



Document No	W-GM-I-007	Release Date	110613
Document Name	Regulations Governing Organizational Rules & Management over the Remuneration Committee	Version	A

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1. Objectives:

This Remuneration Committee of the Board of Directors is duly organized to assure a sound corporate governance and enhance the functions of the Board of Directors.

2. Scope:

The composition, number of members, tenure of office, responsibilities and powers, rules of meetings and the resources to be provided by the Company upon exercise of the responsibilities and powers of the Committee shall all be duly subject to these Organizational Rules.

3. Powers and responsibilities:

The responsible units of the Company's Board of Directors shall take charge of all issues regarding the responsibilities and powers.

4. Definitions:

Nil.

5. Contents of operations:

- 5.1 To assure a sound corporate governance and enhance the functions of the Board of Directors, the Organizational Rules of the Remuneration Committee (hereinafter referred to as the Committee) are duly enacted in accordance with the requirements set forth under the Articles of Incorporation and the decisions resolved in the Board of Directors of Advanced Lithium Electrochemistry (Cayman) Co., Ltd. (hereinafter referred to as the Company) as the governing criteria. Any matters insufficiently provided for herein shall be subject to laws and ordinances concerned.
- 5.2 The composition, number of members, tenure of office, responsibilities and powers, rules of meetings and the resources to be provided by the Company upon exercise of the responsibilities and powers of the Committee shall all be duly subject to these Organizational Rules.
- 5.3 The Committee operates for the purposes of helping the Board of Directors assess and resolve the payroll & remuneration to the directors and managerial officers.
The term "directors and the managerial officers" as set forth in these Organizational Rules includes the directors and the managerial officers of both the Company and its subsidiaries.

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5.4 Members:

5.4.1 The members of the Committee shall be duly appointed as resolved by the Board of Directors and shall be in the number not below three as the minimum and shall include the minimum of one independent director. All members of the Committee shall elect the convener and the chairperson for the meeting from among independent directors. The Committee may invite the Company's directors, managerial officers of the relevant departments, internal auditor(s), Certified Public Accountant(s), legal consultant(s) to participate in the meetings as non-voting guest participants and to provide information as necessary.

5.4.2 The Committee members shall hold the tenure of office same as that of the Board of Directors and are eligible for reelection. In the event that the number of the Committee falls below the quorum specified in the final acceptance test procedure due to discharge of an independent director, or falls below the minimum of three due to discharge of a member, the Company shall convene the board of directors meeting or the shareholders' meeting (if necessary) to conduct supplementary election within three (3) months from occurrence of such fact.

5.4.3 On the professional qualification requirements, restriction on shareholding, recognition of independence and rules of exemption of the Committee members, please refer to the relevant requirements set forth under 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."

5.5 Responsibilities and powers:

5.5.1 The Committee shall exercise due diligence as a *bona fide* administrator to faithfully exercise the following responsibilities and powers and shall duly submit the proposals to the Board of Directors for discussion and resolution.

5.5.1.2 Enact and reassess on a regular basis the payroll & remuneration policies for the directors and managerial officers, systems, criteria and structure based on their performances.

5.5.1.3 Reassess and fix on a regular basis the payroll & remuneration for the directors and managerial

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officers.

- 5.5.2 The Committee shall duly comply with the following principles upon implementation of the responsibilities and powers set forth under the preceding paragraph:
- 5.5.2.1 The Committee shall assess performances and payroll & remuneration criteria for directors & managerial officers with reference to the criteria prevalent in fellow trades, taking into account their personal performances, business performance of the Company and the interrelated rationality of future risks.
- 5.5.2.2 The Committee shall not guide the directors & managerial officers into any acts that go beyond the risk tolerance in an attempt to pursue higher payroll & remuneration/
- 5.5.2.3 The Committee shall take into account the characteristics of business lines and the Company's business attributes to determine the short-term performance bonus and bonus ratio as well as partially the variable payroll
- 5.5.3 The term "payroll & remuneration" as set forth in the two preceding paragraphs includes remuneration in cash, warrant certificates, investment with bonus, retirement fringe benefits or severance pay, a variety of allowances and other substantial awards. The range of the payroll & remuneration shall be determined with reference to the rules about the remuneration to the directors & managerial officers as set forth under the "Regulations Governing Information to Be Published in Annual Reports of Public Companies".
- 5.5.4 The Board of Directors shall, upon discussing a proposal submitted by the Committee, take overall consideration of the amounts of payroll & remuneration, terms of payment and the risks that encounter the Company in the future. Where the Board of Directors intends to reject or to amend a proposal submitted by the Committee, the Board of Directors shall call for a resolution to be adopted by a majority vote in the board of directors meeting which is attended by two-thirds majority of the total Board of Directors members. In such decision so resolved, the Board of Directors shall take overall consideration and provide concrete explanation whether the payroll & remuneration so resolved by the Board of Directors excels the proposal submitted by the Committee.

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- 5.5.5 In the event that the payroll & remuneration so resolved by the Board of Directors exceeds the proposal submitted by the Committee, the facts of the difference and the reasons shall be expressly provided in the minutes of Board of Directors. Besides, the Company shall duly issue promulgation, declaration in accordance with the requirements for public companies.
- 5.5.6 In the event that the payroll & remuneration of the directors & managerial officers of a subsidiary of the Company, or the hierarchical responsibility matters of a subsidiary have been duly resolved by the Company's Board of Directors based on these Organizational Rules, such issues shall be first proposed to this Committee for proposal(s) as required before being submitted to the Board of Directors for discussion.
- 5.6 Meetings:
- 5.6.1 The Committee shall convene meetings twice per annum as the minimum and may convene a meeting at any time whenever necessary.
- 5.6.2 A meeting of the Committee shall be duly convened and chaired by the convener. In case of absence or unavailability by the convener, the convener shall appoint another independent director as a member of the Committee to act as the substitute. In the event that the Committee has no another independent director, the Committee shall appoint another Committee member to act as the substitute. In case of absence of such substitute, one shall be duly elected from among other members of the Committee to act as the substitute.
- 5.6.3 The notices to convene a meeting of the Committee shall expressly bear the subjects of the meeting and be served to all members of the Committee seven (7) days in advance except a case of an emergency. A meeting of the Committee shall call for the minimum quorum of being attended by more than two-thirds of the members of the Committee (inclusive). A decision in the Committee shall be duly resolved by a one-second majority vote of the present members. The proposal is deemed duly passed and equally valid as a decision resolved by balloting as proposed if no objection is heard in response to the inquiry by the chairperson. The result of the balloting shall be reported on-the-spot and covered into minutes. The term "all Committee members" as set forth herein denotes shall be calculated based on all those incumbent ones.

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- 5.6.4 All Committee members shall participate in the Committee meeting(s) in person. A member who is unavailable to participate in a meeting may authorize another member to be present as his or her proxy. A member who attends a meeting through video system shall sign presence by FAX and is deemed to have attended in person.
- 5.6.5 A Committee member who authorizes another member as the proxy to participate in a meeting on behalf shall duly issue power of attorney and expressly enumerate the scope of the powers authorized.
- 5.6.6 A proxy mentioned in the preceding paragraph may act as the proxy only for another Committee member.
- 5.6.7 The agenda of a Committee meeting shall be worked out by the convener. Other member(s) may, as well, provide issues to be discussed in the meeting. The agenda of a Committee meeting shall be provided to all Committee members beforehand.
- 5.7 Minutes
- 5.7.1 Minutes shall be duly worked out for meeting convened by the Committee and shall contain details of the particulars below
- 5.7.1.1 Session, time and location of the Meeting.
- 5.7.1.2 Name of the chairperson
- 5.7.1.3 Facts of participation by the Committee members including Committee members' presence, absence or on leave, names and numbers.
- 5.7.1.4 Names and position titles of those participants as an observer (an attendant as nonvoting delegate).
- 5.7.1.5 Name of the minutes keeper.
- 5.7.1.6 Key issues to be reported.

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- 5.7.1.7 Issues to be discussed: The methods and results of all decisions resolved, the opinions in objection or reservation by Committee member(s).
- 5.7.1.8 Occasional (extemporaneous) motions: The names of proposers, methods and results of the resolution, the extracts of the voices by experts or other personnel, opinions in objection or reservation.
- 5.7.1.9 Other particulars which should be entered.
- 5.7.2 Amidst the decisions resolved by the Committee, in case of opinions of objections or reservation backed with records or in writing, other than entry into the minutes, such opinions of objections or reservation shall be duly promulgated or declared with reference to the regulations for public companies.
- 5.7.3 Upon convening of a Committee meeting, the Company shall provide sign-in book where the present Committee members may sign in. The sign-in book shall form an integral part of the minutes. The minutes shall be duly signed or affixed seals by the chairperson and the minutes keeper and shall be served to all Committee members within twenty (20) days after the meeting and shall be submitted to the Board of Directors and classified as “top secret” in the business secrets of the Company and shall be archived for five (5) years. In case of a litigious action takes place before expiry of the archiving period, such minutes shall be archived until the said litigious action is concluded.
- 5.7.4 The minutes mentioned in the preceding paragraph may be duly worked out and distributed by electronic means.
- 5.7.5 Where a Committee meeting is convened by video system, the video data shall form as an integral part of the minutes.
- 5.8 No Committee member shall participate in the issues regarding remuneration of his/her own or his/her related party.
- 5.9 The Committee may, through a decision duly resolved, retain an Attorney-at-Law, Certified Public



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Accountant or other expert(s) to conduct audit or provide consultation on the issues concerned.
All fees so incurred shall be borne by the Company.

- 5.10 The issues duly resolved in the Committee may be authorized to the convener or other Committee members for continual enforcement who shall report to the Committee in writing during the period of enforcement or may, as necessary, be acknowledged retrospectively or reported in the ensuing meeting.
- 5.11 These Organizational Rules and amendment hereof shall be duly resolved by the Board of Directors provided, that the amendment of these Organizational Rules resolved by the Board of Directors on June 13, 2011 would come into effect when the tenure of office of the Company's first term Independent Directors start to run.

6. References:

Nil.

7. Forms & lists:

Nil.

8. Appendix(es):

Nil.