

## **Sinyi Realty Inc. Remuneration Committee Charter**

### **Article 1(Objectivity of establishment, accordance and adoption)**

To improve the corporate governance and strengthen the function of board of directors, Sinyi Realty Inc. (hereinafter, "the Company") establish the Remuneration Committee Charter (hereinafter, "the Charter") pursuant to Article 14-1 of the Company's Articles of Incorporation and relevant law.

The number of the remuneration committee members, term of office, official powers, rules of procedure for meetings of the remuneration committee and resources to be provided by the Company when the remuneration committee exercises its official powers shall be regulated by the Charter. Matters on which the Charter is silent shall be governed by the Company's Articles of Incorporation and other applicable law.

### **Article 2 (Function of Remuneration Committee)**

The functions of remuneration committee are to assist the board of directors to evaluate and monitor the Company's overall compensation policies, evaluate remuneration of the directors and senior managerial officers of the Company, and submit recommendations to the board of directors.

### **Article 3 (Organization of the Committee)**

The committee is organized by 3 to 5 members, which at least one of them shall be the Company's independent director. The convener of the committee shall be an independent director. If the independent directors at the committee are more than one person, they shall select from among themselves one director to serve as chairperson. The convener shall serve as the chairperson of the committee and externally represent the committee.

The members of the committee are nominated by the board of the directors after being proposed by the president. The term of a committee member shall expire at the date of expiration of the directors and the member may be re-elected to further terms. The term of the committee members shall be the same as that of the board of directors by whom they were appointed. 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. If any changes of the committee members arise, the term of a new committee member shall extend to the conclusion of the original member's term.

When there is any appointment of, or change in, a member of the remuneration 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 (Qualifying criteria of the member)**

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

1. An instructor 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 remuneration 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 these Regulations.

#### **Article 5 (Disqualifying criteria of the member)**

[A remuneration committee member shall be subject to restrictions on shareholding and outside employment. He or She shall maintain his/her independence when performing duties, and shall not have any direct or indirect interest in the Company.](#) During the 2 years before being appointed or during the term of office, A remuneration 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 [any managers in the subparagraph 1 and](#) 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 ranks in the top 5 in shareholding [or appointed according to paragraph 1 or 2 of the Article 27 of the Company Act.](#)
6. [A director, supervisor, or employee of a corporate of which more than 50% of numbers of directors or voting shares is controlled by another corporate which also controls the company.](#)
7. [A director, supervisor, or employee of a corporate of which chairperson, the general manager or other equivalent position are the same person or his or her spouse with the company.](#)
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 [audit service or](#) commercial, legal, financial, or accounting services or consultation [of which fees in excess of NT\\$500 thousand dollars](#) to the company or to any affiliate of the company, or a spouse thereof.

The requirement of the preceding paragraph in relation to "during the two years before being appointed" does not apply where a remuneration 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 the preceding paragraph, 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, together with any of its [group](#), is the source of 30 percent or more of the operating revenue of the company.
4. It, together with any of its affiliates, 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 paragraph 1 and the preceding paragraph, the terms "parent" and "[group](#)" shall have the meaning [as determined under International Financial Reporting Standards 10](#).

[The term "affiliates" as used in paragraph 1 and paragraph 2 above refers to entities meeting the requirements set forth under Chapter 6-1 of the Company Act or those which should prepare consolidated financial statements in accordance with Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises and International Financial Reporting Standards 10.](#)

#### **Article 6 (Responsibility of the Committee)**

The remuneration committee shall submit its recommendations for deliberation by the board of directors:

1. Establishing and periodically reviewing the annual and long-term performance goals for the directors and managerial officers of the Company and the policies, systems, standards, and structure for their compensation.

2. Periodically assessing the degree to which performance goals for the directors and managerial officers of the Company have been achieved, and setting the types and amounts of their individual compensation.
3. Propose the employee remuneration plan of incentive compensation and share-based payment.
4. Propose to amend the Charter.
5. Deal with the matters handed over by the board of directors.

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

1. Performance assessments and compensation levels of directors, and managerial officers shall take into account the general pay levels in the industry, 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 the Company'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 the Company.
2. 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.
3. 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.
4. The reasonableness of the content and amount of remuneration of the Company's directors and managerial officers shall be taken into consideration and shall not seriously deviate from the Company's financial performance.

"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.

Recommendations in connection with remuneration for independent directors may be submitted for deliberation by the board of directors only to the extent that the board of directors is authorized expressly by the company's articles of incorporation or by a resolution of the shareholders meeting to handle independent directors' remuneration

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 Company, the Company's remuneration committee shall be asked to make recommendations before the matter is submitted to the board of directors for deliberation.

#### **Article 7 (Calling of the Committee)**

The committee shall convene at least twice a year and may be held at any time if necessary.

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.

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 the convener does not designate the proxy, by another independent directors elected by and from among the other independent directors of the committee.

#### **Article 8 (Duty of royalty and confidentiality of the members)**

The remuneration committee shall exercise the care of a good administrator in faithfully performing the official powers and bear the duty of confidentiality of the matters under discussion and suggestion.

#### **Article 9 (Attending the meeting)**

Remuneration committee members shall attend the committee in person; a member who cannot attend in person may appoint another member to attend as their proxy. A proxy may accept a proxy from one person only. Attendance via tele- or video-conference is deemed as attendance in person.

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.

At least two-third of the remuneration committee members attending the meeting is needed when convening a remuneration committee meeting. 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 chairperson 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.

#### **Article 10 (Recusal of conflict of interest)**

When the discussion item is related to the committee members' remuneration, the committee member should exclaim at the meeting if prejudice of the interest of the Company exists. The member may not participate in discussion or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item and shall not may not exercise voting rights as proxy on behalf of another member of the Committee.

If the committee fails to resolve the agenda item due to the regulation stated in the preceding paragraph, the status shall be reported to the board of directors for the resolution.

#### **Article 11 (Nonvoting participant)**

The committee may invite any other personnel who can provide consulting opinion including directors or external professional consultant as nonvoting participants.

The nonvoting participants stated in the preceding two paragraphs shall leave upon any discussion or voting being conducted.

#### **Article 12 (Meeting minutes)**

Minutes shall be prepared of the discussions at the remuneration committee, 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 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, and the name of the member and rescues and any objections or reservations expressed by any committee member when the agenda item is related to the committee member's remuneration described in Article 10.
8. Extraordinary motions: the name of the mover, the resolution method and outcome of the motion, and summarize the comments made by, and any objections or reservations expressed by, any committee member, expert, or other person and the name of the member and rescues and any objections or reservations expressed by any committee member when the agenda item is related to the committee member's remuneration described in Article 10.
9. Other matters required to be recorded.

The attendance book constitutes part of the minutes for each meeting of the committee and shall be preserved permanently.

The minutes of a committee meeting shall bear the signature or seal of both the chairperson and the minute taker, and a copy of the minutes shall be distributed to each director within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of the Company.

The meeting minutes of paragraph 1 may be produced and distributed in electronic form.

Where a committee meeting is held by videoconference, the audio or video documentation of the meeting constitutes part of the meeting minutes.

### **Article 13 (Authorization)**

The execution of tasks relating to matters resolved by the remuneration committee may be delegated to the convener 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 14 (External professionals engagement)**

The remuneration committee may by resolution, at the cost of the company, engage an attorney, certified public accountant, or other professional to conduct a necessary audit or provide advice with respect to any matter related to the exercise of the committee's powers.

**Article 15 (Self-performance review)**

The committee shall perform self-performance review once a year and submit the review result to the board of the director.

**Article 16 (Implementation)**

The Charter, and any amendments to it, shall be implemented after adoption by the board of directors.

The Charter was established on August 7, 2010.

The first amendment was made on August 25, 2011.

The second amendment was made on December 20, 2018.

[The third amendment was made on February 27, 2020.](#)