

Kwong Fong Industries Corporation

Remuneration Committee Charter

Article 1 (Purpose and Basis for Adoption)

To improve corporate governance, the Remuneration Committee (hereinafter: “the Committee”) shall be established in accordance with 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, this Remuneration Committee Charter shall be adopted for compliance.

Article 2 (Scope of Application)

Matters related to the functions and powers of the Remuneration Committee of the Company (hereinafter: “the Committee”) shall be in accordance with the provisions of the Articles of Association, unless otherwise provided by laws and regulations or the Articles of Association.

Article 3 (Announcement for Reference)

The Company shall make the content of the Charter available on its website and the Market Observation Post System for public reference.

Article 4 (Functions of the Committee)

The function of the Committee is to evaluate the remuneration policies and systems of the Company's directors, supervisors and managers in a professional and objective position, and to make recommendations to the Board for reference in its decision-making.

Article 5 (Committee Composition)

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

The professional qualifications and independence of the members of the Committee shall comply with the provisions of Articles 5 and 6 of the Terms of Reference of the Remuneration Committee.

Article 6 (Term of office of the Committee and by-elections)

The term of office of the members is the same as that of independent directors.

If the members of the Committee is less than three due to the dismissal of an independent director, a board by-election shall be held within three months from the date of occurrence of the fact. In the event of any change in the membership, the term of office shall expire at the end of the original term.

Article 7 (Scope of Duties)

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

discussion. However, the proposal for the remuneration of the supervisor shall be submitted to the board of directors for discussion, to the extent that the remuneration of the supervisor is stipulated in the articles of association of the company or authorized by the board of directors by a resolution of the shareholders' meeting:

1. Regularly review this policy and recommend amendments.
2. Establishing and periodically reviewing the performance assessment standards, and the policies, systems, standards, and structure for the compensation of the directors of the board and managerial officers of the Company.
3. Periodically assessing and setting the compensation for the directors of the board and managerial officers of the Company.

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

1. Ensure that the company's salary and remuneration arrangements comply with relevant laws and regulations and are sufficient to attract qualified talents.
2. The performance evaluation and remuneration of directors, supervisors and managers should refer to the usual level of payment in the industry, and consider the time invested, the responsibilities assumed, the achievement of personal goals, the performance of other positions, the salary and remuneration given by the company to those in the same positions in recent years, and the reasonableness of the relationship between personal performance and the company's operating performance and future risks based on the achievement of the company's short-term and long-term business goals and the company's financial situation.
3. There shall be no incentive for the directors of the board or managerial officers to pursue compensation by engaging in activities that exceed the tolerable risk level of the Company.
4. For directors of the board and senior managerial officers, the percentage of employee remuneration to be distributed based on their short-term performance and the time for payment of any variable compensation shall be decided with regard to the characteristics of the industry and the nature of the Company's business.
5. Members of the Committee shall not participate in the discussion or vote on the decision of their personal remuneration.

"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 the compensation for directors of the board and managerial officers as set out in the Regulations Governing Information to be Published in Annual Reports of Financial Holding Companies.

If the remuneration of directors and managers of subsidiaries of the Company is subject to the approval of the Board of Directors of the Company according to the hierarchical responsibilities of the subsidiary, it shall be submitted to the Board of Directors for discussion after the Committee has made recommendations.

Article 8 (Procedures for Convening a Meeting)

Meetings of the Committee shall be held at least twice a year. In convening a meeting of the Committee, a notice setting forth the subjects to be discussed at the meeting shall be given to each member at least seven (7) days in advance. In emergency circumstances, however, the meeting may be convened on shorter notice.

The convener shall be the chairperson of the meeting of this Committee. If the convener takes leave or is unable to convene a meeting for any reason, the convener shall appoint another member on the Committee to act in his or her place. If the convener does not make such an appointment, a member of the Committee shall be elected by and from among the other members on the Committee to serve as convener.

Article 9 (Drafting of Meeting Agendas)

The agenda for the meetings of the Committee shall be set by the Convener. Other members may submit 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 shall be made available for sign-in by the Committee members in attendance.

The Committee members shall attend the meeting in person. If a member is unable to attend the meeting in person, the member may appoint another member to attend as his or her proxy. Attending a meeting via telecommunications will be deemed attendance in person.

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

The proxy under Paragraph 3 may accept a proxy from one person only.

Article 10 (Decision method)

Resolutions at meetings of the Committee shall be adopted with the consent of one half or more of the entire membership. When a matter comes to a vote at a Committee meeting, if upon inquiry by the meeting chair no member voices an objection, the matter will be deemed approved, with the same effect as approval by vote.

The result of the vote shall be made known immediately and recorded in writing.

Article 11 (Meeting Minutes)

Discussions at a meeting of the Committee shall be included in the meeting minutes, which shall faithfully record the following:

1. The session, time, and place of the meeting.
2. The name of the meeting chair.
3. Attendance of the Committee members at the meeting, specifying the names and the number of members present, excused, and absent.
4. The names and titles of those attending the meeting as non-voting participants.
5. The name of the minute taker.
6. The matters reported at the meeting.
7. Agenda items: For each proposal, the method of resolution and the result, and any objections or reservations expressed by the Committee members.
8. Extemporaneous motions: The name of the mover; the method of resolution and the result for each motion; a summary of the comments of the members of the Committee, experts and other persons present at the meeting; and any objections or reservations expressed by the Committee members.
9. Other matters required to be recorded.

The attendance book constitutes part of the minutes for each meeting of the Committee. If the meeting is held via telecommunications, the audio and video materials also constitute part of the meeting minutes.

The minutes of each meeting of the Committee shall bear the signature or seal of both the meeting chair and the minute taker. A copy of the minutes shall be distributed to each member on the Committee within twenty (20) days after the meeting, and shall be presented to the board of directors and retained as important corporate records for five (5) years. The meeting minutes may be produced and distributed in electronic form.

If any litigation relating to a resolution of the meeting of the Committee commences before the expiry of the period in which the evidence shall be kept in accordance with the preceding paragraph, the relevant data of audio-recorded or videotaped evidence shall continually be kept until the conclusion of the litigation.

Article 12 (Implementation of Resolutions)

The convener or other members of the Committee may be authorized to continue the implementation of the resolution matters based on the functions and powers stipulated in Article 7, or the follow-up work of appointing professionals in accordance with the resolution of Article 13, Paragraph 2, and report to the Committee in writing during the implementation period. If necessary, it shall be submitted to the Committee for recognition or report at the next meeting.

Article 13 (Resources for the Exercise of Functions)

The Committee may request the managers of relevant departments, internal audit officers, certified public accountants, attorneys, or other personnel of the Company to attend the meeting as non-voting participants and provide pertinent and necessary information.

The Committee may, at the expense of the Company, resolve to retain the service of an attorney, certified public accountant, or other professional to conduct a necessary audit or to provide advice on matters relating to the exercise of the Committee's powers.

Article 14 (Enforcement)

This Charter shall take effect after having been submitted to and adopted by the board of directors. Subsequent amendments thereto shall be effected in the same manner.