

**Advanced Power Electronics Co., Ltd.**  
**Organizational Regulations of Board of Directors Compensation Committee**

Article 1 (Promulgation basis)

Advanced Power Electronics Co., Ltd. (referred to as the “Company” hereinafter), for improving corporate governance and the board of directors’ salary and compensation management function, hereby establishes the Board of Directors Compensation Committee and the organizational regulations stipulated as guidelines 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 ” (referred to as the “Regulations” hereinafter).

Article 2 (Scope of application)

Except as otherwise provided by law or regulation or by the articles of incorporation, matters in connection with the official powers of the Compensation Committee (hereinafter, "the Committee") shall be handled in accordance with this Regulations.

Article 3 (Disclosure for public reference)

This Company shall upload the content of this Regulations to its website and the Market Observation Post System (MOPS) for public reference.

Article 4 (Functions of the Committee)

The functions of the Committee are to professionally and objectively evaluate the policies and systems for compensation of the directors, and managerial officers of the Company, and submit recommendations to the board of directors for its reference in decision making.

Article 5 (Committee composition)

The Committee shall consist of three members appointed by resolution of the board of directors. At least half of the Committee members shall be the Company’s independent director. One of the members shall serve as convener. The professional qualifications and degree of independence of the members of the Committee shall meet the requirements set out in Articles 5 and 6 of the Regulations.

Article 6 (Terms of Committee members and appointments to fill vacancies)

The term of the Committee members is same as the board directors.

If there are less than three members on the Committee due to the dismissal of the Committee members for any reason, a board meeting must be held within three months from the date of the dismissal to have a new appointment made accordingly.

Article 7 (Scope of responsibilities)

The Committee must exercise the duty of care as a good administrator to faithfully perform the following functions and present the proposals to the board of directors for discussion. In terms of proposing supervisors’ salary and compensation to the board of directors for discussion:

1. Periodically reviewing this Regulations and making recommendations for amendments.
2. Establishing and periodically reviewing the performance assessment standards, annual and long-term performance goals, and the policies, systems, standards, and structure for the compensation of the directors, and managerial officers of the Company, and disclose the contents of the performance assessment standards in the annual report.
3. Periodically assessing the degree to which performance goals for the directors, and managerial officers of the Company have been achieved, setting the types and amounts of their individual compensation based on the results of the reviews conducted in accordance with the performance assessment standards. The annual report shall disclose the results of the individual performance assessments of the directors, supervisors and managerial officers and the connection between and reasonableness of the contents and amounts of their individual compensation and performance assessment results, and making a report at a shareholders' meeting.

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

1. Ensuring that the compensation arrangements of the Company comply with applicable laws and regulations and are sufficient to recruit outstanding talent.
2. Performance assessments and compensation levels of directors, and managerial officers shall take into account the general pay levels in the industry, individual performance assessment results, the time spent by the individual and their responsibilities, the extent of goal achievement, their performance in other positions, and the compensation paid to employees holding equivalent positions in recent years. Also to be evaluated are the reasonableness of the correlation between the individual's performance and the Company's operational performance and future risk exposure, with respect to the achievement of short-term and long-term business goals and the financial position of the Company.
3. There shall be no incentive for the directors or managerial officers to pursue compensation by engaging in activities that exceed the tolerable risk level of the Company.
4. For directors and senior managerial officers, the percentage of 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. Reasonableness shall be taken into account when the contents and amounts of the compensation of the directors, and managerial officers are set. It is not advisable for decisions on the compensation of the directors, and managerial officers to run contrary to financial performance to a material extent. It is not advisable for said compensation to be higher than that in the preceding year in the event of a material decline in profits or of long-term losses. If it is still higher than that in the preceding year, the

reasonableness shall be explained in the annual report and reported at a shareholders' meeting.

6.No member of the Committee may participate in discussion and voting when the Committee is deciding on that member's individual compensation.

The scope of salary and compensation mentioned in the last 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, supervisors, and managerial officers as set out in the Regulations Governing Information to be Published in Annual Reports of Public Companies.

If the decision-making and handling of any matter relating to the remuneration of directors and managerial officers of a subsidiary is delegated to the subsidiary but requires ratification by the board of directors of the Company, the Committee shall be asked to make recommendations before the matter is submitted to the board of directors for deliberation.

#### Article 8 (Convening the meeting)

The meeting of the Committee shall be held at least twice a year. The Committee shall give a notice to the Committee members seven days prior to the scheduled meeting date setting forth therein the subjects to be discussed at the meeting. In emergency circumstances, however, the meeting may be convened at any time.

At least one of the Committee members shall be the Company's independent director. One of the independent directors shall be elected by all the Committee members as the convener and chairman of the Committee. If the convener of the meeting takes a leave or is unable to convene a meeting for any reason, the convener must designate an independent director in the Committee to convene the meeting. If there is no other independent director in place, the convener must designate another Committee member to convene the meeting. If the convener does not appoint a deputy, other Committee members must elect among them a person to convene the meeting.

#### Article 9 (Meeting agenda)

The Committee's meeting agenda is drafted by the convener. Other Committee members may propose motions to the Committee for discussion. Meeting agendas must be forwarded to the Committee members in advance.

When the meeting of the Committee is held, an attendance book prepared for signature by the attending members must be in place and thereafter made available for reference.

Committee members shall attend the meeting in person. If a Committee member cannot attend the meeting in person, he/she may appoint another member to attend as his/her proxy. Attending a meeting via videoconferencing is deemed as attending 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 9-1 (Recusal from interests)

Being an interested party with respect to a given agenda item, the member of the Committee shall explain the essential content of the interest. If the member's personal interest is likely to prejudice the interest of the company, the member may not participate in discussion and voting, and shall recuse himself or herself from the discussion and voting, and also may not exercise voting rights as a proxy for any other director member.

Article 10 (Resolution 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 under the preceding paragraph shall be made known immediately and recorded in writing.

Article 11 (Preparation and distribution of the meeting minutes)

The meeting minutes must be prepared regarding the deliberation of the Committee, detailing the following information in an accurate manner:

1. The session, time, and location of the meeting.
2. Name of meeting chairman.
3. Committee member's attendance, specifying the names and numbers of members in attendance, excused and absent.
4. Name and job title of those present at the meeting as nonvoting participant.
5. Name of minutes taker.
6. Reporting matters.
7. Discussions: the method of resolution and outcome of each motion, the name of any Committee member possibly having an interest matter as referred to in Article 9-1, and any Committee member's objections or reservations opinions.
8. Extraordinary motions: name of the proposer, the method of resolution and outcome of the motion, the summary of any comments, objections, or reservations opinions of the Committee members, experts, and other person and the name of any Committee member possibly having an interest matter as referred to in Article 9-1, and any Committee member's objections or reservations opinions.
9. Other matters required to be recorded.

The Committee's attendance book is a part of the meeting minutes. If the meeting is held by videoconferencing, the audio and video materials are a part of the meeting minutes.

The meeting minutes must be signed or sealed by the meeting chairman and the minutes taker and be distributed to each of the Committee members within twenty days of each meeting and be presented to the board of directors and preserved for five years as material files of the Company. The meeting minutes may be prepared and distributed by electronic means.

For any lawsuit filed against the Committee prior to the expiry of the preservation period, the meeting minutes must be preserved as long as the lawsuit is in existence.

Article 12 (Implementation of meeting resolutions)

The Committee may resolve to retain the service of the professionals to exercise necessary auditing or obtain advises with respect to the matters within their scope of duties as referred to in the Article 7 or in the paragraph 2 of Article 13. The implementation of tasks relating to resolutions reached by the Committee may be delegated to the convener or other Committee members for follow-up with a written report presented to the Committee during the implementation period. And it must be ratified by or reported to the Committee in the next meeting, if necessary.

Article 13 (Resources to be provided when the Committee exercises its powers)

The Committee may invite directors, the managerial personnel of relevant departments, internal auditors, CPAs, legal advisors, or other related personnel to attend the meeting as nonvoting participants and provide them with necessary information.

The Committee may, at the expense of the Company, resolve to retain the service of a lawyer, CPA, or other professionals to exercise necessary auditing or obtain advises with respect to the matters within their scope of duties.

Article 14 (Enforcement)

These Regulations shall be effective from the date it is approved by the board of directors' Meeting. The same applies in case of revision.

These Regulations adopted by the board of directors' meeting on December 27, 2011 and the first Amendment on March 26, 2020.