

The Company's Compensation Policy and Its Implementation

The Company has formulated the "Regulations on Remuneration Assessment and Payment of Directors and Supervisors" and the "Standard Operating Procedures for Performance Assessment and Remuneration of Managers" as the basis for the appointment, dismissal, remuneration assessment and performance assessment of managers. These regulations and standard operating procedures have been reviewed by the company's remuneration committee and reported to the board of directors for approval and implementation. They are reviewed and evaluated regularly to ensure that the company's remuneration complies with regulations of relevant laws and regulations. At the same time, combined with the company's goal achievement and financial status, a rational assessment and evaluation of the correlation between personal performance, company operating performance and future risks are carried out and explained as follows.

1. Compensations to directors:

The compensations to directors are comprised of salaries, director remunerations and allowances.

- I. Salaries: According to our Articles of Incorporation, regardless of profit or loss each year, the board of directors may be authorized to set its own payment standards within a total of NT\$20,000,000.
- II. Director remunerations: According to our Articles of Incorporation, the company's annual profits are determined by the board of directors to be distributed as shareholder remuneration at a rate of no more than 1.5%, and a report is submitted to the shareholders' meeting. However, if the company still has accumulated losses, it shall first retain them to make up for the losses, and then distribute shareholder remuneration in accordance with the proportions stipulated in the preceding paragraph. The Directors' Remuneration in 2023 was proposed by the Remuneration Committee held on 25 March, 2024 and approved by the Board of Directors to allocate 0.4% of the net profit before tax as Director's remuneration (including independent directors' remuneration), totaling NT\$1,422K.
- III. Business execution expenses include transportation expenses for attending meetings of the Board of Directors and functional committees. In

accordance with the Articles of Association of the Company, the Board of Directors of the Company shall attend a meeting of the Company with an attendance fee of NT\$2,500 per person per attendance and an independent director shall have an attendance fee of NT\$5,000 per attendance. The total cost of transportation expenses for directors and independent directors of the Company in 2023 is NT\$295K.

2. Compensations to general managers and vice general managers:

The remuneration of the general manager and deputy general manager of the Company includes basic salary, bonus and employee remuneration. Bonuses and employee remuneration are distributed according to the company's overall business performance, and are implemented after deliberation by the Salary and Remuneration Committee and approved by the Board of Directors in accordance with the company's articles of association, individual performance, performance appraisal operation methods, and various bonus payment methods.

- I. Pensions: The Company shall pay 6% of the monthly amount of the salary of senior managers under the Labor Pension Ordinance Pension System (New Labor Retirement System) to the Labor Individual Pension Account in accordance with the law.
- II. Bonuses: It includes various bonuses, incentive payments and various allowances. The Company has formulated the "Standard Operating Standards for Performance Appraisal and Remuneration for Managers". Through regular performance appraisal and linkage with the company's business performance, it is reviewed by the Remuneration Committee and implemented after approval by the Board of Directors. The Remuneration Committee shall propose bonuses and shall be approved by the Board of Directors.
- III. Employee remuneration: According to the articles of association of the company, if the company makes a profit in the year, the Board of Directors will resolve to allocate 2%~10% as employee remuneration, and submit it to the shareholders' meeting for approval. If the company still has accumulated losses, it should first retain to cover the losses, and then allocate directors' remuneration according to the proportion of the preceding paragraph. Employee remuneration for 2022 was proposed by the Remuneration Committee held on 25 March 2024 and approved by the Board of Directors, and 4% of the net profit before tax was allocated as employee remuneration, totaling NT\$14,222K.