors that appointed the members.

In the event that a member of the Committee is dismissed for any reason, resulting in there being less than three members, a meeting of the board of directors shall be held within three months from the date of occurrence of the event to appoint a replacement.

Article 7 (official powers of the Committee)

The Committee shall exercise the care of a good administrator in faithfully performing the official powers listed below, and shall submit its recommendations to the board of directors for their deliberation:

1. Periodically review the Committee Charter and submit revised recommendations thereof.
2. Prescribe and periodically review the performance and remuneration policy, system, standards, and structure of the directors and managerial officers of the Company.
3. Periodically evaluate and prescribe the remuneration of the directors and managerial officers of the Company.
4. Other motions pursuant to the Board of Directors' resolutions.

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

1. Ensure that the remuneration system of the Company is in compliance with relevant laws and regulations and provides sufficient incentive for outstanding talents.
2. With respect to the performance assessment and remuneration of directors and managerial officers of the Company, it shall refer to the typical pay levels adopted by other companies in the same industry, 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 provide an incentive for the directors or managerial officers of the Company to pursue their remuneration to engage in activity with risks exceeding that the Company could take.
4. It shall take into consideration the characteristics of the industry and the nature of the Company's business in determining the ratio of bonus payout based on the short-term performance of the directors and senior managerial officers of the Company and the time for payment of the variable part of remuneration.

5. Each member of the Committee shall not be involved in the deliberation of or vote on decision of his or her remuneration.

"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 of directors and managerial officers of the Company as set forth under the Regulations Governing Information to be Published in Annual Reports of Public Companies.

If decision-making and handling of any matter relating to the remuneration of directors and managerial officers of a subsidiary of the Company is delegated to the subsidiary but requires ratification by the board of directors of the Company, the Committee shall make recommendations and submit the matter and its recommendations to the board of directors for deliberation.

If the board of directors will decline to adopt, or 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 a comprehensive consideration 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 that recommended by the Committee, the difference and its reason as well shall be specified in the board meeting minutes, and shall be publicly announced on and reported to the Market Observation Post System within two days from the date of the approval by the board of directors.

Article 8 (convening and holding the meeting)

The meeting of the Committee shall be convened 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 seven days prior to the meeting. In emergency circumstances, however, the meeting may be convened at any time.

One member shall be elected as the convener and the chairman of the meeting by and from among the entire membership. 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 member designated by the convener, or if there is no member designated by the convener, by another member elected by and from among the other members of the Committee.

Article 9 (drawing up the meeting agenda)

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

When the Committee is held, the Company shall provide an attendance book for the members present at the meeting to sign and thereafter made available for reference.

The members of the Committee shall attend the Committee in person; a member who cannot attend in person may appoint another member to attend as a proxy. Attendance via video-conferencing is deemed as attendance in person by submitting the signature via facsimile.

A member of the Committee appointing another member to attend the meeting of the Committee in his or her place shall in each instance issue a written proxy stating the scope of authorization with respect to the subjects of the meeting.

A proxy under paragraph 3 may accept a proxy from one person only. The portion of excessive votes represented by such proxy shall not be counted.

Article 10 (method of adopting resolutions)

A resolution of the Committee shall be considered to have been approved by one-half or more of all members. During voting, if the chairman of the Committee solicits and receives no dissents, the motion is deemed passed, with equivalent force as a resolution by vote.

The results of the voting shall be reported immediately to the members and recorded in writing.

Article 10-1

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 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 11 (minutes)

The minutes of the meeting of the Committee shall be prepared, and the minutes shall record the matters listed below in a detailed and accurate manner:

1. session, time, and place of the meeting;
2. name of the meeting chairman;
3. names and number of the members present at the meeting or absent from the meeting with or without a request for a leave in advance;
4. names and titles of those present at the meeting as nonvoting participants;
5. name of the minutes taker;

6. matters to be reported;

7. matters to be discussed: the resolution method and outcome of each motion, the name of any member whose own remuneration comes under discussion as set forth in the preceding article, the content of the discussion about the member's remuneration, and the specifics regarding recusal of the member, and any objections or reservations expressed by any member of the Committee;
8. extraordinary motions: the name of the mover, the resolution method and outcome of each motion, summarized comments, objections, the name of any member whose own remuneration comes under discussion as set forth in the preceding article, the content of the discussion about the member's remuneration, and the specifics regarding recusal of the member, and any objections or reservations expressed by any member of the Committee; and
9. other matters required to be recorded.

Any objections or reservations to any discussion matters or extraordinary motions expressed by any member of the Committee, recorded or provided in written forms, shall be specified in the minutes, and shall be publicly announced on and reported to the Market Observation Post System within two days from the date of occurrence of the event.

The attendance book for the members present at the meeting to sign shall be deemed as part of the minutes, and the video materials of the meeting held via video-conferencing shall also be deemed as part of the minutes. The minutes shall be signed and sealed by the chairman of the meeting and the minutes taker, and shall be thereafter distributed to the members of the Committee within twenty days after the meeting, submitted to the board of directors, and preserved as important documents of the Company for at least five years. The preparation and distribution of the minutes may be effected by means of electronic transmission.

When a litigation related to any matter of the Committee meetings arises before the expiration of the period of preservation under the preceding paragraph, the minutes of such meeting shall be kept until the litigation is ended.

Article 12 (execution of the resolution)

The subsequent execution of tasks related to matters resolved by the Committee pursuant to Article 7 hereof or the matters resolved to engage professionals to deal with pursuant to Paragraph 2, Article 13 hereof may be delegated to the convener or other member(s) of the Committee for follow-up and handling. The persons who are delegated to handle the aforementioned tasks shall make written reports to the Committee during the period in which they are handling such tasks, and, if necessary, they shall submit the aforementioned reports to the Committee for ratification or report them to the Committee at the next meeting.

Article 13 (exercise of power of the Committee)

The Committee may invite directors, managerial officers of relevant departments, internal auditors, certified public accountants, legal consultants, or other personnel of the Company to attend meetings as non-voting participants and provide relevant necessary information, provided that they shall leave the meeting when deliberation and voting take place.

The Committee may by resolution, at the cost of the Company, engage an attorney, certified public accountant, or other professional to conduct necessary audit to or provide advice on any related matters of the exercise of the Committee's official powers.

Article 14 (enforcement of the Committee Charter)

The Committee Charter shall become full force after the Committee Charter or its amendment as well is approved by the board of directors.