

# **Pili International Multimedia Co., Ltd.**

## **Remuneration Committee Charter**

### **Article 1 (Purpose and Basis)**

To ensure a sound remuneration system for the directors, supervisors and managerial officers of the Company, this “Remuneration Committee Charter” (hereafter referred to as “The Charter”) is adopted in accordance with 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” (hereafter referred to as the “Regulations Governing the Powers of the Remuneration Committee”).

### **Article 2 (Scope of application)**

The powers of the Remuneration Committee (hereafter referred to as “The Committee”) shall be governed by this Charter except where otherwise specified by law, regulation or the articles of incorporation.

### **Article 3 (Disclosure for public reference)**

The contents of this Charter shall be placed by the Company on the corporate website and the Market Observation Post Systems (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, supervisors, and managerial officers of this Corporation, and submit recommendations to the Board of Directors for its reference in decision making.

### **Article 5 (Composition of the Committee)**

The Committee shall consist of three people appointed by a resolution of the Board of Directors. More than half of the members shall be undertaken by independent directors.

Members of the Committee shall comply with the requirements on their professional qualifications and independence as set out in Article 5 and Article 6 of the Regulations Governing the Powers of the Remuneration Committee.”

### **Article 6 (Committee terms and appointments to fill vacancies)**

Committee members serve for the same term as the Board of Directors they were appointed by.

If the number of Committee members is reduced below three due to dismissal of any of its members, the board of directors shall convene a meeting to appoint additional committee members within three months from the day the shortfall arises. However, if the shortfall is caused by a dismissal of independent directors and no other independent director remains, the Company may appoint persons other than independent directors to assume the role of Remuneration Committee member until new independent directors are elected to assume the role.

### **Article 7 (Scope of duties)**

The Committee shall exercise due care of a good administrator in faithfully performing its duties as listed below, and shall submit its recommendations for deliberation by the Board of Directors Recommendations regarding compensation for supervisors may only be submitted to the Board of Directors for discussion when the Board of Directors is explicitly authorized to by the articles of incorporation or by a resolution of the shareholders meeting to do so:

I. Periodically review this Charter and make recommendations for amendments. Formulate and review performance evaluation standards for the Company’s directors of the board, supervisors and managers, goals to be achieved in a year and for a long term, and remuneration policy, system, standard and structure. Make public in the annual report performance evaluation standards.\_

Evaluate the performance of and goals achieved by the Company’s directors of the board, supervisors and managers. Determine their remuneration and contents of remuneration according to the results of performance evaluation. Make public in the annual report results of performance evaluation for directors of the board, supervisors and managers. Remuneration contents, their connectivity to performance evaluation results and their reasonableness are also made public.

The Committee shall adhere to the following principles in the performance of its duties as described in the preceding paragraph:

- I. Ensure that the compensation arrangements of this Corporation comply with applicable laws and regulations and are sufficient to recruit outstanding talent.
- II. Performance evaluation for directors of the board, supervisors and managers and their remuneration should be determined on the basis of a comparison with other companies with the same business. Other factors to be considered include performance evaluation results, amount of time dedicated to the job, functions and duties, goal achievement, performance at other positions and remuneration that the Company offers for the same positions in recent years.
- III. There shall be no incentive for directors and managerial officers to engage in activities that exceed the Company's risk tolerance in pursuit of personal remuneration.
- IV. The ratio of short-term bonus to remuneration for directors of the board and executive managers and partial adjustments to the time of remuneration payment should be decided according to the characteristics of the industry and the nature of the Company's business.
- V. Remuneration contents and amount for directors of the board, supervisors and managers should be decided in terms of reasonableness. It is advised that their remuneration should not deviate too much from the Company's financial performance. It is not appropriate for them to have remuneration higher than the previous year if the Company suffers a significant decrease in profit or long-term loss. If their remuneration is still higher than the previous year, it should be made public and given a reasonable explanation in the annual report.
- VI. Committee members may not participate in the discussion and voting when their personal compensation is being decided.

"Compensation" 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 the compensation for directors, supervisors, and managerial officers as set out in the "Regulations Governing Information to be Published in Annual Reports of Public Companies."

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, a recommendation shall be made by the Committee before the matter is submitted to the Board of Directors for discussion.

#### **Article 8 (Convening and holding of meetings)**

The Committee is convened twice a year. When the Committee is convened, a notice stating the reason for the meeting shall be sent to all Committee members seven days in advance. This requirement can be waived in an emergency.

The Committee shall have a convener and chairperson elected by all members to serve meeting-related duties. If the convener is on 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 stead. 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.

### **Article 9 (Drafting of agendas)**

The Committee's agenda shall be drafted by the convener. Other members may also put forward proposals for discussion by the Committee. The meeting agenda shall be provided in advance to Committee members.

When the Committee is convened, an attendance book shall be made available by the Company for attending members to sign-in with and for future reference.

Committee members shall attend meeting of the Committee in person. If attendance in person is not possible, he or she may appoint another member to attend in proxy; attendance via teleconferencing shall be considered to be attendance in person.

A Committee member that appoints another member their proxy at a meeting of the Committee shall in each instance issue a written proxy stating the scope of authorization with respect to the items on the agenda.

The proxy under Paragraph 3 is limited to acting as proxy for one person only.

### **Article 10 (Method of resolution)**

Resolutions of the Committee require a majority vote of the full membership. When a matter is being voted upon, if the chair asks and receives no objections then it will be deemed to have been passed with the same effect as an actual vote.

The result of the vote under the preceding paragraph shall be made known immediately and recorded in writing.

## **Article 10-1 (Avoidance of conflicting interests)**

The Remuneration Committee is required to provide explanations during meeting if the compensation or nomination discussed concerns Committee members' own interest. Committee members shall recuse from all discussions and voting if their interests are in conflict with the Company's interests, furthermore, these members may not exercise voting rights on behalf of other members of the Remuneration Committee.

## **Article 11 (Meeting minutes)**

Meeting minutes detailing the following matters shall be compiled of discussions by the Committee:

- I. The session, time and location of the meeting.
- II. Name of the chair.
- III. Attendance including the names and number of attending, excused or absent members.
- IV. The names and titles of non-voting participants.
- V. The name of the minute-taker.
- VI. Matters reported at the meeting.
- VII. Discussions: Resolution methods and outcomes for each motion, names of members involved in the discussion of own compensation as described in the preceding Article, the details of compensation, members' recusal, and any objection or reservation expressed by member.
- VIII. Extraordinary motions: Name of proposer, resolution method and outcome for the motion, summary of comments expressed by members, experts, and other personnel, names of members involved in the discussion of own compensation as described in the preceding Article, the details of compensation, members' recusal, and any objection or reservation expressed by member.
- IX. Any other matters that should be on record.

The attendance book constitutes part of the meeting minutes; if the meeting is held via video-conferencing then the audio and video data also constitute part of the meeting minutes.

The minutes of each Committee meeting shall be signed or stamped with the chop of the chair and minute-taker. A copy of the minutes shall be distributed to each member of the Committee within 20 days of the meeting, presented to the Board of Directors

and retained as important corporate records for five years. The meeting minutes may be produced and distributed in an electronic format.

If litigation involving the Committee takes place before the expiration of the retention period from the preceding paragraph then the minutes shall be retained until the conclusion of the litigation.

### **Article 12 (Implementation of resolutions)**

The execution of tasks relating to resolutions adopted by the Committee in accordance with Article 7, or the resolutions delegating subsequent tasks to professionals under Article 13, Paragraph 2, may be delegated to the convener or other Committee members for follow-up, with a written 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 13 (Resources for the exercising of powers)**

When the Committee is convened, it may request the Company's directors, managers of relevant departments, internal audit officers, certified public accountants, attorneys, or other Company personnel to attend the meeting as non-voting participants and provide pertinent and necessary information.

The Committee may by resolution retain the services of legal counsel, CPA, or other professionals to conduct any necessary investigations or provide their recommendations on matters relating to the exercise of its powers. Any resulting expenses shall be met by the Company. However, these personnel are to be dismissed during discussion and voting.

### **Article 14 (Implementation)**

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

This Charter was adopted on September 2, 2013.

First amendment on March 6, 2018

The 2nd amendment was made on March 23, 2020.

The 3rd amendment was made on August 11, 2020