

HERMES MICROVISION, INC.

Regulations Governing Compensation Committee

Operation and Management

1. Purpose

In order to strengthen the Company's director and managerial personnel's compensation system, make it comply with statutory laws and regulations and the Company's operating results, and ensure that the operation and management of the Compensation Committee (hereafter referred to as the Committee) meet statutory laws and regulations as well as the Company's management regulations, the Company specifically sets up the Regulations.

2. Legal basis

- 2.1 The Regulations are set up in accordance with the "Rules Governing the Appointment and Exercise of Powers by the Compensation Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter" (hereafter referred to as the Powers Exercise Rules).
- 2.2 The Regulations are also set up in accordance with the Company's "Compensation Committee Charter" (hereafter referred to as the Charter).

3. Operation procedure

- 3.1 The Company shall set up its Charter in accordance with the Powers Exercise Regulations, which shall be resolved and adopted by the board of directors. The same shall also apply in case of any revision.
- 3.2 The number, professionalism and independence of the Committee members shall be subject to the Powers Exercise Regulations and the Charter, and the Committee members shall be resolved and appointed by the board of directors
- 3.3 In the case that a Committee member is discharged for any reason and the vacancy is required to be filled, it shall be processed in accordance with the Powers Exercise Regulations and the Charter, whereas the resolution and appointment shall be conducted by the board of directors.
- 3.4 The term of office of the Committee members shall be the same as that of the members of the board of directors that appoints the Committee

members.

- 3.5 The scope of the Committee's duties shall comply with the Powers Exercise Regulations and the Charter, and the recommendations (e.g. Charter revision and the compensation of directors, supervisors and managerial personnel) proposed by the Committee according to its powers and authority shall be put forth to the board of directors for discussion.
- 3.6 The details regarding the Committee's annual meeting frequency, convener, convening procedure and notification, agenda setup, signing in, attendance, attendance by proxy and resolution method shall be subject to the Powers Exercise Regulations and the Charter.
- 3.7 The Committee shall follow the Charter to entrust professionals to provide opinions or conduct an audit, for which the incurred expenses shall be paid by the Company.
- 3.8 All the details required by the Powers Exercise Regulations and the Charter shall be recorded in the Committee's meeting minutes books, which shall be signed or sealed by the chairperson and note taker of the meeting in question, and distributed to the Committee members within the regulated time limit. In addition, meeting minutes books may be produced and distributed in an electronic form.
- 3.9 A Committee meeting minutes book shall be retained for at least five years. However, in case of any litigation in relation to the Committee related matters arising, the meeting minutes book in question shall be retained until closure of such litigation.
- 3.10 The Committee's meeting minutes books shall be submitted to the board of directors and listed as one of the Company's important files.
- 3.11 The Committee may authorize its convener or other members to continue to execute the resolutions adopted in Committee meetings and related tasks. The authorized convener and Committee members shall submit written reports to the Committee during the execution period. When necessary, the execution results shall be submitted to the next Committee meeting for retroactive adoption or acknowledgment.

4. Implementation and revision

The Regulations shall be promulgated and implemented after approved by the general manager and adopted by the board of directors. The same shall also apply in case of any revision