HSING TA CEMENT CO., LTD.

Category	Remuneration Committee Charter	Formulated by	Board of Directors	Document No.	HOAC009
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Version	Revision			Description of Revision	Drafted by	Reviewed by	Approved by	Date
	Revision No.	Page	Article(s)					
A				Newly enacted	Regulation Formulation Taskforce	Yang, Te-Hsiung	Board of Directors	August 26, 2011
A	1	2/4	Article 2	Revised pursuant to FSC Letter No. 10200531121 regarding the establishment of an Audit Committee to replace the functions of supervisors, and amended related wording concerning supervisors.	Regulation Formulation Taskforce	Yang, Chih-Hsiung	Board of Directors	May 9, 2018
A	2	2/5 | 5/5	Article 5 Article 6	Revised pursuant to FSC Letter No. 10803619346.	Regulation Formulation Taskforce	Yang, Chih-Hsiung	Board of Directors	March 31, 2020

Article 1 (Basis for Establishment)

These Organizational Rules are established in accordance with Article 14-6 of the *Securities and Exchange Act* and the *Regulations Governing the Establishment and Exercise of Powers of Remuneration Committees by Companies Whose Stock Is Listed on the Taiwan Stock Exchange or Traded Over the Counter* (hereinafter referred to as the “Regulations”) to facilitate compliance.

Article 2：(Duties and Responsibilities)

The Remuneration Committee shall exercise the due care of a good administrator and faithfully perform the following duties, submitting its recommendations to the Board of Directors for discussion:

1. Establish and periodically review the policies, systems, standards, and structure for the performance evaluation and remuneration of directors and managerial officers.
2. Regularly assess and determine the remuneration of directors and managerial officers.

In performing the aforementioned duties, the Remuneration Committee shall act in accordance with the following principles:

1. The performance evaluation and remuneration of directors and managerial officers shall be determined with reference to industry standards, while taking into account the reasonableness of the correlation among individual performance, the Company’s operating results, and future risks.
2. Remuneration shall not induce directors or managerial officers to engage in conduct exceeding the risk tolerance of the Company in pursuit of compensation.
3. The proportion of short-term performance bonuses and the timing for payment of variable remuneration for directors and senior managerial officers shall be determined with consideration to the Company’s industry characteristics and business nature.

The term “remuneration” as used in the preceding paragraphs includes cash compensation, stock options, profit sharing, retirement benefits or severance pay, allowances, and any other substantive incentive measures; the scope thereof shall be consistent with the relevant provisions regarding directors’ and officers’ compensation in the *Regulations Governing Information to Be Published in Annual Reports of Public Companies.*

When deliberating on the recommendations of the Remuneration Committee, the Board of Directors shall take into account factors such as the amount of remuneration, the method of payment, and potential future risks to the Company.

If the Board of Directors does not adopt or intends to amend the recommendations of the Remuneration Committee, such decision shall require the attendance of at least two-thirds (2/3) of all directors and approval by a majority of the directors present. The resolution shall include comprehensive consideration and a specific explanation as to whether the approved remuneration is superior to that proposed by the Remuneration Committee.

If the remuneration approved by the Board of Directors exceeds that recommended by the Remuneration Committee, the differences and reasons therefor shall be specified in the minutes of the board meeting. The Company shall also make a public announcement and report such information via the information reporting website designated by the competent authority within two (2) days from the date of approval.

Where matters concerning the remuneration of directors and managerial officers of a subsidiary are subject to the approval of the Company’s Board of Directors under the subsidiary’s hierarchy of authority, such matters shall first be reviewed and recommended by the Company’s Remuneration Committee before being submitted to the Board for discussion.

Article 3 (Qualifications and Number of Members)

Members of the Committee shall possess the professional qualifications and work experience prescribed in Article 5 of the *Regulations* and shall not be subject to any of the circumstances of restriction or prohibition under Article 6 thereof. Members of the Committee shall be appointed by resolution of the Board of Directors. The Committee shall consist of no fewer than three (3) members, who shall elect one member among themselves to serve as the convener and chairperson of the meetings.

The term of office of the Committee members shall correspond to that of the current Board of Directors.

If the number of Committee members falls below three (3) due to dismissal, the Board of Directors shall appoint replacement members within three (3) months from the date of occurrence.

Upon the appointment or change of any Committee member, the Company shall, within two (2) days from the date of occurrence, make a public announcement and file a report via the information reporting website designated by the competent authority.

Article 4 (Convocation of Meetings)

The Committee shall be convened by the convener at least twice each year.

If the convener is on leave or unable to convene a meeting, another member designated by the convener shall act in his or her place; where no such designation has been made, one member shall be elected by and from among the other members to act as proxy convener.

Notices of Committee meetings shall specify the purpose of the meeting and be delivered to all members at least seven (7) days in advance; however, this requirement shall not apply in cases of emergency.

Article 5 (Agenda and Attendance)

The agenda of the Committee meetings shall be set by the convener. Other members may also submit proposals for discussion, and the meeting agenda shall be provided to all members in advance.

An attendance book shall be prepared for the members to sign upon attending each meeting.

Members of the Committee shall personally attend the meetings. If unable to attend in person, a member may, for each specific meeting, issue a written proxy specifying the scope of authorization for the agenda items and appoint another member to attend as proxy. However, a member may act as proxy for only one other member. Attendance via video conference shall be deemed as attendance in person.

When necessary, the Committee may invite directors, relevant department managers, internal auditors, certified public accountants, legal counsel, or other personnel to attend meetings and provide necessary information. However, such invitees shall withdraw from the meeting during discussion and voting.

When the Committee discusses matters relating to the remuneration of any of its members, such member shall explain the relevant details at the meeting. If such matter may be detrimental to the interests of the Company, the member shall not participate in the discussion or voting, shall recuse himself or herself during deliberation and voting, and shall not act as proxy for any other member in exercising voting rights.

Article 6 (Meeting Resolutions and Minutes)

Unless otherwise provided by law or regulation, resolutions of the Committee shall require the consent of more than one-half of all members. If, upon inquiry by the chairperson, no member present objects, the proposal shall be deemed approved and shall ca

Proceedings of the Committee shall be recorded in minutes, which shall faithfully state the following:

1. The term (or session), and the date, time, and venue of the meeting.
2. The name of the chairperson.
3. Attendance status of the members, including the names and numbers of those present, on leave, or absent.
4. The names and titles of attendees who are not members.
5. The name of the minute taker.
6. Matters for report.
7. Matters for discussion: the voting methods and results for each proposal; the names of members involved in discussions concerning their own remuneration under the preceding Article, details of such remuneration, circumstances of recusal, and any objection or reservations expressed by members.
8. Ad hoc motions: the name of the proposer; the voting methods and results for each proposal; summaries of statements made by Committee members, experts, and other participants; the names of members involved in discussions concerning their own remuneration under the preceding Article, details of such remuneration, circumstances of recusal, and any objections or reservations expressed by members.
9. Other matters required to be recorded.

If any member of the Remuneration Committee expresses an objection or reservation on any resolution and such opinion is recorded or declared in writing, the matter shall be stated in the minutes, and the Company shall make a public announcement and file a report via the information reporting website designated by the competent authority within two (2) days from the date of occurrence.

The attendance book shall form part of the meeting minutes. Where a meeting is convened by video conference, the audiovisual data shall also constitute part of the meeting minutes.

The minutes shall be signed or sealed by both the chairperson and the minute taker, distributed to all members of the Committee within twenty (20) days after the meeting, submitted to the Board of Directors, and preserved as an important company record for five (5) years. Preparation and distribution of the minutes may be conducted by electronic means.

If, prior to the expiration of the retention period stated above, any litigation arises relating to matters of the Committee, the relevant minutes and records shall be preserved until the conclusion of the litigation.

Article 7 (Audit and Consultation)

The Committee may, by resolution, engage attorneys, certified public accountants, or other professionals to conduct necessary audits or provide advice in connection with the exercise of its duties, and the related expenses shall be borne by the Company.

Article 8 (Execution of Resolutions)

Matters resolved by the Committee may be delegated to the convener or other members of the Committee for follow-up execution, who shall submit written reports to the Committee on the implementation status.

Where deemed necessary by the Committee, such matters may be submitted to the next Committee meeting for ratification or reporting.

Article 9 (Matters Not Covered Herein)

Any matters not provided for in these Organizational Rules shall be handled in accordance with the Company’s relevant regulations and the requirements prescribed by the competent authority.

Article 10 (Amendment and Implementation)

These Organizational Rules shall take effect upon approval by the Board of Directors, and the same shall apply to any subsequent amendments.