

Board of Directors and Link of Executive Managers' Remuneration to ESG Performance

The Remuneration Committee and the Board of Directors regularly evaluate and review the performance and remuneration adequacy of directors and managers. In addition to factoring in industry salary levels, individual performance achievements, and contributions to the company, they also take into account the overall Operational performance of the company, future industry risks, and development trends to provide reasonable compensation.

The Company's independent directors are paid monthly and do not participate in the distribution of annual directors' remuneration.

The compensation for executives includes fixed pay and variable pay. The variable pay includes a "performance bonus plan" that is based on the company's annual business performance, financial condition, and individual performance. The performance evaluation for executives takes into account not only job-related performance but also includes indicators related to financial performance, internal operations, technical research and development, and customer management.

In addition, in order to achieve sustainable business operations and implement social responsibilities, the executive managers' performance goal setting and variable reward payment are highly linked to sustainable development (ESG) goals. ESG performance target evaluation projects account for more than 20% (inclusive) of the total personal performance target weight, and will be adjusted appropriately according to the Company's annual operating policies. During the annual performance evaluation, the actual achievement of each project will be scored on a 5-point scale, and variable remuneration will be issued based on the Company's operating results and individual performance.

The sustainable development performance evaluation items for executive managers are as follows:

1. President: achieve governance evaluation level goals, continue to increase the usage ratio of green energy, energy efficiency and reduce energy waste, strengthen water resource management and drive low-carbon production, promote intelligent manufacturing, cultivate young students and promote social participation programs.
2. Executive Vice President of Operation Manufacturing Center: continue to increase the usage ratio of green energy, energy efficiency and reduce energy waste, strengthen water resource management and drive low-carbon production.

Overall, the personal goals of managers are closely aligned with the Company's long-term and short-term business goals and shareholder interests, making sustainable business operations a common goal for the organization. The remuneration of directors and managers is reviewed by the Remuneration Committee and then submitted to the Board of Directors for approval. In addition, a "performance-linked remuneration claim policy" for senior executives has been established to improve Corporate Governance and financial soundness. For more information on relevant compensation and remuneration policies, please refer to ChipMOS Annual Report.