

No.	 Phihong Technology Co.,Ltd.	適用範圍： PHT
May 10, 2023First Revision	Compensation Committee Charter	1/3

Article 1: Purpose and Basis

To establish a sound corporate governance and compensation system for directors, supervisors, and managers, the Compensation Committee (hereinafter referred to as the Committee) is established in accordance with Article 14-6 of the Securities and Exchange Act and the "Regulations Governing the Establishment and Exercise of Powers of Compensation Committees of Companies whose Stock is Listed on the Stock Exchange or Traded Over the Counter" (hereinafter referred to as the Regulations). This charter is formulated to facilitate compliance.

Article 2: Scope

The responsibilities of the Committee, unless otherwise provided by laws or the articles of incorporation, shall be governed by this charter. The content of this charter shall be available on the company's website and the Market Observation Post System for reference.

Article 3: Purpose

The purpose of the Committee is to evaluate the company's compensation policies and systems for directors, supervisors, and managers from a professional and objective standpoint, and to make recommendations to the board of directors for decision-making reference.

Article 4: Responsibilities

1. The Committee shall faithfully perform the following duties with the care of a good administrator and submit recommendations to the board of directors for discussion:
 - Regularly review this charter and propose amendments.
 - Establish and regularly review the annual performance evaluation and compensation policies, systems, standards, and structures for directors, supervisors, and managers.
 - Regularly evaluate and determine the compensation of directors, supervisors, and managers.
2. When performing the above duties, the Committee shall adhere to the following principles:
 - Compensation should be based on the performance evaluation and compensation levels of peers, considering individual performance, responsibilities, company performance, and future risks.
 - Compensation should not encourage directors and managers to engage in activities exceeding the company's risk appetite.
 - The proportion of short-term performance bonuses and the timing of variable compensation payments for directors and senior managers should consider industry characteristics and the nature of the company's business.
 - Compensation includes cash, stock options, profit sharing, retirement benefits, severance pay, allowances, and other substantial incentives.
 - If the board of directors does not adopt or modifies the Committee's recommendations, it shall be approved by at least two-thirds of the directors present, with more than half of the directors present agreeing, and the resolution shall explain whether the approved compensation is better than the Committee's recommendations.
 - Compensation matters for directors and managers of subsidiaries, if subject to the approval of the company's board of directors, shall first be reviewed by the Committee

before being submitted to the board of directors for discussion.

Article 5: Members

1. The Committee members shall be appointed by the board of directors and shall consist of no fewer than three members. One member shall be elected as the convener and meeting chairperson, representing the Committee externally.
2. The professional qualifications and independence of the Committee members shall comply with Articles 5 and 6 of the Regulations.
3. The term of office for Committee members is the same as that of the board of directors. If a member is dismissed, resulting in fewer than three members, a by-election shall be held within three months.

Article 6: Rules of Procedure

1. The Committee shall meet at least twice a year and may convene additional meetings as needed.
2. Meetings shall be convened by the convener, with a notice sent to all members seven days in advance, except in emergencies.
3. At least one independent director shall participate, and the convener and meeting chairperson shall be elected from among the independent directors. If there are no independent directors, the members shall elect a convener and meeting chairperson. If the convener is unable to convene a meeting, they shall designate another independent director as a proxy. If there are no other independent directors, another member shall be designated as a proxy.
4. The meeting agenda shall be set by the convener, and other members may propose items for discussion. The agenda shall be provided to members in advance.
5. A sign-in book shall be prepared for members to sign in at meetings, and the meeting process shall be recorded or videotaped for reference.
6. Members shall attend meetings in person. If unable to attend, they may appoint another member as a proxy, limited to representing one member. Participation via video conference is considered attendance in person.
7. Resolutions require the consent of more than half of all members. If there are no objections when the chairperson inquires, the resolution is considered passed. The results shall be reported and recorded on the spot.

Article 7: Meeting Minutes

1. Minutes shall be prepared for all meetings, detailing the date, location, chairperson, attendance, reports, discussions, and resolutions. The minutes shall be signed by the chairperson and recorder and distributed to all members within 20 days. The minutes shall be reported to the board of directors and preserved as important company records for five years.
2. If a member has objections or reservations, it shall be recorded in the minutes and reported on the information disclosure website designated by the competent authority within two days.
3. The sign-in book is part of the minutes. If the meeting is held via video conference, the video and audio recordings are part of the minutes.
4. The minutes shall be preserved until the end of any related litigation if it occurs before the preservation period expires.

Article 8: Recusal

Members shall explain any conflicts of interest related to compensation matters discussed at meetings and recuse themselves from discussion and voting. They shall not act as proxies for other members in exercising their voting rights.

Article 9: Professional Assistance

The Committee may appoint directors, lawyers, accountants, internal auditors, managers, or other professionals to conduct necessary audits or provide consultations, with the costs borne by the company.

Article 10: Execution of Resolutions

The execution of resolutions may be delegated to the convener or other members, with written reports provided to the Committee. If necessary, the Committee may review or report on the execution at the next meeting.

Article 11: Implementation

This charter shall be implemented after approval by the board of directors, and the same applies to amendments. Established on October 13, 2011. First revision on May 10, 2023.