



HTC Corporation Compensation Committee Charter

Article 1 Purpose and Basis

To ensure a sound system for the compensation of HTC's directors and managers, this Compensation Committee Charter (hereinafter, the "Charter") is adopted pursuant 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 Stock Exchange or Traded Over the Counter (hereinafter, the "Regulations").

Article 2 Scope of Application

Unless otherwise provided by law or regulation or the Articles of Incorporation of HTC, matters in connection with the official powers of the HTC Compensation Committee (hereinafter, the "Committee") shall be handled in accordance with this Charter.

Article 3 Disclosure for Public Reference

HTC shall upload the content of this Charter on HTC's Website and the Market Observation Post System for public reference.

Article 4 Functions of the Committee

The official functions of the Committee are to professionally and objectively evaluate the policies and systems for the compensation of HTC directors and managers, and submit recommendations to the board of directors for its reference in decision making.

Article 5 Committee Composition

The Committee shall consist of three members who are appointed by resolution of the board of directors. One of the members shall serve as convener.

The professional qualifications and independence of the Committee members shall meet the requirements set out in Articles 5 and 6 of the Regulations.



Article 6 Terms of Office of Committee Members and Appointments to Fill Member Vacancies

The term of the Committee members shall be the same 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 meeting shall be held within 3 months from the date of the dismissal to make a new appointment.

Article 7 Scope of Responsibilities

The Committee shall exercise the care of a good administrator to faithfully perform the following functions and present its recommendations to the board of directors for discussion.

1. Periodically review this Charter and propose suggestions for amendments.
2. Prescribe and periodically review the policies, systems, standards, and structure for the annual and long-term performance goals and compensation of HTC directors and managers.
3. Periodically assess the status of achievement of performance goals of HTC directors and managers, and set the content and amounts of their individual compensation.

The Committee shall perform the functions in the preceding paragraph in accordance with the following principles:

1. Ensure that HTC compensation arrangements comply with applicable laws and regulations and are sufficient to recruit outstanding talent.
2. The performance assessment and the compensation level of directors and managers shall take into reference the general pay levels in the industry, and take into account the individual's time spent and responsibilities, goal achievement status, performance in other positions, and the compensation paid to employees holding equivalent positions in recent years, and evaluate the reasonableness of the correlation between compensation and individual performance, HTC's operational performance, and future risk exposure, in terms of HTC's achievement of short-term and long-term business goals and its financial status.
3. There shall be no incentive for directors or managers to pursue compensation by engaging in activities that exceed HTC's tolerable risk level.
4. The percentage to be distributed in short-term performance bonus and the time for payment of any variable portion of compensation for directors and senior managers shall be decided with consideration to the characteristics of the industry and the nature of HTC's business.
5. A member of the Committee may not participate in the discussion and voting when the Committee makes any decision on that member's individual compensation.



“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 that of compensation for directors and managerial officers as set out in the Regulations Governing Information to be Published in Annual Reports of Public Companies.

If the compensation of the directors and managers of an HTC subsidiary must be approved by HTC’s board of directors in advance in accordance with the subsidiary’s decision-making hierarchy, HTC’s Compensation Committee must first propose recommendations and present them to the board of directors for discussion.

Article 8 Convening and Calling of Meetings

Meetings of the Committee shall be held at least twice a year. The Committee shall give a notice to the Committee members 7 days prior to the scheduled meeting date setting forth the subjects to be discussed at the meeting. In emergency circumstances, however, the meeting may be convened at any time.

Among the Committee members there shall be two independent directors. The independent director shall be elected by all the Committee members as the convener and meeting chairman of the Committee. If the convener of the meeting takes leave or is unable to convene a meeting for any reason, the convener must designate another independent director on the Committee to convene the meeting. If there is no other independent director on the Committee, the convener must designate another Committee member to convene the meeting. If the convener does not appoint a deputy, the other Committee members must elect from among themselves one person to convene the meeting.

Article 9 Meeting Agenda

The Committee’s meeting agenda is drafted by the convener. Other members may propose motions to the Committee for discussion. Meeting agendas shall be forwarded to the Committee members in advance.

When a meeting of the Committee is held, an attendance book prepared for signature by the attending members must be in place and thereafter made available for reference.



Committee members shall attend the meeting in person. If a Committee member cannot attend the meeting in person, the member may appoint another member to attend as his or her proxy. Attending a meeting via videoconferencing is deemed as attending in person.

When a Committee member appoints another member to attend as his or her proxy, he or she shall issue a letter of authorization with the detailed scope of authorization regarding the subjects on the agenda.

A proxy under paragraph 3 may act on behalf of only one member.

Article 10 Resolutions

A resolution of the Committee requires the approval of one-half or more of all the members. When a proposal is put to a vote, the proposal is deemed approved if no member voices objections in response to the meeting chairman's inquiries. Approval in this manner shall be equally valid as approval by vote.

The results of voting under the preceding paragraph shall be reported on the spot and recorded in writing.

Article 11 Preparation and Distribution of the Meeting Minutes

Meeting minutes shall be prepared of the deliberations of the Committee, detailing the following information in an accurate manner:

1. Session, time and location of the meeting.
2. Name of the meeting chairman.
3. Committee member attendance, specifying the names and numbers of members in attendance, excused, and absent.
4. Name and job title of those present at the meeting as nonvoting participants.
5. Name of minutes taker.
6. Matters reported.
7. Discussions: the method of resolution and outcome of each motion, and any objections or reservations of any Committee member.
8. Extraordinary motions: name of the proposer, the method of resolution and outcome of the motion, a summary of any comments, objections, or reservations of any Committee member, expert, or other person.
9. Other matters required to be recorded.



The Committee's attendance book is a part of the meeting minutes. If the meeting is held by videoconferencing, the audio and video materials also are a part of the meeting minutes.

The meeting minutes must be signed or sealed by the meeting chairman and the minutes taker and be distributed to each of the Committee members within 20 days after the meeting, and shall be submitted to the board of directors and treated as important corporate records and preserved for 5 years. Meeting minutes may be produced and distributed by electronic means.

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

Article 12 Implementation of Meeting Resolutions

The execution of tasks relating to resolutions reached by the Committee per its functions under Article 7, or subsequent execution work resolved to be delegated to professionals per 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 execution period. When necessary, it shall be ratified by or reported to the Committee in the next meeting.

Article 13 Resources to be Provided When the Compensation Committee Exercises its Official Powers

The Committee may invite HTC directors, managerial personnel of relevant departments, internal auditors, CPAs, legal advisors, or other related personnel to attend the meeting as nonvoting participants and provide relevant necessary information.

The Committee may, at the expense of HTC, resolve to retain the service of a lawyer, CPA, or other professionals to conduct necessary auditing or provide advice with respect to matters related to the exercise of the Committee's powers.

Article 14 Enforcement

This Charter, and any amendments hereto, shall be in force after approval by the board of directors.