

VSO ELECTRONICS CO., LTD.

Rules for the Organization and Operation of the Compensation Committee

(This English translation is prepared in accordance with the Chinese version and is for reference purposes only. If there are any inconsistencies between the Chinese version and this translation, the Chinese version shall prevail.)

Article 1 (Purpose and Basis of Establishment)

To establish a sound compensation system for the directors, supervisors, and managers of the Company, these Rules for the Organization and Operation of the Compensation Committee (hereinafter referred to as "the Rules") are enacted pursuant to Article 3 of the *Regulations Governing the Establishment and Exercise of Powers of Compensation Committees by Companies Whose Stock is Listed on the Stock Exchange or Traded Over the Counter* (hereinafter referred to as "the Compensation Committee Regulations").

Article 2 (Scope of Application)

Matters related to the authority of the Compensation Committee (hereinafter referred to as "the Committee") shall be governed by these Rules, unless otherwise provided by laws or the Articles of Incorporation.

Article 3 (Public Disclosure and Accessibility)

The content of these Rules shall be published on the Company's website and the Market Observation Post System for reference.

Article 4 (Function of the Committee)

The function of the Committee is to provide professional and objective evaluations of the Company's compensation policies and systems for directors, supervisors, and managers, and to submit recommendations to the Board of Directors for its decision-making reference.

Article 5 (Composition of the Committee)

1. The Committee shall consist of no fewer than three members, appointed by resolution of the Board of Directors. More than half of the members shall be independent directors.
2. The professional qualifications and independence of the members shall comply with Articles 5 and 6 of the Compensation Committee Regulations.

Article 6 (Term of Office and Replacement)

1. The term of office for Committee members shall coincide with that of the Board of Directors by which they were appointed.
2. In the event of the dismissal of any member resulting in fewer than three members, a Board meeting shall be convened within three months to appoint a replacement. If the dismissed member was an independent director and there are no other independent directors available, a non-independent director may be temporarily appointed as a member, with a replacement appointed once an independent director is elected.

Article 7 (Duties and Responsibilities)

The Committee shall faithfully perform the following duties:

1. Regularly review and propose amendments to these Rules.
2. Develop and periodically review the performance evaluation standards, short-term and long-term performance objectives, and the policies, systems, standards, and structures of compensation for directors, supervisors, and managers. The evaluation standards shall be disclosed in the annual report.
3. Regularly evaluate the achievement of performance objectives by directors, supervisors, and managers, and based on the evaluation results, determine the content and amounts of their individual compensation. Relevant details shall be disclosed in the annual report and reported at the shareholders' meeting.

The Committee shall adhere to the following principles when performing the above-mentioned duties:

1. Ensure the compensation arrangements comply with relevant laws and are sufficient to attract talented personnel.
2. Base compensation on performance evaluations, time committed, responsibilities undertaken, individual goal achievement, and other relevant factors, while considering industry standards and the Company's financial condition.
3. Avoid encouraging directors and managers to engage in activities exceeding the Company's risk tolerance for personal compensation gains.
4. Adjust the ratio and timing of short-term and variable compensation payouts in accordance with industry characteristics and the Company's business nature.
5. Align the reasonableness of compensation decisions with financial performance to avoid significant discrepancies, especially in the case of substantial profit declines or prolonged losses.
6. Prohibit Committee members from discussing or voting on their own compensation matters.

The term "compensation" in the above paragraphs includes cash payments, stock options, profit-sharing bonuses, retirement or severance benefits, allowances, and other forms of substantive incentives.

Article 8 (Meeting Convening and Notice)

1. The Committee shall convene at least twice a year. Members shall be notified of the meeting and its agenda seven days in advance, except in emergencies.
2. An independent director shall serve as the convener and chairperson of the meetings. In the absence of the convener, another independent director or a designated member shall act as chairperson.

Article 9 (Agenda Setting)

1. The meeting agenda of the Committee shall be determined by the convener, and other members may also propose items for discussion. The agenda shall be provided in advance to the Committee members.
2. When the Committee convenes, the Company shall prepare an attendance register for members to sign in, which will serve as a record.
3. Members of the Committee are required to attend meetings in person. If unable to attend in person, a member may appoint another member as their proxy. Participation via video conferencing is considered as attendance in person.
4. When a Committee member appoints another member as their proxy to attend a meeting, a written proxy form must be issued for each meeting, specifying the scope of authorization for the agenda items.
5. Proxies are limited to representing only one member per meeting..

Article 10 (Resolution Methods)

1. For the Committee to adopt a resolution, more than half of all members must agree. If the chairperson of the Committee seeks confirmation and no objections are raised during voting, the resolution shall be deemed passed with the same effect as a formal vote.
2. The results of the resolution in the preceding paragraph shall be reported on the spot and recorded in the meeting minutes.

Article 10-1 (Conflict of Interest Avoidance)

When the Compensation Committee discusses matters related to the compensation of its members during a meeting, the relevant member shall disclose such matters during the meeting. If there is a potential risk of harming the interests of the Company, that member shall not participate in the

discussion or voting on the matter and shall recuse themselves from the discussion and voting process. Additionally, they may not act as a proxy to exercise voting rights on behalf of other Compensation Committee members.

Article 11 (Meeting Minutes)

Minutes shall be prepared for the proceedings of the Committee and shall include detailed records of the following:

1. The sequence of the meeting, its date, time, and location.
2. The name of the chairperson.
3. Attendance status of members, including the names and numbers of those present, excused, and absent.
4. Names and titles of attendees.
5. The name of the recorder.
6. Reporting matters.
7. Discussion matters: the resolution methods and results for each proposal, the names of members involved in compensation matters as stipulated in the preceding article, the details of their compensation, instances of recusal, and members' dissenting or reserved opinions.
8. Ad hoc motions: the names of proposers, resolution methods and results for proposals, summaries of opinions expressed by members, experts, and other personnel, the names of members involved in compensation matters as stipulated in the preceding article, the details of their compensation, instances of recusal, and members' dissenting or reserved opinions.
9. Other matters required to be recorded.

The Committee's attendance register shall form part of the meeting minutes. For meetings conducted via video conferencing, the audiovisual recordings shall also be part of the minutes.

The meeting minutes must be signed or sealed by the chairperson and recorder and distributed to the members within 20 days after the meeting. The minutes shall be submitted to the Board of Directors, included in the Company's key records, and retained for five years. Preparation and distribution of the minutes may be conducted electronically.

If litigation related to the Committee's matters arises before the expiration of the aforementioned retention period, the minutes shall be preserved until the litigation is concluded.

Article 12 (Implementation of Meeting Resolutions)

For resolutions made by the Committee under the authority specified in Article 7 or for subsequent execution work related to the appointment of professionals as resolved in Paragraph 2 of Article 13,

the convener or other Committee members may be authorized to carry out the tasks. Written reports on the execution shall be submitted to the Committee during the implementation period, and, if necessary, the matter shall be submitted to the next Committee meeting for ratification or reporting.

Article 13 (Resources for Exercising Authority)

1. When the Committee convenes, the Company may invite directors, managers of relevant departments, internal auditors, accountants, legal advisors, or other personnel to attend the meeting and provide necessary information. However, such attendees must leave during the discussion and voting phases.
2. The Committee may resolve to appoint attorneys, accountants, or other professionals to conduct necessary investigations or provide consultations on matters related to the exercise of its authority. Any associated costs shall be borne by the Company.

Article 14 (Implementation and Amendments)

These Rules shall take effect after being approved by the Board of Directors. Amendments shall follow the same procedure.