

Formosa Optical Technology Co., Ltd.

The Audit Committee Charter

1. Purpose: The Charter is formulated according to "Regulations Governing the Exercise of Powers by Audit Committees of Public Companies."
2. Scope: The number of members, term of office, powers, rules of procedure for meetings of the Committee, and resources to be provided by the Company when the Committee exercises its powers, etc., shall comply with the Charter.
3. Authority and responsibility unit:
 - 3.1 Finance and Accounting Office: Responsible for the formulation and compiling of the Charter.
 - 3.2 Committee convener: One member shall be elected and from among the entire membership to be responsible for setting the agenda and representing the Committee to the public.
 - 3.3 Committee members: Composed of all independent directors, responsible for exercising the official powers stipulated in the Charter and relevant laws and regulations.
4. Definition:
 - 4.1 Entire membership: The term "entire membership" as used in the Charter shall be calculated as the number of members actually in office.
5. Operation content:
 - 5.1 The main purpose of the Committee's operation is to supervise the following matters:
 - 5.1.1 Fair presentation of the Company's financial statements.
 - 5.1.2 The appointment (dismissal), independence, and performance of CPAs.
 - 5.1.3 Effective implementation of the Company's internal control.
 - 5.1.4 The Company's compliance with relevant laws and regulations.
 - 5.1.5 The control of the Company's existing or potential risks.
 - 5.2 The Committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be committee convener, and at least one of whom shall have accounting or financial expertise.

The term of office of the independent directors of the Committee is three years, and they may be re-elected. If the appointment is dismissed for any reason, leading to an insufficient number of persons

as specified in the preceding paragraph or the regulations, a by-election for independent directors shall be held at the next following shareholders' meeting.

When all independent directors have been dismissed, the Company shall convene an interim shareholders' meeting to hold a by-election within 60 days from the date on which the situation arose.

5.3 Powers conferred by the Securities and Exchange Act, the Company Act, and any other law to be exercised by supervisors, excepting those powers set out in Article 14-4, paragraph 4, of the Securities and Exchange Act, shall be exercised by the Committee.

The provisions of Article 14-4, paragraph 4, of the Securities and Exchange Act, regarding provisions of the Company Act concerning acts done by supervisors or the role of supervisors as representatives of the Company, shall apply mutatis mutandis to the independent director members on the Committee.

5.4 Powers of the Committee are as follows:

5.4.1 Adoption or amendment of an internal control system pursuant to the Securities and Exchange Act.

5.4.2 Effectiveness assessment of the internal control system.

5.4.3 Adoption or amendment, under the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, fund lending to others, and endorsements or guarantees for others.

5.4.4 Matters concerning the director's personal interests.

5.4.5 Material asset or derivative transactions.

5.4.6 Material monetary loans to others, endorsements, or guarantees for others.

5.4.7 The offering, issuance, or private placement of any equity-type securities.

5.4.8 Appointment, dismissal, or remuneration of CPAs.

5.4.9 The appointment or discharge of a financial, accounting, or internal audit supervisor.

5.4.10 Annual and semi-annual financial reports.

5.4.11 Other significant matters prescribed by the Company or the competent authority.

Resolution of the preceding matters shall be subject to the consent of one-half or more of the entire membership of the Committee and be

submitted to the Board of Directors for resolution.

If a matter set out in the subparagraphs of paragraph 1, excepting subparagraph 5.4.10, has not been consented to by one-half or more of the entire membership of the Committee, it may be adopted with the consent of two-thirds or more of the entire Board of Directors.

- 5.5 The Committee meeting shall be held at least once per quarter, and extraordinary meetings may be convened as required.

The reasons for calling the Committee meeting shall be notified to each independent director member at least seven days in advance. In emergency circumstances, however, this requirement does not apply.

One member shall be elected as the convener and meeting Chair by and from among the entire membership of the Committee. 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 member designated by the convener, or if no such designation is made, by another member elected by and from among the independent director members of the Committee.

The Committee may invite the managers of related departments, internal auditors, CPAs, legal consultants, or other personnel of the Company to attend the meeting as nonvoting participants and provide the relevant necessary information. However, they shall leave the meeting when discussion and voting take place.

When the Committee meeting is held, relevant materials shall be prepared for the attending Committee members to refer to at any time.

- 5.6 When the Committee meeting is held, the Company shall have an attendance book ready for signature by the independent director members attending the meeting and thereafter keep it available for future reference.

All independent director members on the Committee shall attend the Committee meetings in person; a member who cannot attend in person may appoint another independent director member to attend as their proxy. Attendance via video conference is deemed attendance in person.

A member of the Committee appointing another independent director member to attend the Committee meeting shall in each instance give to that director a written proxy stating the scope of authorization with respect to the items on the meeting agenda.

Resolutions at meetings of the Committee shall be adopted with the consent of one-half or more of the entire membership. The result of a vote shall be made known immediately and recorded in writing.

If for a legitimate reason it is impossible to hold the Committee meeting, matters on the meeting agenda shall be adopted with the consent of two-thirds or more of the entire Board of Directors.

Notwithstanding the foregoing, with respect to the matters in Article 5.4, paragraph 1, subparagraph 5.4.10, a written opinion shall be obtained from each independent director member indicating approval or disapproval.

A proxy under paragraph 2 may accept a proxy from one person only.

5.7 Discussions at the Committee meeting shall be included in the meeting minutes, which shall faithfully record the following:

5.7.1 Session, time, and place of meeting.

5.7.2 Name of meeting Chair.

5.7.3 Attendance of independent director members at the meeting, specifying names and number of members present, excused, and absent.

5.7.4 Names and titles of those attending the meeting as nonvoting participants.

5.7.5 Name of minutes taker.

5.7.6 Matters reported.

5.7.7 Agenda items: Resolution method and the result of each proposal; summary of the comments made by the independent director members on the Committee, the experts, and any other persons present at the meeting; the name of any independent director member possibly having an interest relationship as referred to Article 5.9, paragraph 1, the essential content of the interest, the reasons why the director was required or not required to enter recusal, and the status of the recusal; and any objections or reservations expressed at the meeting.

5.7.8 Extraordinary motions: Name of the mover; the resolution method and result of each proposal summary of the comments made by the independent director members on the Committee and the experts and any other persons present at the meeting; the name of any independent director member possibly having an interest relationship as referred to Article 5.9, paragraph 1, the essential content of the interest, the reasons why the

director was required or not required to enter recusal, and the status of the recusal; and any objections or reservations expressed at the meeting.

5.7.9 Other matters required to be recorded.

The attendance book forms a part of the minutes of each Committee meeting and shall be well preserved for the duration of the existence of the Company.

The minutes of the Committee meeting shall bear the signature or seal of both the meeting Chair and the minutes taker, and a copy shall be distributed to each independent director member on the Committee within 20 days after the meeting and be carefully preserved as important company records during the existence of the Company.

The production and distribution of the meeting minutes referred to in paragraph 1 may be made in electronic form.

5.8 The Committee meeting agenda shall be drawn up by the convener.

Other members also may submit motions for deliberation by the Committee.

5.9 If an independent director member of the Committee has a personal interest in any agenda item, the director shall explain the essential content of the interest. If the director's personal interest is likely to prejudice the interest of the Company, the director member may not participate in discussion and voting and shall recuse himself or herself from the discussion and voting, and may not exercise voting rights as a proxy for any other independent director member.

Where the spouse or a blood relative within the second degree of kinship of an independent director is an interested party with respect to an agenda item as described in the preceding paragraph, such director shall be deemed to be an interested party with respect to that agenda item.

Where a matter is unable to be resolved at the Committee meeting for the reason stated in the preceding paragraph, the fact shall be reported to the Board of Directors, and the matter shall be resolved by the Board instead.

5.10 The Company shall record the entire proceedings of the Committee meeting on audio or videotape, and preserve the recordings for at least five years, in electronic form or otherwise.

If before the end of the preservation period referred to in the

preceding paragraph any litigation arises in connection with a resolution of the Committee meeting, the relevant audio or video recordings shall continue to be preserved until the litigation is concluded.

Where the Committee meeting is held by video conference, the audio or video documentation of the meeting constitutes part of the meeting minutes and shall be well preserved for the duration of the existence of the Company.

5.11 The Committee may, by resolution, appoint an attorney, CPA, or other professionals to conduct a necessary inspection or provide consultation on the matters specified in Article 5.4 at the cost of the Company.

5.12 Members of the Committee shall exercise the care of a good administrator in faithfully performing the duties under the Charter, be responsible to the Board of Directors, and submit the proposal to the Board of Directors for resolution.

5.13 The Committee shall conduct periodic reviews of matters relating to the Charter and present the results for amendment by the Board of Directors.

The convener or other members of the Committee may be delegated to follow up and handle the related implementation of the matters resolved by the Committee and make written or oral reports to the Committee during the period in which they are handling such tasks. When necessary, the matter shall be presented for ratification or reported to the Committee at the subsequent meeting.

6. Matters not specified in the Charter shall be governed by the Company Act, the Company's Articles of Incorporation, and any other relevant laws.

7. The Charter shall enter into force upon the Board of Directors' resolution, and the same shall apply to amendments.

8. Relevant documents: Articles of Incorporation of Formosa Optical Technology Co., Ltd.

9. Form used: None.

10. Implementation and amendment history:

10.1 After the Board of Directors passed the resolution on June 24, 2020, the Charter came into force from the date of establishment of the Committee, and the same shall apply to amendments.

11. Operation flow: None.