

# **Apex International Company Limited**

## **Remuneration Committee Charter**

### **Article 1: Purpose and basis for adoption**

To ensure a sound system for compensation of the directors and managerial officers of this Corporation, this Remuneration Committee Charter (hereinafter, "this 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").

### **Article 2: Scope of application**

Except as otherwise provided by law or regulation or by the articles of incorporation, matters in connection with the official powers of the Remuneration Committee (hereinafter, "the Committee") shall be handled in accordance with this 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: Functions of the Committee**

The functions of the Committee are to professionally and objectively evaluate the policies and systems for compensation of the directors and managerial officers of this Corporation, and submit recommendations to the board of directors for its reference in decision making.

### **Article 5: Committee composition, members and Terms of Committee members**

- 5.1 The Committee members should follow Article 5 of the Regulations with professional qualifications and working experience, and there's no restriction or prohibition in the Article 6 of the Regulations.
- 5.2 The Committee should include at least one independent director, other committee members are appointed by resolution of the board of directors. The committee shall not be fewer than three members, more than half of the committee members shall be independent directors, and one of the independent directors shall serve as convener and chairman, and on behalf of the Committee.
- 5.3 The term of the Committee members shall be the same as that of the board of directors by whom they were appointed.
- 5.4 When a member of the Committee is dismissed for any reason, resulting in there being less than three members, a board meeting to make a new appointment shall be held within 3 months from the date of occurrence. However, if an independent director member is dismissed and there is no other independent director to fill the vacancy, then before an independent director is elected at a by-election in accordance with regulations, the company may appoint a person without the

qualification for an independent director to temporarily serve as a member of the remuneration committee to fill the vacancy, who shall, after the by-election, be replaced by the elected independent director.

- 5.5 If there's any appoint and change of the members, the Company should report the relevant information on the website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event.

## **Article 6: Scope of duties**

- 6.1 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. However, recommendations regarding compensation for supervisors may be submitted to the board of directors for discussion only when the board of directors is expressly authorized to resolve on that matter by the articles of incorporation or by a resolution of the shareholders meeting:
- 6.1.1 Periodically reviewing this Charter and making recommendations for amendments.
  - 6.1.2 Establishing and periodically reviewing the annual and long-term performance goals for the directors and managerial officers of this Corporation and the policies, systems, standards, and structure for their compensation.
  - 6.1.3 Periodically assessing the degree to which performance goals for the directors and managerial officers of this Corporation have been achieved, and based on the evaluation conclusion of performance assessments standard to set the types and amounts of their individual compensation.
- 6.2 The Committee shall perform the duties under the preceding paragraph in accordance with the following principles:
- 6.2.1 Ensuring that the compensation arrangements of this Corporation comply with applicable laws and regulations and are sufficient to recruit outstanding talent.
  - 6.2.2 Performance assessments and compensation levels of directors and managerial officers shall take into account the general pay levels in the industry, individual performance assessments, the time spent by the individual and their responsibilities, the extent of goal achievement, their performance in other positions, and the compensation paid to employees holding equivalent positions in recent years. Also to be evaluated are the reasonableness of the correlation between the individual's performance and this Corporation's operational performance and future risk exposure, with respect to the achievement of short-term and long-term business goals and the financial position of this Corporation.
  - 6.2.3 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 this Corporation.
  - 6.2.4 For directors and senior managerial officers, the percentage of assessments 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 this Corporation's business.
  - 6.2.5 Formulating the contents and amount of directors and managerial officers' compensation

shall consider the reasonableness. The compensation of directors and managerial officers may not deviate from financial performance.

6.2.6 No member of the Committee may participate in discussion and voting when the Committee is deciding on that member's individual compensation.

- 6.3 "Compensation" as used in the regulation 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.
- 6.4 When deliberating the recommendations of the remuneration committee, the board of directors shall give comprehensive consideration to matters including amounts of remuneration, payment methods, and the company's future risk.
- 6.5 If the board of directors will decline to adopt, or will modify, a recommendation of the remuneration 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.
- 6.6 If the remuneration passed by the board of directors exceeds the recommendation of the remuneration 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.
- 6.7 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 of the parent company, the parent company's remuneration committee shall be asked to make recommendations before the matter is submitted to the board of directors for deliberation.

## **Article 7: Procedure for Convening**

- 7.1 The remuneration committee shall convene at least twice a year, which requirement shall be expressly provided in the remuneration committee charter. 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.
- 7.2 There are two independent directors participate in the remuneration committee, and the independent director is recommend by all members from the committee to be the convener and chairman. 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, or if there is no other independent director on the committee, by another member elected by and from among the other members of the committee.

- 7.3 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.
- 7.4 The notice may be given in electronic form.

#### **Article 8: Agenda and Attendee**

- 8.1 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.
- 8.2 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.
- 8.3 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. 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. The proxy may accept a proxy from one person only. Attending a meeting via telecommunications will be deemed attendance in person. If there are less than two Committee members to attend the meeting in person, the meeting should not be held.
- 8.4 All committee members as used in the regulation shall mean the actual number of persons currently holding those positions.
- 8.5 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 this Corporation to attend the meeting as non-voting participants and to provide pertinent and necessary information. But they shall leave the meeting when discussion and voting take place.
- 8.6 When an agenda related to the member of the remuneration committee, it shall be explained the essential content of the interest in such meeting. If the member's personal interest is likely to prejudice the interest of the company, the 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 member.

#### **Article 9: Resolution and Meeting Minutes**

- 9.1 Resolutions at meetings of the Committee shall be adopted with the consent of one half or more of the entire membership, apart from the regulation by law or the charter. 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 under the preceding paragraph shall be made known immediately and recorded in writing.
- 9.2 Discussions at a meeting of the Committee shall be included in the meeting minutes, which shall faithfully record the following:
  - 9.2.1 The session, time, and place of the meeting.

- 9.2.2 The name of the meeting chair.
- 9.2.3 Attendance of the Committee members at the meeting, specifying the names and the number of members present, excused, and absent.
- 9.2.4 The names and titles of those attending the meeting as non-voting participants.
- 9.2.5 The name of the minute taker.
- 9.2.6 The matters reported at the meeting.
- 9.2.7 Agenda items: For each proposal, the method of resolution and the result, the name of any member possibly having an interest relationship as referred to in paragraph 1 of the preceding article, the essential content of the interest , and the status of the recusal; and any objections or reservations expressed by the members.
- 9.2.8 Extraordinary motions: The name of the mover; the method of resolution and the result for each motion; a summary of the comments of the members and experts and other persons present at the meeting, the name of any member possibly having an interest relationship as referred to in paragraph 1 of the preceding article, the essential content of the interest, and the status of the recusal; and any objections or reservations expressed.
- 9.2.9 Other matters required to be recorded.
- 9.3 If with respect to any resolution of the remuneration 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.
- 9.4 The remuneration committee attendance book constitutes an integral part of the minutes of each meeting of the committee. If a remuneration committee meeting is convened by video conference, the video conference audiovisual data constitute an integral part of the meeting minutes.
- 9.5 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. The meeting minutes may be produced and distributed in electronic form.
- 9.6 If before the end of the preservation period under the preceding paragraph, any litigation arises with respect to any matter in connection with the remuneration committee, the minutes shall be preserved until the litigation is concluded.

#### **Article 10: Examine and Consultation**

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: Execute of Resolution**

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 12: Regulation Revision**

This Charter and any amendments hereto, shall enter into force after adoption by the board of directors.