

WNC Corporation Remuneration Committee Charter

Article 1 Basis

WNC Corporation (“WNC”) hereby establishes a Remuneration Committee (“the Committee”) pursuant to Article 14-6 of the Securities and Exchange Act (“the “Act”) and 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 (“the Regulations”). Except where other applicable mandatory laws or special regulations specify otherwise, the provisions of such laws or regulations shall prevail.

Article 2 Scope

Matters relating to the Committee’s composition, number of members, term, responsibilities and duties, meeting rules and the provision of resources when the Committee exercises its powers shall be in accordance with this Remuneration Committee Charter (“the Charter”).

Article 3 Organization (Composition, Number, and Term of Office)

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

The term of each Committee member shall be the same as that of the Board of Directors.

When a member of the Committee resigns or is dismissed for any reason that results in the Committee members numbering less than three, the Board of Directors shall hold a meeting to appoint a replacement within three months. In the event that an independent director resigns or is dismissed and there is no other independent director to fill the vacancy, WNC may designate a person who is not qualified as an independent director to be the replacement of the Committee member until an independent director is elected, who will then be appointed as a member of the Committee.

When there is any appointment or change of any member of the Committee, WNC shall release a public announcement thereof on the public website designated by the relevant competent authority within two days from the event’s date of occurrence.

Article 4 Selection Criteria (Professional Qualifications and Work Experience)

Each member of the Committee must possess one of the following professional qualifications and a minimum of five years work experience:

1. Served as a lecturer or higher in either a commerce, law, finance, accounting, or other academic department related to the business needs of WNC in a public or private college or university;
2. Licensed to practice as a judge, public prosecutor, attorney-at-law, certified public accountant, or other related professional or technical specialist in any profession related to the business area of WNC.
3. Work experience in the field of commerce, law, finance, accounting, or otherwise necessary to WNC’s business.

A person to whom any of the following circumstances applies may not qualify as a Committee member; if such a person is currently serving in such a capacity as a Committee member, that person shall be dismissed from his or her position:

1. Any of the circumstances in the subparagraphs of Article 30 of the Company Act.
2. Any violation of the Committee member qualification requirements set out in the Charter.

Article 5 Selection Criteria (Restrictions)

Committee members shall maintain independence within the scope of their duties, and may not have any direct or indirect interest in WNC. Up to two years prior to appointment and during the term of office, a Committee member shall not have been or be any of the following:

1. An employee of WNC or any of its affiliates
2. A director or supervisor of WNC or any of its affiliates.

3. A natural-person shareholder who holds shares, including those shares held by the person's spouse, children, or held by the person under any other person's name, in an aggregate amount reaching one percent or more of the total number of outstanding shares of WNC or ranking among the ten largest shareholders.
4. A spouse, relative within a second degree of kinship, or lineal relative within the third degree of kinship of a person in subparagraph 1 who is at the managerial level, or any person in the preceding two subparagraphs.
5. A director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of outstanding shares of WNC, ranks among the five largest shareholders, or that designates its representative to serve as a director or supervisor at WNC in accordance with paragraphs 1 or 2 of Article 27 of the Company Act.
6. If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company.
7. If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution.
8. A director, supervisor, managerial officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with WNC.
9. A professional individual who, or an owner, partner, director, supervisor, or managerial officer of a sole proprietorship, partnership, company, or institution that provides auditing services to WNC or to any affiliate of WNC, or that provides commercial, legal, financial, accounting, or related services to WNC or to any affiliate of WNC for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof. However, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to this Charter, the Business Mergers and Acquisitions Act, or related laws or regulations.

Subparagraph 2 and subparagraphs 5 to 7 of the preceding paragraph and subparagraph 1 of paragraph 4 do not apply to independent directors appointed in accordance with this Charter or the laws and regulations of the local country by, and concurrently serving as such at, WNC and its parent or subsidiary or a subsidiary of the same parent.

The requirement of the first paragraph ("during the two years before being appointed") does not apply when a member of the Committee has served as an independent director of WNC or any of its affiliates or of a specified company or institution that has a financial or business relationship with WNC as stated in subparagraph 2 or 8 of the first paragraph but is currently no longer in that position.

The term "specified company or institution" referred to in paragraph 1, subparagraph 8 of this Article, means a company or institution that has one of the following relationships with WNC:

1. The entity holds 20 percent or more and no more than 50 percent of the total number of outstanding shares of WNC.
2. The entity holds shares, together with those held by any of its directors, supervisors, and shareholders totaling more than 10 percent of the total number of shares, in an aggregate total of 30 percent or more of the total number of outstanding shares of WNC, and there is a record of financial or business transactions between it and WNC. The shareholdings of any of the aforementioned persons include shares held by spouses or minors of the persons or by the persons under any other's name.
3. The entity, together with companies of the same group with the entity, is the source of 30 percent or more of the operating revenue of WNC.
4. The entity, together with companies of the same group with the entity, is the source of 50 percent or more of the quantity or the total purchase amount of principal raw materials (those that account for 30 percent or more of the total purchase amount and are indispensable and key raw materials in product manufacturing) or principal products (those accounting for 30 percent or more of the total operating revenue) of WNC.

For the purposes of paragraph 1, paragraph 2, and the preceding paragraph, the terms “parent company”, “subsidiary”, and “group” shall have the meaning given in International Financial Reporting Standards (IFRS) 10.

The term "affiliate" in paragraphs 1 and 3 means an affiliated enterprise under Chapter VI-1 of the Company Act, or a company for which consolidated financial reports are required to be prepared under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises or under IFRS 10.

Article 6

Responsibilities and Duties

The Committee shall exercise the due care of a good manager and a fiduciary in performing the responsibilities and duties listed below and shall submit its recommendations for deliberation by the Board of Directors:

1. Prescribe and periodically review the performance review and remuneration policy, system, standards, and structure for directors and managerial officers.
2. Periodically evaluate and prescribe the remuneration of directors and managerial officers.

When performing the responsibilities and duties of the preceding paragraphs, the Committee shall follow the principles listed below:

1. With respect to the performance assessment and remuneration of directors and managerial personnel of WNC, it shall refer to the typical pay levels adopted by peer companies and take into consideration the reasonableness of the correlation between remuneration and individual performance, WNC’s business performance, and future risk exposure.
2. It shall not produce an incentive for the directors or managerial officers to engage in activity to pursue remuneration that exceeds the risks that WNC shall bear.
3. It shall take into consideration the characteristics of the industry and the nature of WNC’s business when determining the ratio of bonus payout based on the short-term performance of its directors and senior management and the time for payment of the variable part of 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 and managerial officers as set out in the Regulations Governing Information to be published in Annual Reports of Public Companies.

When deliberating the recommendations of the Committee, the Board of Directors shall comprehensively consider matters including amounts of remuneration, payment methods, and WNC’s future risk.

If the Board of Directors declines to adopt or decides to modify a recommendation of the Committee, it shall require the consent of a majority of the directors in attendance at a meeting attended by two-thirds or more of the entire board, which in its resolution shall give the comprehensive consideration under the preceding paragraph and shall specifically explain whether the remuneration passed by it exceeds in any way the recommendation of the Committee.

If the remuneration passed by the Board of Directors exceeds the recommendation of the Committee, the circumstances and cause for the difference shall be specified in the board meeting minutes and shall be publicly announced and reported on the information reporting website designated by the competent authority within two days counting from the date of passage by the Board of Directors.

If decision-making and handling of any matter relating to the remuneration of directors and managerial officers of a subsidiary are delegated to the subsidiary but require ratification by the Board of Directors of the parent company, the parent company’s compensation committee shall be asked to make recommendations before the matter is submitted to the Board of Directors for deliberation.

Article 7

Convening Meetings, the Meeting Chair, and Attending Meetings as Nonvoting Participants

The Committee shall convene at least twice a year, and this requirement shall be expressly included in the Charter.

Each Committee member shall be notified of the reasons for convening a Committee meeting at least

seven days in advance. In emergency circumstances, however, this requirement does not apply.

The above-mentioned notifications shall be sent in written form or via electronic means.

The members of the Committee shall unanimously elect an independent director to serve as the convener and meeting chair. If the convener is on leave or otherwise unable to convene a meeting, another independent director designated by the convener shall convene the meeting. If there is no other independent director on the Committee, another member will be elected by and from the other members of the Committee.

The Committee shall invite the Chairman of the Board or the CEO to attend meetings as a nonvoting participant. The Chairman of the Board shall recuse himself/herself from participating in discussions about agenda items that involve personal interests, and then the Committee may invite directors, managerial officers of relevant departments, internal auditors, accountants, legal counsels, or other personnel to attend meetings as nonvoting participants and provide them with pertinent and necessary information. However, the invited personnel mentioned in the previous sentence shall enter recusal during the discussion and voting.

Article 8 Attendance and Resolutions

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, WNC shall provide an attendance book for signature by the members attending the meeting and thereafter make it available for reference.

Committee members shall attend the Committee meetings in person; a member who cannot attend in person may appoint another member to attend as his/her proxy. Attendance via tele- or video-conference is hereby considered to be in attendance in-person.

A member of the Committee appointing another member to attend the Committee meeting as his/her proxy shall in each instance issue a written proxy stating the scope of authorization with respect to the items on the meeting agenda.

Resolutions of the Committee meeting shall be adopted with the consent of one-half or more of all members. During voting, if the Committee chair solicits and receives no dissents, the motion is deemed to have passed with equivalent force as a resolution by vote. The results of voting shall be made known immediately and recorded in writing.

A member serving as proxy under paragraph 3 may accept an appointment as a proxy from one other Committee member only.

Article 8-1 When a meeting of the remuneration committee will discuss the remuneration of any member of the remuneration committee, it will be clearly stated at the meeting. If there is likely to be any prejudice to the interests of the company, that member may not participate in the discussion or voting and shall enter recusal during the discussion and voting. The member also may not act as another remuneration committee member's proxy to exercise voting rights on that matter.

Article 9 Meeting Minutes

Discussions at a Committee meeting shall be included in the meeting minutes. The following items shall be recorded faithfully and in detail in the minutes:

1. Session, time, and place of the meeting.
2. Name of the meeting chair.
3. Member attendance, specifying the names and number of members present, excused, and absent.
4. Names and titles of those present attending the meeting as nonvoting participants.
5. Name of the minutes-taker.
6. Matters reported.
7. Agenda items: the resolution method and outcome of each motion, the name of any member whose own remuneration comes under discussion, the content of the discussion about the member's remuneration, the specifics regarding recusal of the member, and any objections or reservations expressed by any member.

8. Extraordinary motions: the name of the mover, the resolution method and outcome of each motion, a summary of the comments expressed by any member, expert, or other person, the name of any member whose own remuneration comes under discussion, the content of the discussion about the member's remuneration, and the specifics regarding recusal of the member, and any objections or reservations expressed by any member.
9. Other matters required to be recorded.

Where there is any record or written statement of an objection or reservation expressed by members regarding a resolution of the Committee, in addition to being stated in the minutes, they shall, within two days from the event's date of occurrence, be publicly announced and reported on the public information report website designated by the competent authority.

The attendance book of the Committee meetings is a part of the meeting minutes thereof.

The meeting minutes shall be signed or sealed by both the meeting chair and the minutes-taker, and a copy shall be distributed to each member of the Committee within twenty days after the meeting and be carefully preserved as part of important company records for five years.

In the event of any litigation claims regarding matters concerning the Committee prior to the expiration of the preservation period referred to in the preceding paragraph, the minutes shall be preserved until the conclusion of the litigation.

The production and distribution of the meeting minutes in paragraph 1 may be conducted electronically.

If the meeting is convened by tele- or video-conference, the recorded data shall constitute part of the meeting minutes.

Article 10 Professional Investigations and Consulting

The Committee may by resolution (and at the cost of WNC) request an attorney, accountant, or other professional to conduct a necessary audit or provide advice with respect to any matter related to the exercise of the Committee's powers.

Article 11 Execution

The execution of the matters resolved by the Committee may be delegated to the convener or other members of the Committee for follow-up and handling. Written report(s) shall be provided to the Committee during such period of execution and, when necessary, proposed to the Committee at the next meeting for ratification or report.

Article 12 Enforcement

This Charter and any amendment hereto shall enter into force after approval by the Board of Directors on October 26, 2011.

The first amendment was approved on Dec. 23, 2015.

The second amendment was approved on Mar. 11, 2020.

The third amendment was approved on Mar. 17, 2021.