

EPISIL TECHNOLOGIES INC

Remuneration Committee Charter

Article 1 (Legal basis)

The remuneration committee Charter (hereinafter, “this Charter”) is adopted pursuant to Article 14-6 of the Securities & Exchange Act and 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.

Article 2 (Composition and terms)

The committee members shall be appointed by resolution of the board of directors. The committee shall not be fewer than three members, more than one half of whom shall be the independent.

The term of the committee members shall end at the same time as that of the board of directors that appointed the members.

When a member of the committee is dismissed for any reason, resulting in there being less than 3 members, a board of directors meeting shall be held within 3 months counting from the date of occurrence of the event to appoint a replacement. However, if the independent directors are dismissed and there are no other independent directors, before the company elects independent directors in accordance with regulations, it may first appoint those who do not have the qualifications of independent directors as members of the remuneration committee, and appoint them after the independent directors by-election

Article 3 (Scope of duties)

The committee shall exercise the care of a good administrator in faithfully performing the official powers listed below, and shall submit its recommendations for deliberation by the board of directors:

1. Periodically reviewing this Charter and, if necessary, submitting amendment proposal.
2. Prescribe and periodically review the performance review and remuneration policy, system, standards, and structure for directors and managerial officers.
3. Periodically reviewing the achievement of the performance goals of the company's directors and managers, and determine the content and amount of their individual salaries based on the evaluation results obtained from the performance evaluation standards

Directors' performance evaluation results should be disclosed in the annual report.

When performing the official powers of the preceding paragraph, the remuneration committee shall follow the principles listed below:

1. Ensure that the remuneration system of company is in compliance with relevant laws and regulations and provides sufficient incentive for outstanding talents.
2. Performance assessment and compensation levels of directors, supervisors, and managerial officers shall benchmark the general compensation levels in the industry, and consider the time spent by the individual and their responsibilities, the extent of individual achievement, the performance in other positions, and the compensation paid to employees holding equivalent positions in recent years. Also, the individual performance is evaluated on the basis of the Company's financial status, business performance and future risks to achieve its short-term and long-term business goals.
3. It shall not produce an incentive for the directors or managerial officers to engage in activity to pursue remuneration exceeding the risks that the Company may tolerate.
4. It shall take into consideration the characteristics of the industry and the nature of the Company's business when determining the ratio of bonus payout based on the short-term performance of its directors and senior management and the time for payment of the variable part of remuneration.
5. No member of the committee may participate in discussion and voting when the committee is deciding on that member's individual compensation.

"Remuneration" as used in the preceding items 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.

If decision-making and handling of any matter relating to the remuneration of directors and managerial officers of a subsidiary is delegated to the subsidiary but requires ratification by the board of directors of the parent company, the parent company's remuneration committee shall be asked to make recommendations before the matter is submitted to the board of directors for deliberation.

Article 4 (Hold and convene)

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 convened on shorter notice.

The chair of the meeting shall be the committee convener. If the convener takes leave or is unable to convene a meeting for any reason, the convener shall appoint another independent director 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 and from among the other members on the committee to serve as convener.

Article 5 (Rules and procedures)

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 may accept a proxy from one person only.

Article 6 (Meeting resolutions)

When a meeting of the committee will discuss the remuneration of any member of the committee, it will be clearly stated at the meeting. If there is likely to be any prejudice to the interests of the Company, that member may not participate in the discussion or voting and shall enter recusal during the discussion and voting. The member also may not act as another committee member's proxy to exercise voting rights on that matter.

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 7 (Minutes)

Minutes shall be prepared of the discussions at the committee, and the minutes shall record

the matters listed below in a detailed and accurate manner:

1. Session, time, and place of the meeting.
2. Name of the meeting chair.
3. Member attendance, specifying the names and number of members in attendance, excused, and absent.
4. Names and titles of those present at the meeting as nonvoting participants.
5. Name of minutes taker.
6. Matters reported on.
7. Agenda items: the resolution method and outcome of each motion; the name of any member whose own remuneration comes under discussion, the content of the discussion about the member's remuneration, and the specifics regarding recusal of the member; and any objections or reservations expressed by any member.
8. Extraordinary motions: the name of the mover, the resolution method and outcome of the motion; summary of the comments made by any member, expert, or other person; the name of any member whose own remuneration comes under discussion, the content of the discussion about the member's remuneration, and the specifics regarding recusal of the member; and any objections or reservations expressed by any member.
9. Other matters required to be recorded.

The committee attendance book constitutes an integral part of the minutes of each meeting of the committee. If a remuneration committee meeting is convened by video conference, the video conference audiovisual data constitute an integral part of the meeting minutes.

The meeting minutes shall bear the signature or seal of the chair and the minute taker. The minutes shall be distributed to each committee member within 20 days after the meeting, and shall be submitted to the board of directors and treated as important records of the company, and shall be preserved for 5 years. The meeting minutes of paragraph 1 may be produced and distributed in electronic form.

If before the end of the preservation period under the preceding paragraph, any litigation arises with respect to any matter in connection with the committee, the minutes shall be preserved until the litigation is concluded.

Article 8 (Implementation of the meeting resolutions)

The execution of tasks relating to matters resolved by the committee may be delegated to the convenor or other members of the committee for follow-up and handling, and they shall make written reports to the committee during the period in which they are handling such tasks. When necessary, they shall submit them for ratification, or report them, to the committee at the subsequent meeting.

Article9 (The resources provided by the Company for the Committee)

When the Committee calls a meeting, it may request directors, managers of relevant departments, internal audit officers, 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.

Article10 This charter, and any amendments hereto, shall come into force after approval by the board of directors.