Ching Feng Home Fashions Co., Ltd.
Compensation Committee Charter

Article 1 Purpose and Basis of Establishment

To improve corporate governance and improve the compensation system for the company's directors and managers, Hereinafter, pursuant to Article 14-6 of the Securities and Exchange Act and the Measures for the Establishment and Exercise of Powers of the Company Compensation Committee for Stocks Listed or Traded at Securities Firms' Business Locations (hereinafter referred to as 'these Measures') Set up a Compensation Committee (hereinafter referred to as 'the Committee') and establish its organizational rules to make compliance easier.

Article 2 Roles and Power

This committee should faithfully perform the following duties with the care of a good manager and submit any recommendations to the board for discussion:

1. Set and regularly review performance evaluation standards for directors and managers, as well as annual and long-term performance goals, along with policies, systems, standards, and structures for compensation, and disclose the content of the performance evaluation standards in the annual report.
2. Regularly assess and determine the salaries and compensation of directors and managers based on the results of performance evaluations. The annual report should disclose the individual performance evaluation results of directors and managers, as well as the content and amounts of their compensation, showing how they relate to and are justified by the performance evaluation results, and this should be reported at the shareholders' meeting.
3. If managers have variable and project-based bonuses, the amount, up to 0.5 months of full salary, can be authorized by the general manager and issued after approval by the chairman, and then reported to the compensation committee for record.

When this committee exercises the powers mentioned above, it should follow the following principles:

1. The performance evaluation and remuneration of directors and managers should refer to the usual level of payment in the industry, and take into account the reasonableness of the relationship with individual performance evaluation results, company operating performance and future risks.
2. We shouldn’t push directors and managers to take actions that go beyond the company’s risk tolerance just to chase higher pay.
3. The proportion of short-term performance bonuses for directors and senior managers, as well as the timing for paying certain variable salary rewards, should be decided based on the characteristics of the industry and the nature of the company's business.
4. When setting the content and amount of compensation for directors and managers, their reasonableness should be taken into account. the determination of salaries and compensation for directors and managers shouldn't be drastically out of line with financial performance. If there is a significant decline in profits or long-term losses, their salary should not be higher than the previous year. If it is still higher, a reasonable explanation should be disclosed in the financial report and reported at the shareholders' meeting.

The salaries and benefits mentioned in the previous two items include cash payments, stock options, profit-sharing, retirement or severance benefits, various allowances, and other forms of tangible rewards.

If the salaries and compensation of the directors and managers of our company's subsidiaries require approval by the parent company's board due to their level of responsibility, they should first be proposed by the parent company's compensation committee before being submitted to the board for discussion.

Article 3 Committee Members and Terms

1. Members of this committee should meet the professional qualifications and work experience requirements specified in Articles 5 and 6 of these regulations, and must not have any restrictions or prohibitions.
2. The members of this committee should include the company's independent directors. The other members are appointed by a resolution of the board. with a total of no fewer than three people. And elect an independent director as the convener and chairman of the meeting, Represents this committee externally.
3. The term of office of the committee members is the same as that of the board of directors for that term. If there are changes to the members of this committee, resulting in fewer than three people, A board meeting should be held to make the appointment within three months from the date the event occurs.
4. within three years from the implementation of these measures, no more than one-third of the members of this committee may be directors. The provisions regarding company directors in Article 6, Paragraph 1, Subparagraph 2 of these regulations do not apply, but such a director cannot serve as the convener or chairperson of the committee.

Article 4 Convening Procedure

1. This committee should meet at least twice a year.
2. If the convener is on leave or cannot call a meeting for some reason, they should appoint another independent director of the committee to act on their behalf; If there are no other independent directors, the convener will appoint other members of this committee to act as proxies; If the convener hasn't appointed a proxy, one will be chosen by the other members of the committee.
3. The convening of this committee should state the reason for the meeting and notify the committee members seven days in advance. However, in urgent situations, this does not apply. The above notification can be made electronically.

Article 5 Meeting Agenda and Attendees

1. The agenda for our committee meetings is set by the convener, but other members can also submit items for discussion. The agenda should be shared with the committee members ahead of time.

2.committee meetings should have a sign-in book ready for attendees to sign.

3. Members of this committee should attend in person. If they can't make it, they can authorize another member to attend on their behalf for that meeting by providing a written authorization specifying the scope of matters to be handled, but each member can only be authorized by one person. Joining the meeting via video is also considered as attending in person.

Article 6 Meeting Resolutions and Minutes

1. When this committee makes a decision, unless otherwise specified by laws or the company's articles of association, it should have the approval of more than half of the members. If, during a vote, the meeting chair asks and there are no objections, it is considered approved and has the same effect as a formal vote. The result of the vote should be announced on the spot and recorded.
2. The proceedings of this committee should be recorded in meeting minutes, which should accurately document the following matters:
   1) Session number of the meeting and its time and place.
   2) The name of the chairman.
   3) Member attendance status, including the names and number of those present, excused, and absent.
   4) Names and titles of attendees.
   5) Record the name of the staff member.
   6) Matters to report.
   7) Discussion Items:
      The methods and results of resolutions for each motion, as well as any opposing or reserved opinions from committee members.
   8) Temporary Motion:
      The name of the proposer, the method and result of the motion, committee members, summaries of statements by experts and other personnel, and any opposing or reserved opinions.
   9) Other matters that should be recorded.
3. The sign-in sheet of this committee is part of the meeting minutes; for meetings held via video conference, the audio and video recordings are also part of the minutes.
4. Meeting minutes must be signed or stamped by the chairperson and the recorder, sent to committee members within twenty days after the meeting, reported to the board, and included in the company's important records, and they should be kept for five years; the preparation and distribution of the minutes can also be done electronically.
5. Before the retention period mentioned in the previous paragraph expires, if a lawsuit arises concerning matters resolved by this committee, the records should continue to be kept until the lawsuit is concluded.

Article 7 Resources for exercising authority

1. The committee may, by resolution, appoint lawyers, accountants, or other professionals to conduct necessary audits or provide consultations on matters related to the exercise of their powers, and the associated costs will be borne by the company.
2. Invite directors, managers from relevant company departments, internal auditors, accountants, legal advisors, and other personnel to attend the meeting and provide the necessary information.

Article 8 Execution of resolutions

Matters decided by this committee can have their related execution work authorized to the convener or other committee members to continue handling, and a written report on the execution should be submitted to the committee. If the committee deems it necessary, it can be presented for ratification or reporting at the next meeting.

Article 9 For public record

1. When members of the Compensation Committee are appointed or changed, the company should make an announcement and file it on the information reporting website designated by the competent authority within two days from the date the event occurs.

2.The decisions made by the Compensation Committee, If a member has objections or reservations and there's a record or written statement, it should not only be noted in the meeting minutes but also be publicly reported on the information declaration website designated by the competent authority within two days from the date the incident occurred.

3. If the compensation approved by the board of directors is higher than the recommendation of the compensation committee, the differences and reasons should be recorded in the board meeting minutes, and it should also be announced and filed on the designated information reporting website of the competent authority within two days from the date the board approves it.

Article 10 Implementation

These organizational regulations shall come into effect upon approval by the Board of Directors, and the same applies to any amendments thereto.

These organizational regulations were established on May 24, 2018