

# Compensation Committee Charter

## Article1

In order to strengthen the management of compensation and profit policies for directors, supervisors and managerial officers, the Compensation Committee Charter (the "Charter") of Acter Company Limited (the "Company") is adopted pursuant to Article 14-6, paragraph 1 of the Securities and Exchange 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 purpose of the Compensation Committee (the "Committee") of the Board of Directors (the "Board") of the Company is to assist the Board in implementing its responsibilities relating to the compensation and benefit policies, plans and structure of the Company, and the evaluation and compensation of the Company's executives by their professional knowledge and objective attitude, and submit the recommendations for references to the Board to make decisions.

## Article2

The composition of the Committee shall consist of members, their number, term of office, official powers, rules of procedure for meetings and resources to be provided by the Company when the Committee exercises their official powers etc. However if any other laws or the Article of Incorporation provide otherwise, its provisions shall prevail.

## Article3

The Committee shall be appointed by resolution of the Board and it shall not be fewer than three members, one of whom shall be an independent director of the Company. The term of committee shall end at the same time as that of the Board that appointed the members, who is renewable after re-election.

When a member of the Committee is dismissed for any reason, resulting in there being less than three members, the Board meeting shall be held within three months counting from the date of occurrence of the event to appoint a replacement.

When there is any appointment of, or change in, a member of the Committee, the Company shall, within two days counting from the date of occurrence of the event, publicly announce and report it on the information reporting website designated by the competent authority.

### Article3-1

The Company shall post the Charter on Acter's official website and the Market Observation Post System to search for investors.

### Article4

Members of Committee shall meet Article 5 and Article6 of 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 members of the Committee shall meet professional and independent qualification.

No members of the Committee of a public company may concurrently serve as a member of compensation committee of more than three other public companies.

### Article 5

The Committee shall exercise the due care of a good administrator in faithfully performing the official powers listed in the Charter, and shall submit the recommendations for deliberation by the Board.

### Article 6

The Committee has the official powers listed below :

- I. Review and reassess the adequacy of the Charter annually and recommend any proposed changes to the Board for approval.
- II. Prescribe and periodically review the annual and long-term performance review and compensation policy, system, standards, and structure for directors, supervisors and managerial officers.
- III. Periodically evaluate and prescribe the performance and compensation of directors, supervisors, and managerial officers.

When performing the official powers of the preceding paragraph, the Committee shall follow the principles listed below:

- I. Compensation policies, plans and programs to the Board are prescribed in accordance with the laws and regulations, and attract to superior talents.
- II. With respect to the performance assessment and compensation of directors, supervisors and managerial personnel of the company, it shall refer to the typical pay levels adopted by peer companies, individual inputs, duties and goal, and the compensation of peer position in the company, and take into consideration the reasonableness of the correlation between compensation and performance, the

company's business performance, and future risk exposure.

- III. It shall not produce an incentive for the directors or managerial officers to engage in activity to pursue compensation exceeding the risks that the company may tolerate.
- IV. It shall take into consideration the characteristics of the industry and the nature of the company'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.
- V. The members of Committee, who have personal compensation under discussion at a meeting, shall not vote nor exercise the voting right.

"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 that of remuneration for directors, supervisors, 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 shall give comprehensive consideration to matters including amounts of compensation, payment methods, and the company's future risk.

If the Board will decline to adopt, or will 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 compensation passed by the Board 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.

If decision-making and handling of any matter relating to the compensation of directors and managerial officers of a subsidiary is delegated to the subsidiary but requires ratification by the Board 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

The Committee shall convene at least twice a year, and it will be convened at any time depend on needs.

In calling a meeting of the Committee, a notice setting forth therein the subject(s) to be discussed at the meeting shall be given to each member at least 7 days in advance. In emergency circumstances, however, the meeting may be convened at any time.

At least one independent director shall participate on the Committee, and the independent director shall serve as the convener and meeting chair. If there are several independent directors, one member shall be elected as the convener and meeting chair by and from among the entire membership. When the convener goes on leave or otherwise for any reason whatsoever is unable to convene a meeting, the meeting shall be convened by another independent director of the committee designated by the convener, or if there is no other independent director on the committee, by another member elected by and from among the other members of the committee.

## Article 8

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 with the meeting notice in advance. The meeting notice and agenda shall be draw up and transmission by electrical ways.

When the Committee is held, the company shall provide an attendance book for signature by the members attending the meeting and thereafter made available for reference.

The compensation committee members shall attend the committee in person; a member who cannot attend in person may appoint another member to attend as their proxy stating the scope of authorization with respect to the reasons for the meeting. A proxy may accept a proxy from one person only. Attendance via tele- or video conference is deemed as attendance in person.

There is a secretary for the Committee. The secretary will be responsible to assist the agenda, convening, notice, running, recording and other affairs of the Committee meetings.

## Article 9

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

## Article 10

Minutes shall be prepared of the discussions at the Committee, which could be draw and sent by way of electronic transmission, and the minutes shall record the matters listed below in a detailed and accurate manner:

1. Session, time, and place of the meeting.
2. Name of the meeting chair.
3. Member attendance, specifying the names and number of members in attendance, excused, and absent.
4. Names and titles of those present at the meeting as nonvoting participants.
5. Name of minutes taker.
6. Matters reported on.
7. Agenda items: the resolution method and outcome of each motion, and any objections or reservations expressed by any committee member.
8. Extraordinary motions: the name of the mover, the resolution method and outcome of the motion, and summarize the comments made by, and any objections or reservations expressed by, any committee member, expert, or other person.
9. Other matters required to be recorded.

The attendance book of the Committee shall be deemed a part of the minutes. If the Committee is held by tele- or video conference, the video record will be a part of the minutes.

Minutes shall be signed by the chairman and recorder of the meeting, and circulated to each member of the Committee within twenty days counting from the date of passage by the Committee. The minutes shall be submitted and reported to the Board, and they shall be filed as important data for five years. Before the expiry date of the preservation, the Committee involved in lawsuit, the minutes shall be preserved until the end of the lawsuit.

A member's objections and reservations which are recorded or written shall be stated in the minute. Besides that, the Company shall publicly announce and report on the information reporting website designated by the competent authority within two days counting from the date of passage by the Committee.

## Article 11

The member of Committee who has a personal interest in the matter under the discussion, which may impair the interest of the company, shall avoid discussing and voting.

Because of the paragraph 1, the items cannot be resolved by the Committee; the Committee shall report to the Board and the unresolved items shall be resolved by the Board.

The independent director is also the member of the Committee shall avoid discussing and voting for the personal items of the Board meeting.

## Article 12

The Committee may invite directors, managerial officers of relevant departments, internal auditors, certified public accountants, legal consultants, or other personnel to attend meetings as nonvoting participants and provide relevant necessary information.

The Committee may by resolution, at the cost of the company, engage an attorney, certified public 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.

According to the paragraph 2, the professional advice provided by an attorney, certified public accountant, or other professional provide are deemed as confidential information. Otherwise confidential information is required by law to disclose, the company and Committee shall take all measures to protect the confidential information.

## Article 13

The execution of tasks relating to Article 6 or Article 12 of the Charter resolved by the Committee may be delegated to the convener or other member or members of the committee for follow-up and handling, and they shall make written reports to the Committee during the period in which they are handling such tasks. When necessary, they shall submit them for ratification, or report them, to the committee at the subsequent meeting.

#### Article 14

The Committee shall consist of three persons at least, and each member of the Committee will be paid. He or she shall attend to the meeting in person and discharge its responsibilities relating to compensation and benefit policies, plans, structure for directors, supervisors and managerial officers and recommend to the Board for approval. The Board will refer to the typical pay levels adopted by peer companies to resolve the compensation of the Committee. When the compensation of the Committee will be resolved, it will be stated in the attorney contract.

#### Article 15

The Charter shall enter into force from the date of passage of the Board.

#### Article 16

The Charter was enacted on 23 August, 2011.

First amendment was made on 19 October, 2011.

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