

Chung Hwa Pulp Corporation

Remuneration Committee Charter

Article 1 (Purpose and basis for adoption)

To ensure a sound system for compensation of the Directors, Supervisors and managerial officers of the Company, this Remuneration Committee Charter (hereinafter referred to as the “Charter”) is adopted pursuant to Article 3 of 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 (hereinafter referred to as the “Regulations”).

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 Remuneration Committee shall be handled in accordance with this Charter.

Article 3 (Disclosure for public reference)

The Company shall upload the content of this Charter 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, supervisors, 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 3 members appointed by resolution of the Board of Directors. If the Company appoints Independent Directors in accordance with the Securities and Exchange Act, Committee members shall comprise of at least one Independent Director and one Independent Director shall be appointed by all members as the 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 shall be the same as that of the Board of Directors by whom they were appointed.

When a member of the Committee is dismissed for any reason, resulting in there being less than three members, a board meeting to make a new appointment shall be held within 3 months from the date of occurrence.

The Company shall announce any appointment or change of Committee members within two days by posting relevant information onto the reporting website designated by the competent authority.

Article 7 (Scope of duties)

The Committee shall exercise the care of a good administrator to faithfully perform the following duties and present its recommendations to the board of directors for discussion:

1. Establish and periodically review the performance goals of the Directors, Supervisors, and managerial officers of the Company and the policies, systems, standards, and structure for their compensation.
2. Periodically review and adjust Directors' and managerial officers' remuneration.

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

1. Performance appraisal and remuneration of Directors and managerial officers shall be based on the prevailing rates of the industry as well as their individual performance, the company's overall performance, and reasonable assessments of future risks.
2. There shall be no incentive for the Directors or managerial officers to pursue compensation by engaging in activities that exceed the risk appetite of the Company.
3. For Directors and senior managerial officers, the percentage of bonus 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.

"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 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.

When the Board discusses the recommendation of the Committee, it shall take into account the overall amount of remuneration, payment method, the Company's future risks etc.

If the Board does not accept or amends the recommendations of the Committee, it shall require a majority vote at a meeting attended by over two-thirds of the Directors. An explanation shall be provided in the resolution based on the aforementioned overall considerations and specifics and whether the remuneration passed in the resolution is superior to the recommendations of the Committee.

If the remuneration passed in the Board of Directors meeting is superior to the recommendations of the Committee, the differences and causes shall be recorded in the meeting minutes of the Board of Directors and published on an information reporting website designated by the competent authority within two days of the meeting.

Where remunerations of the directors and managerial officers of a subsidiary company are subject to the subsidiary company's approval and resolution by the Company's Board of Directors, the subsidiary company's remuneration proposals must be recommended by the Committee before they are presented to the Board of Directors.

Article 8 (Convening and holding of meetings)

Meetings of the Committee shall be held at least 2 times a year. In convening a meeting of the Committee, a notice setting forth the subjects 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 called on shorter notice.

Notices specified in the preceding paragraph may be distributed in electronic form.

If the Company appoints Independent Directors in accordance with the Securities and Exchange Act, Committee members shall comprise of at least one Independent Director and one Independent Director shall be appointed by all members as the convener and chair of the meetings. When the convener is on leave or unable to convene a meeting for any reason, the convener shall appoint another member on the Committee to act in his or her place. If the convener does not make such an appointment, a member of the Committee shall be elected by the other members on the Committee to serve as convener.

Article 9 (Drafting of meeting agendas)

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

When a meeting of the Committee is held, an attendance book shall be made available for sign-in by the Committee members in attendance and thereafter made available for reference.

The Committee members shall attend the meeting in person. If a member is unable to attend the meeting in person, the member may appoint another member to attend as his or her proxy. Attending a meeting via telecommunications will be deemed attendance 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 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 (Meeting minutes)

Discussions at a meeting of the Committee shall be included in the meeting minutes, which shall faithfully record the following:

1. The session, time, and place of the meeting.
2. The name of the meeting chair.
3. Attendance record of members at the meeting, including the names and number of members present, excused, and absent.
4. The names and titles of those attending the meeting as non-voting participants.
5. The name of the minute taker.
6. The matters reported at the meeting.
7. Agenda items: For each proposal, the method of resolution and the result, and any objections or reservations expressed by the Committee members.
8. Extraordinary motions: The name of the mover; the method of resolution and the result for each motion; a summary of the comments of the independent director members of the Committee and experts and other persons present at the meeting; and any objections or reservations expressed.
9. Other matters that need to be recorded in the meeting minutes.

In the event that a member has expressed objection or provided a qualified opinion on any matters resolved in the Committee meeting, which has been documented or stated in writing, such matters shall be recorded in the meeting minutes and announced on the information reporting website specified by the competent authority within two days after the Committee meeting.

The attendance book constitutes part of the minutes for each meeting of the Committee; if the meeting is held via telecommunications, the audio and video materials also constitute part of the

meeting minutes.

The minutes of each meeting of the Committee shall bear the signature or seal of both the meeting chair and the minute taker. A copy of the minutes shall be distributed to each member on the Committee within 20 days after the meeting. It shall be presented to the Board of Directors and retained as important corporate records for 5 years. The meeting minutes may be produced and distributed in electronic form.

If, before the expiration of the retention period under the preceding paragraph, any litigation arises in connection with any matter relating to the Committee, the meeting minutes shall be preserved until the conclusion of the litigation.

Article 12 (Implementation of meeting resolutions)

The execution of tasks relating to resolutions adopted by the Committee in accordance with its duties or subsequent work resolved to be delegated to professionals may be delegated to the convener or other Committee members for follow-up, with a written or verbal report to be presented to the Committee during the implementation period. When necessary, the matter shall be presented for ratification or a report made at the next meeting of the Committee.

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

When the Committee calls a meeting, it may request Directors, managers of relevant departments, internal auditors, certified public accountants, attorneys, or other personnel of the Company to attend the meeting as non-voting participants and to provide pertinent and necessary information.

The Committee may, at the expense of the Company, resolve to retain the service of an attorney, certified public accountant, or other professional to conduct a necessary audit or to provide advice on matters relating to the exercise of the Committee's powers.

Article 14 (Attendance fees)

The members of the Committee are not paid for their positions as committee members. However, they are paid NT\$10,000 for their attendance in each meeting.

Article 15 (Recusal)

A member of the Committee who has a personal interest in any of the matters at the meeting, and which may cause harm to the interest of the Company, shall be recused.

If, for the reason stated in the preceding paragraph, an agenda item cannot be resolved at a meeting of the Committee, it shall be reported to the Board of Directors, which shall resolve on the item.

Article 16 (Confidentiality obligations)

All attendees shall maintain confidentiality with respect to information reviewed in the Committee and they may not disclose to external parties without approval.

Article 17 (Implementation)

The Charter shall be implemented after it has been approved by the Board of Directors. The same shall apply to future amendments.