Taiwan Secom Co., Ltd.
Charter of Compensation Committee

Amendment by the Board of Directors on March 20, 2020

Article 1 The organizational charter of the Compensation Committee is formulated in accordance with the provisions of Paragraph 1, Article 14-6 of the Securities and Exchange Act and the Regulations Governing the Appointment and Exercise of Powers by the Compensation Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange (referred to as the Regulations).

Article 2 Scope of application:

The composition of the Compensation Committee, number of Committee members, terms of office, powers, rules of procedure, and resources that the Company should provide when exercising the powers are in accordance with the provisions of the Charter. Matters not specified in the Charters are subject to the relevant laws, regulations of competent authorities, and other rules of the Company.

Article 3 Composition of the Compensation Committee, number, and terms of office of the Committee members

I. Members of the Compensation Committee shall meet the requirements of professional qualifications and work experience specified in Article 5 of the Regulations, and shall not be involved in situations restricted or prohibited in Article 6 of the Regulations.

II. The members of the Compensation Committee are appointed by the resolution of the Board of Directors. There are three members, of which at least two are Independent Directors of the Company. The Committee members shall elect one of the Independent Directors among themselves as the convener and chairperson of meetings.

III. The term of office of the members of the Compensation Committee is the same as the term of office of the Board of Directors.

IV. If any Committee member is dismissed for any reason which leads to the number of Committee members becoming less than 3, the Company shall hold a Board meeting within 3 months after the event to appoint another Director to make up for the vacancy.

V. The appointment and change of the Compensation Committee members shall be announced and reported within 2 days of occurrence over the website designated by the competent authority.

Article 4 Duties of the Compensation Committee

I. The Compensation Committee shall faithfully perform the following duties with attention as a good administrator and shall submit its recommendations to the Board of Directors for discussion.

(I) Establish and regularly review the performance appraisal standards, annual and long-term performance goals for the Directors and managerial officers, and the policies, systems, standards, and structure for their compensations, and disclose the contents of performance appraisal standards in the annual reports.

(II) Regularly assess and establish the performance targets of the Directors and managerial officers, and determine conditions and amount of each individual's salary and compensation based on the evaluation results of the performance appraisal. The annual reports shall disclose the results of the individual performance appraisal of the Directors and managerial officers, and the connection between and reasonableness of the contents and amounts of their individual compensation and performance appraisal results, which are to be reported at shareholders' meetings.

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

(I) Performance appraisal and compensation levels of Directors and managerial officers shall take into account the general pay standard in the industry, individual performance appraisal results, the time spent by the individuals 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.

(II) 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.

(III) For Directors and senior managerial officers, the percentage of compensation to be distributed based on their short-term performance and the time for payment of any variable compensations shall be decided with regard to the characteristics of the industry and the nature of the Company's businesses.

(IV) Reasonableness shall be taken into account when setting the contents and amounts of the compensation of the Directors and managerial officers. 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 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.

(V) No member of the Committee may participate in discussion and voting when the

Committee is deciding on that member's individual compensation.
compensation as referred to 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 and managerial officers as set out in the Regulations Governing Information to be Published in Annual Reports of Public Companies.

III. When deliberating the recommendations of the Compensation Committee, the Board shall give careful consideration to matters including amounts of compensation, payment methods, and the Company's future risk.

IV. If the Board of Directors declines to adopt, or will modify, a recommendation of the Compensation 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 careful consideration under the preceding paragraph and shall specifically explain whether the compensation approved exceeds in any way the recommendation of the Compensation Committee.

V. If the compensation approved by the Board of Directors exceeds the recommendation of the Compensation 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 2 days counting from the date of approval by the procedures of the Compensation Committee of the Board of Directors.

Article 5 Rules of procedures of the Compensation Committee

I. The Compensation Committee conducts at least 2 meetings a year.

II. Reasons shall be specified and every Committee member shall be notified at least seven days before the convening of Committee meetings. An exception can be made if there is an emergency.

III. The meetings of the Compensation Committee shall be convened and chaired by a member recommended by all members of the Committee. When the convener of the Committee takes a leave or is unable to convene a meeting for some reason, he or she shall designate another Committee member to act as the proxy. If the convener does not designate a proxy, the other members of the Committee shall recommend one person to act as the convener's proxy.

IV. The agenda of the Compensation Committee meeting is set by the convener, and other members may also submit proposals for discussion by the Committee.

(I) Meeting agendas should be provided to Committee members in advance.

(II) When holding a Compensation Committee meeting, the Company shall have an attendance book for the attending members to sign in for future review.

(III) Members of the Compensation Committee should attend the meetings in person.

If they cannot attend in person, they may entrust other members to attend the meetings on their behalf. If they participate in the meetings by teleconferencing, they are considered to have attended the meetings in person. The proxy referred to may be the appointed proxy of only one person.

(IV) A Compensation Committee member who entrusts another member to attend a meeting shall in each instance issue a proxy form stating the scope of authorization with respect to the reasons for convening the meeting.

V. The resolution of the Compensation Committee meetings shall be carried out with the consent of more than half of the Committee members. Motions are considered passed if the members express no objection after being consulted by the chair, and are considered passed with the same effectiveness as by voting. Voting results shall be made known on-site immediately and recorded in writing.

VI. Discussions at a Compensation Committee meeting shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below:

(I) The meeting session and the time and place of the meeting.

(II) The name of the chairperson.

(III) The Committee members' attendance at the meeting, including the names and the number of members in attendance, excused, and absent.

(IV) The names and titles of those attending the meeting as non-voting participants.

(V) The name of the minute taker.

(VI) The matters reported at the meeting.

(VII) Agenda items: For each proposal, the method of resolution and the result; the name, content of compensation, and specifics regarding the recusal of any member whose own compensation comes under discussion under the preceding article; and any objections or reservations expressed by any member.

(VIII) Extraordinary motions: The name of the proposer; the method of resolution and the result for each motion; a summary of the comments of the members of the Committee and experts and other persons present at the meeting; the name, content of compensation, and specifics regarding the recusal of any member whose own compensation comes under discussion under the preceding article; and any objections or reservations expressed by a member.

(IX) Other matters required to be recorded.

VII. If, with respect to any resolution of the Compensation Committee, any member has a dissenting or qualified opinion that is on record or stated in a written statement, the opinion shall be stated in the meeting minutes, and additionally, within two days counting inclusively from the date of occurrence, shall be publicly disclosed and reported on the information reporting website designated by the competent authority.

VIII. The Compensation Committee attendance log constitutes an integral part of the minutes of each meeting of the Committee. The meeting minutes shall bear the signature or seal of the chair and the minute taker. The minutes shall be distributed to each Committee member within 20 days after the meeting, shall be submitted to the Board of Directors and treated as important records of the Company, and shall be preserved for 5 years. The production and the distribution of the resolution record can be made electronically. If before the end of the preservation period, any litigation arises with respect to any matter in connection with the Compensation Committee, the minutes shall be preserved until the litigation is concluded. Where a Committee meeting is held by teleconferencing, the audio or video documentation of the meeting constitutes part of the meeting minutes.

Article 6 Resources to be provided for the Compensation Committees

The Compensation Committee may invite Directors, relevant department managers, internal auditors, accountants, legal counsels or other personnel of the Company to attend the meetings and provide the necessary information, and the relevant necessary expenses shall be borne by the Company. However, they shall leave the meeting when deliberation or voting takes place.

When a meeting of the Compensation Committee discusses the compensation of any member of the Committee, it will be clearly stated at the meeting. If there is likely to be any prejudice to the interests of the Company, that member may not participate in the discussion or voting and shall enter recusal during the discussion and voting. The member also may not act as another Committee member's proxy to exercise voting rights on that matter.

Article 7 Implementation of resolutions

The convener or the other members of the Compensation Committee may be authorized to carry out the works relevant to the resolutions of the Committee, and then provide reports to the Committee in writing during the implementation period. If necessary, the convener or the Committee members may report to the Committee for ratification in the next meeting.

Article 8 Stipulation and amendment

The Compensation Committee Charter is to be implemented after being approved by the Board of Directors, and likewise for revision.