

Taiflex Scientific Co., Ltd. (“Company”)

Compensation Committee Charter

Article 1: (Purpose and basis)

In order to maintain a sound compensation system for Directors and management members, the Company draws up the Compensation Committee Charter (hereinafter referred to as the “Charter”) 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 referred to as the “Regulations”) to be complied with.

Article 2: (Scope of application)

Unless otherwise stipulated by laws and regulations or the Articles of Incorporation, matters concerning the powers of the Company's Compensation Committee (hereinafter referred to as the “Committee”) shall be subject to the Charter's provisions.

Article 3: (Public announcement)

The Company shall make the Charter available at its corporate website and the Market Observation Post System website for reference.

Article 4: (Functions of the Committee)

The Committee is responsible for assessing the Company's compensation policies and systems for Directors and management members from a professional and objective standpoint and making recommendations to the Board of Directors (hereinafter referred to as the “Board”) as reference materials for the Board's decision-making process.

Article 5: (Composition of the Committee)

The Committee shall have three members, who are appointed through Board resolutions. One of the members shall be the convener.

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

Article 6: (Tenure and replacement of Committee members)

The tenure of Committee members is the same as the tenure of Board members who appoint them.

If a Committee member is discharged for any reason and the number of members falls below three, a Board meeting shall be held within three months from the

date of occurrence to appoint a replacement.

Article 7: (Scope of responsibilities)

The Committee shall faithfully exercise the following powers with due care of a prudent administrator, and submit its recommendations to the Board for discussion:

- (1) To review the Charter periodically and make recommendations for amendments;
- (2) To establish and regularly review the annual and long-term performance goals, and the compensation policies, systems, standards and structures of the Company's Directors and management members; and
- (3) To periodically assess the completion status of performance goals set by the Company's Directors and management members, and formulate compensation plans and amounts for individuals.

The Committee shall abide by the following principles when performing its powers listed in the preceding paragraph:

- (1) Ensure the Company's compensation schemes meet regulatory compliance and remain attractive to outstanding talents;
- (2) Performance assessment and compensation of Directors and management members shall be determined with reference to the industry's remuneration standard and in light of the individuals' time contributed, duties and responsibilities undertaken, completion status of personal targets and performance in other positions, and the Company's compensation to employees of equivalent positions in recent years. The reasonableness of correlation between individual's performance and the Company's performance and future risks is evaluated through the Company's achievement levels on its short and long-term business targets and financial position;
- (3) Do not lead Directors and management members on to engage in activities which exceed the Company's risk appetite in pursue of compensation;
- (4) The percentage of compensation for short-term performance of Directors and senior managers and the timing for paying the variable part of compensation shall be determined by taking into account the industry's characteristics and the Company's business nature; and
- (5) Committee members shall not participate in the discussion and voting of his/her own compensation.

The term "compensation" in the preceding two paragraphs includes cash compensation, stock options, profit sharing/stock ownership, retirement benefits or severance pay, allowances, and other substantive incentive measures. Its scope

shall be consistent with the remuneration for Directors and management members set out in the Regulations Governing Information to be Published in Annual Reports of Public Companies.

Where, in accordance with the subsidiaries' approval authority level, the compensation to subsidiaries' Directors and management members requires approvals from the Company's Board, the Committee shall make recommendations before such matters are submitted to the Board for discussion.

Article 8: (Convention and calling of meetings)

The Committee meetings shall be held at least twice every year. The meeting notice shall clearly state the reasons for convening the meeting and be given to all Committee members seven days prior to the meeting. However, emergencies are not subject to this requirement.

The Committee members shall elect one person from among themselves to be the meeting convener and chairperson. If the convener is on leave or is unable to convene the meeting for some reasons, he/she shall appoint another Committee member to stand proxy. If the convener does not appoint a proxy, the other Committee members shall elect one person from among themselves to stand proxy.

Article 9: (Formulation of agenda)

The Committee's meeting agenda is determined by the convener. Other members may also submit proposals to be discussed by the Committee. The meeting agenda shall be provided to Committee members prior to the meeting.

A signing booklet shall be provided at the Committee meeting for the attending Committee members to sign in and be available for future reference.

Committee members shall attend the Committee meetings in person. The member who is unable to attend in person shall appoint another member to attend the meeting on his/her behalf as a proxy. Attendance by video conference shall be deemed attendance in person.

The Committee member who appoints another member to attend the Committee meetings shall submit a proxy form each time, indicating the scope of authorization with respect to the reasons for convening the meeting.

The proxy referred to in Paragraph 3 can only act on behalf of one Committee member.

Article 10: (Voting method)

The Committee's resolutions shall be approved by the majority of its members. The resolutions shall be deemed adopted if no objection is voiced after solicitation by the chairperson. They shall have the same validity as resolutions

adopted via voting.

The voting results set out in the preceding paragraph shall be announced at the meeting and placed on record.

Article 11: (Meeting minutes)

The Committee's meeting proceedings shall be kept in the meeting minutes, which shall faithfully record the following items:

- (1) Term, time and venue of the meeting;
- (2) Name of the chairperson;
- (3) Attendance of Committee members, including the names and numbers of those who are present, on leave, and absent;
- (4) Names and positions of the attendants;
- (5) Name of recorder;
- (6) Report items;
- (7) Discussion items: Voting method and result of each proposed resolution, and objections or reservations expressed by Committee members;
- (8) Extempore motion: Names of proposers; voting method and result of each proposed resolution; speech summary of Committee members, experts and other persons; and objections or reservations; and
- (9) Other items that shall be recorded.

The Committee meeting's signing booklet is part of the meeting minutes. For Committee meetings conducted through video-conferencing, the video and audio recordings are also part of the meeting minutes.

The meeting minutes shall be signed by or affixed with the seals of the meeting's chairperson and recorder, and be distributed to all Committee members within twenty days after the meeting. Also, they shall be presented to the Board and retained as important corporate files for five years. The meeting minutes may be prepared and distributed in electronic form.

If litigation arises from matters associated with the Committee meetings before the above retention period expires, the meeting minutes shall be retained until the litigation is concluded.

Article 12: (Execution of resolutions)

The execution of resolutions concerning powers stipulated in Article 7 or engagement of professionals pursuant to Paragraph 2 of Article 13 may be delegated to the convener or other Committee members, and they shall submit written reports to the Committee during the execution. If necessary, their actions may be ratified or reported in the next Committee meeting.

Article 13: (Resources for exercising powers)

The Committee may invite the Company's Directors, management members from relevant departments, internal auditing personnel, certified public accountants (hereinafter referred to as the "CPAs"), legal consultants or other personnel to attend the meetings and provide relevant information.

The Committee may, by resolution, engage lawyers, CPAs or other professionals to audit or provide advice on matters concerning the exercise of powers. The expenses incurred shall be borne by the Company.

Article 14: (Implementation)

The Charter and any amendment hereto shall take effect upon the Board's resolution.

The first amendment was made on February 27, 2018.