

Formosa Optical Technology Co., Ltd.

The Remuneration Committee Charter

Article 1 Basis

To ensure a sound remuneration system for directors, supervisors, and managerial officers of the Company, the Remuneration Committee Charter (hereinafter called the Charter) is formulated according to 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 Taiwan Stock Exchange or the Taipei Exchange" (hereinafter called Regulations Governing the Exercise of Powers by the Remuneration Committee) for compliance.

Article 2 Scope of Application

Unless otherwise stipulated by laws or regulations, matters related to the powers of the Company's Remuneration Committee (hereinafter referred to as the Committee) shall comply with the provisions of the Charter.

Article 3 Announcement for Recordation

This Corporation shall post the content of the Charter on its website and the Market Observation Post System (MOPS) for recordation.

Article 4 Functions of the Committee

The function of the Committee is to evaluate the remuneration policy and system of the directors, supervisors, and managerial officers of the Company professionally and objectively and make recommendations to the Board of Directors for their decision-making reference.

Article 5 The Composition of the Committee

The Committee consisting of at least three members, appointed by the resolution of the Board of Directors, and one of whom shall be the convener.

The professional qualifications and independence of the Committee members shall comply with the provisions of Articles 5 and Article 6 of the Regulations Governing the Exercise of Powers by the Remuneration Committee.

Article 6 The Term of Office and By-election of the Committee

The term of the Committee members shall end at the same time as that of the Board of Directors that appointed the members.

When a member of the Committee is dismissed for any reason, resulting in there being less than three members, a Board of Directors meeting shall be held within three months of the occurrence of the event a supplementary appointment.

Article 7 Scope of Responsibility

The Committee shall exercise the care of a good administrator in faithfully performing the official powers listed below and shall submit its recommendations for deliberation by the Board of Directors. However, recommendations in connection with remuneration for supervisors 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 supervisor remuneration:

- I. Periodically review the Charter and propose recommendations for amendments.
- II. Prescribe and periodically review the performance evaluation standards, annual and long-term performance targets, and the remuneration policy, system, standards, and structure for the Company's directors, supervisors, and managerial officers, and disclose the content of the performance evaluation standards in the annual report.
- III. Periodically evaluate the achievement of the performance target of the Company's directors, supervisors, and managerial officers and determine the content and amount of individual remuneration based on the evaluation results obtained from the performance evaluation standards. The annual report shall disclose the individual performance evaluation results of the directors, supervisors, and managerial officers, the content and amount of respective remuneration, and the relevance and rationality of performance assessment results, and making a report at a Shareholders' Meeting.

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

- I. Ensure that the Company's remuneration arrangements comply with relevant laws and are sufficient to attract outstanding talents.

II. With respect to the performance assessment and remuneration of directors, supervisors, and managerial officers, it shall refer to the typical pay levels adopted by peer companies, and take into consideration the individual performance assessment results, the time invested, the responsibilities undertaken, the achievement of personal goals, the performance of other positions, and the remunerations given by the Company to employees holding equivalent positions in recent years. It also evaluates the reasonableness of the correlation between individual performance and the Company's operating performance, and future risks by the achievement of the Company's short-term and long-term business goals, the Company's financial status, etc.

III. 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.

IV. It shall give thought to 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 payment time of partial variable remuneration.

V. Reasonableness shall be considered when the contents and amounts of the remuneration for directors, supervisors, and managerial officers are set. It is not advisable for determinations on the remuneration of directors, supervisors, and managerial officers to run contrary to financial performance to a material extent. Said remuneration shouldn't be higher than that in the preceding year in the event of a material decline in profits or of long-term losses. If it is still higher than that in the preceding year, the reasonableness explanation shall be disclosed in the annual report and reported at a Shareholders' Meeting.

VI. Members of the Committee may not participate in discussion and voting on their personal remuneration.

"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.

If decision-making and handling of any matter relating to the remuneration of directors and managerial officers of the Company's subsidiary are delegated to the subsidiary but requires ratification by the Company's Board of Directors, the Committee shall be asked to make recommendations before the matter is submitted to the Board of Directors for deliberation.

Article 8 Convening and Calling of meetings

The Committee meeting is convened twice a year. In calling a meeting, a notice setting forth therein the subjects to be discussed at the meeting shall be given to each member at least seven days in advance. In emergency circumstances, however, this requirement does not apply.

The Committee members include two independent directors, and the entire membership shall unanimously elect the independent director to serve as the convener and meeting Chair. 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 no such designation is made, by another member elected by and from among the other members of the Committee.

Article 9 Drafting of Meeting Agenda

The Committee meeting agenda shall be drawn up by the convener. Other members also may submit motions for deliberation by the Committee. The meeting agenda shall be provided to the Committee members in advance.

When the Committee meeting is held, the Company shall provide an attendance book for signature by the members attending the meeting and thereafter made available for reference.

The Committee members shall attend the Committee meeting in person; a member who cannot attend in person may appoint another member to attend as their proxy. Attendance via video conference is deemed as attendance in person.

A member of the Committee 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 items on the meeting agenda.

A proxy under paragraph 3 may accept a proxy from one person only.

Article 10 Resolution Method

A resolution of the Committee shall require the approval of one-half or more of all the members. During voting, if the Committee Chair solicits and receives no dissents, the motion is deemed passed, with equivalent force as a resolution by vote.

The results of preceding voting shall be made known immediately and recorded in writing.

Article 11 Meeting Minutes

Meeting minutes shall be prepared of the discussions at the Committee, and the minutes shall record the matters listed below in a detailed and accurate manner:

- I. Session, time, and place of the meeting.
- II. Name of the meeting Chair.
- III. Member attendance, specifying the names and number of members in attendance, excused, and absent.
- IV. Names and titles of those present at the meeting as nonvoting participants.
- V. Name of minutes taker.
- VI. Matters reported on.
- VII. Agenda items: The resolution method and outcome of each motion and any objections or reservations expressed by any Committee member.
- VIII. Extraordinary motions: The name of the mover, the resolution method and outcome of the motion, summary of the comments, objections, or reservations made by any Committee member, expert, or other people.
- IX. Other matters are required to be recorded.

The Committee attendance book constitutes an integral part of the minutes of each Committee meeting. If a meeting is convened by video conference, its video and audio data constitutes an integral part of the meeting minutes.

The meeting minutes shall bear the signature or seal of the Chair and the minute taker. The minutes shall be distributed to each Committee member within 20 days after the meeting, and shall be submitted to the Board of Directors and treated as important records of the Company, and shall be preserved for five years. The meeting minutes may be produced and distributed in electronic form.

If before the end of the preservation period referred to in the preceding paragraph, any litigation arises with respect to any matter in connection with the Committee, the minutes shall be preserved until the litigation is concluded.

Article 12 Handling of Meeting Resolutions

The Committee may delegate the convener or other members of the Committee for follow-up and handling of the resolutions based on the official powers specified in Article 7 or the appointment of professionals according to the resolution of Article 13, paragraph 2. They shall make written 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.

Article 13 Resources to Exercise Official Powers

When the Committee meeting is held, it may invite directors, managers of related departments, internal auditors, CPAs, legal consultants, or other personnel of the Company to attend meetings as nonvoting participants and provide the relevant necessary information.

The Committee may, by resolution, appoint lawyers, CPAs, or other professionals to conduct a necessary inspection or provide consultation on matters relating to the exercise of the Committee's powers at the expense of the Company.

Article 14 Implementation

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