

Tone Hsing Electronic Industries, Ltd.

Remuneration Committee Charter

Article 1: Purpose and basis for adoption

To strengthen corporate governance and establish a sound system for compensation of the directors and managerial officers of the Company, the Remuneration Committee Charter (the "Charter") is adopted pursuant to Article 14-6 of the Securities and Exchange Act and 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" (the "Regulations") for compliance therewith.

Article 2: Scope of application

Matters concerning the number, term of office, powers, rules of procedure for meetings, and resources to be provided by the Company when the Remuneration Committee ("the Committee") exercises its powers shall be handled in accordance with the Charter.

Article 3: Committee composition

1. The Committee shall not consist be fewer than three members and appointed by resolution of the board of directors, one of whom shall be the independent director. All members shall elect an independent director to serve as the convener and chairman of the meeting; when there is more than one independent director, one shall be elected from each other to serve as the convener and chairman of the meeting.
2. The term of the remuneration committee members shall end at the same time 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 3 members, a board of directors meeting shall be held within 3 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 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 4: Professional qualifications

A Committee member shall meet one of the following professional qualification requirements, together with at least 5 years work experience:

1. An lecturer or higher in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the Company in a public or

private junior college, college, or university;

2. A judge, public prosecutor, attorney, certified public accountant, or other professional or technical specialist who has passed a national examination and been awarded a certificate in a profession necessary for the business of the Company.
3. Have work experience in the area of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company.

A person to whom any of the following circumstances applies may not serve as a Committee member; if already serving in such capacity, the person shall be dismissed:

1. Any of the circumstances in the subparagraphs of Article 30 of the Company Act.
2. Any violation of the remuneration committee member qualification requirements set out in the Regulations.

Article 5: Independence

Within the scope of execution of business, a Committee member of the 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 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 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 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 Securities and Exchange Act (the "Act") or the laws and regulations of the local country by, and concurrently serving as such at, the 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 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 "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 6: Scope of duties

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

1. Prescribe and periodically review the performance evaluation and remuneration policy, system, standards, and structure for directors and managerial officers.
2. Periodically evaluate and prescribe the remuneration of directors and managerial officers.

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

1. Remuneration management should be consistent with the Company's remuneration philosophy.
2. With respect to the performance assessment and remuneration of directors 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 exceeding the risks that the Company may tolerate.
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.

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

Article 7: Convening and holding of meetings

1. Meetings of the Committee shall be held at least 2 times a year and may call a meeting at its discretion whenever necessary.
2. In calling a meeting of the remuneration committee, a notice setting forth therein the subject(s) 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 at any time.
3. The Committee shall be held by the convener and as 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.

4. The Committee convenor shall represent the Committee to the public.

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

Article 8: Convening and holding of meetings

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

The production and distribution of the meeting notice and agenda referred to in paragraph 1 may be made in electronic form.

2. When the Committee is held, the Company shall provide an attendance book for signature by the members attending the meeting and thereafter made available for reference.

3. Committee members shall attend the committee in person; a member who cannot attend in person may appoint another member to attend as their proxy. Attendance via tele- or video-conference is deemed as attendance in person.

4. A remuneration committee member appointing another member to attend the committee meeting in his or her place shall in each instance issue a written proxy stating the scope of authorization with respect to the reasons for the meeting.

5. A resolution of the remuneration committee shall require the approval 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.

If the Committee has a agenda of member's remuneration, the Committee shall explain the essential content of the interest. If the agenda is likely to prejudice the interest of the Company, the director member may not participate in discussion and voting, and shall recuse himself or herself from the discussion and voting, and also may not exercise voting rights as a proxy for any other Committee member.

Article 9: Meeting minutes

Minutes shall be prepared of the discussions at the Committee, and the minutes shall

record the matters listed below in a detailed and accurate manner:

1. Term, time, and place of the meeting.
2. Name of the meeting chair.
3. Member attendance, specifying the names and number of members in attendance, excused, and absent.
4. Names and titles of those present at the meeting as nonvoting participants.
5. Name of minutes taker.
6. Matters reported on.
7. Agenda items:

The resolution method and outcome of each motion; the name of any member whose own remuneration comes under discussion, 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.
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 remuneration comes under discussion, 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.
9. Other matters required to be recorded.

If with respect to any resolution of the 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 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 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 Committee meeting is convened by video conference, the video conference

audiovisual data constitute an integral part of the meeting minutes.

Article 10: Audit and advice

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 11: The delegation of the Committee

The execution of tasks relating to matters resolved by the Committee may be delegated to the convenor or other member or members of the Committee for follow-up and handling, and they shall make written reports to the Committee during the period in which they are handling such tasks. When necessary, they shall submit them for ratification, or report them, to the Committee at the subsequent meeting.

Article 12: Enforcement and amendment of the Charter

The Charter, and any amendments hereto, shall come into in force after adoption by a resolution of the board of directors.

The Charter shall come into force from October 25, 2011.

The first amendment was made on March 15, 2019.

The second amendment was made on March 18, 2020.