



## AUO Corporation

# Organizational Regulations of Remuneration Committee

Adopted by the board meeting on August 30, 2011

First revision by the board meeting on March 20, 2020

Second revision by the board meeting on February 10, 2022

Third revision by the board meeting on October 31, 2024

### Article 1

Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange

### Article 2

Unless otherwise provided by laws or regulations or the Articles of Association, powers, rules of procedure and resources to be provided by the Company for the exercise of functions and powers shall be in compliance with the provisions of these Regulations.

### Article 3

The members of this Committee shall be appointed based on the resolution of the board meeting. The number of members shall not be less than three; more than half of the members shall be independent directors, and an independent director shall be elected by all members as the convener.

The tenure of the members of the Committee is the same as that of the appointing board of directors.

If the number of members of the Committee is less than three due to dismissal of the members for some reason, a board meeting shall be convened within three months from the date of occurrence for supplementary appointments. However, if the independent directors are dismissed and there are no other independent directors in place, the Company may, before the election of new independent directors, appoint persons without the independent director qualification as the members of the Remuneration Committee in accordance with regulations, and the appointment of independent directors shall be made after the election.

When the members of the Committee are appointed or changed, the Company shall make an announcement on the information reporting website designated by the competent authority within two days from the date of the fact.

### Article 4

Members of the Committee shall faithfully perform the following functions and powers with the attention of good managers, and submit their suggestions to the board meeting for discussion:

1. Formulate and regularly review the policy, system, standards and structure of the performance evaluation and remuneration of directors and managers.
2. Regularly evaluate and set the remuneration of directors and managers.



3. Select and appoint managers, and regularly review the cultivation and development plan of the management team.

## Article 5

When performing its functions and powers in the preceding article, the Committee shall follow the following principles:

1. The general level of payment in the same industry shall be referred to for the performance evaluation and remuneration of directors and managers, with consideration given to the rationality based on the relationship with personal performance, the Company's operating performance and future risks.
2. The Committee shall not guide directors or managers to engage in behaviors that exceed the risk appetite of the Company in pursuit of remuneration.
3. The characteristics of the industry and nature of the Company's business shall be considered in determining the proportion of short-term performance bonus of directors and senior managers, as well as the payment time of variable remuneration.
4. The Company's overall strategic policy and talent layout planning shall be considered in the selection, appointment, cultivation and development of managers, so as to build and develop an appropriate high-level management team.

The remuneration mentioned in these Regulations includes cash remuneration, stock options, stock dividends, retirement benefits or resignation payments, various allowances and other measures with substantial incentives. Its scope shall be consistent with the remuneration of directors and managers stated in the Regulations Governing Information to be Published in Annual Reports of Public Companies.

When performing its functions and powers, the Committee shall comprehensively consider the amount of remuneration, payment method and future risks of the Company.

If the remuneration of directors and managers of the subsidiaries of the Company is determined according to the hierarchical responsibility of such subsidiaries and needs to be approved by the board meeting of the Company, the Committee shall first make recommendations before submitting it to the board meeting for discussion.

## Article 6

The Committee shall hold regular meetings at least twice a year, and ad-hoc meetings at any time as necessary.

For the convening of the Committee meeting, the reasons for convening shall be specified and the members of the Committee shall be notified seven days in advance. However, the above shall not apply in case of emergency.

The notice referred to in the preceding paragraph may be given electronically.



at a place and time that is convenient for all Committee members to attend and suitable for holding the meeting.

The convener shall be the chairman of the meeting. If the convener is on leave or unable to convene the meeting for any reason, he/she shall be represented by an independent director of the Committee that he/she designates. When there are no other independent directors of the Committee, the convener shall designate a member of the Committee to act on his/her behalf; if the convener does not appoint a proxy, a member of the Committee shall be elected by the members as the proxy. The convener of the Committee represents the Committee externally.

## **Article 7**

The agenda of the meeting of the Committee shall be set by the convener, and other members may provide proposals for discussion by the Committee. The agenda of the meeting shall be made available to the members of the Committee in advance. When a meeting of the Committee is convened, the Company shall set up an attendance book for the members present to sign in and for future reference.

Members of the Committee shall attend the meeting in person. If unable to attend in person, they may entrust other members to attend on their behalf. Those who attend the meeting by video conference shall be deemed to be present in person. A proxy can only be entrusted by one member to attend the meeting.

When a member of the Committee entrusts another member to attend the meeting on his/her behalf, he/she shall issue a power of attorney each time and list the scope of authorization.

When voting on a proposal, if there is no objection after consultation by the chairman of the Committee, it shall be deemed to be adopted with the same effect as that of voting. The results of the voting shall be reported on the spot and recorded.

The term "all members" as mentioned in these Regulations shall be the incumbents.

### **Article 7-1**

When the meeting time arrives and less than half of all members of the Committee are present, the chair may announce that the meeting will be postponed on the same day, with no more than two postponements allowed. If a quorum is still not met after two postponements, the chair may reconvene the meeting in accordance with the procedures set forth in Article 6.

### **Article 7-2**

A committee meeting shall be conducted in accordance with the agenda specified in the meeting notice. However, the order of business may be changed with the approval of a majority of members present at the meeting.

The meeting chair may not declare the meeting adjourned without the approval of a majority of members present.



If at any time during the proceedings of a committee meeting the number of members present is less than half of the total membership, the chair shall declare a suspension of the meeting upon the motion of an independent director present, and the provisions of the preceding article shall apply mutatis mutandis.

During the proceedings of a committee meeting, if the chair is unable to preside over the meeting or fails to adjourn the meeting as provided in paragraph 2, the provisions of Article 6 shall apply mutatis mutandis to the selection of a deputy to take their place.

## **Article 8**

The proceedings of the Committee shall be made into minutes recording the following items in detail:

1. Session, time and place.
2. Name of the chairman.
3. Member attendance status, including the names and number of attendees, members on leave and absentees.
4. Names and titles of non-voting participants.
5. Name of the minute taker.
6. Reporting matters.
7. Discussion items: The resolution method and result of each proposal, the names of members with their own remuneration involved in the proposal in accordance with Article IX-I and their remuneration, the situation of avoidance, and the objections or reservations of members.
8. Extempore motions: The name of the proposer, the resolution method and result of the motion, the summary of the speeches of members, experts and other personnel, the names of members with their own remuneration involved in the motion in accordance with Article IX-I and their remuneration, the situation of avoidance, and the objections or reservations of members.
9. Other items to be recorded.

If members have objections or reservations with records or written statements on the resolutions of the Committee, they shall, in addition to stating them in the minutes of proceedings, make an announcement on the information reporting website designated by the competent authority within two days from the date of the fact.

The attendance book is a part of the proceedings.

The minutes shall be signed or sealed by the chairman of the meeting and the minutes taker, distributed to the members of the Committee within twenty days after the meeting, submitted to the board meeting for review and included in the important files of the Company. The minutes shall be kept for five years.

Before the lapse of the retention period referred to in the preceding paragraph, in case of any litigation on relevant matters of the Commission, the minutes shall be



kept until the termination of the litigation.

The minutes of proceedings referred to in paragraph 1 may be prepared and distributed electronically.

If the committee is convened by video conference, the audiovisual data shall be part of the proceedings.

**Article 9**

The Committee may invite directors, managers of relevant departments of the Company, internal auditors, accountants, legal advisers, professional advisers or other personnel to attend the meeting as non-voting delegates and provide relevant necessary information. However, they shall leave the meeting during discussion and voting.

If a lawyer, accountant or any other professional consultant is appointed to conduct necessary audit or provide consultation on

exercise of functions and powers, the expenses shall be borne by the Company after the resolution of the Committee.

**Article 9-1**

When discussing the remuneration of a member, if there is a risk of harming the interests of the Company, the Committee shall explain at the meeting that the member shall not participate and shall withdraw from the discussion and voting, and shall not exercise his/her voting rights on behalf of any other member of the Remuneration Committee.

**Article 10**

The Organizational Regulations shall come into force after the resolution of the board meeting, and the same shall apply to the amendments.