

Advantech 2024 Compensation Committee's dates of meeting, content and conclusion

Compensation Committee	Subject	Conclusion	Corresponding Actions Based on Suggestions
The 3rd meeting of the 15 th Terms (January 19, 2024)	Review the Senior Executives' Y2023 achievement results and Y2024 KPIs & goals	Committee members agreed with the report and suggested: 1. The scope of application for Managerial Officers (Senior Executives) as defined in Articles 22-2, 25, 28-2, 157, and 157-1 of the Securities and Exchange Act is as follows (1) General Manager and equivalent rankings (2) Vice President and equivalent (3) Director and equivalent ranked persons (4) Finance Head (5) Accounting Head (6) Any other person who has the right to manage the affairs of the Company and sign for the Company. 2. The objectives of ESG are in line with the trends and can be optimized and implemented step by step.	Implemented according to the conclusion
		3.The establishment of BGC (Business Growth Contribution) and AMC (Advanced Management Contribution) in the operational indicators is a good design to tackle both business growth and management.	BGC's goal is to use annual financial and operational KPIs as the main axis and renamed KPI PSOP in 2025, with PSOP as the main reward tool, while AMC is adopted with the project, with PSOP or Cash as the incentives.
	Present the results of the self-evaluation of the performance of the Compensation	Committee members agreed with the report.	Implemented according to the conclusion

	Committee		
	<p>Propose the Y2023 Directors' compensation, Senior Executives' Bonus (Year-End Bonus, Performance, etc.) and the Y2024 Salary Increase Plan</p>	<p>Committee members agreed with the report and suggested:</p> <p>1. Directors' Compensation:</p> <p>In the meeting, the CEO proposed to adjust the 2023 compensation for Director Chaney Ho. Director Ho has been promoting Advantech to the public and has been very helpful to Advantech's operation and reputation. All Compensation Committee members agreed to the proposed amount. (In accordance with Article 2 of the "Regulations Governing the Compensation of Directors of Advantech," those who are involved in the execution of important project research for the Company or those who have made vital contributions to Advantech will be given additional compensation according to the situation of each case.)</p> <p>2. Senior Executives' Bonuses:</p> <p>(1) Adjust CEO 2023 number of bonus months to be the same as the 3 Presidents.</p> <p>(2) It is advisable to list ESOP, salary increase, Year-end Bonus, related formulas, YOY difference, pay mix, etc., in the worksheet to review the linkage between each Executive's compensation and business performance.</p> <p>3. Compensation Strategies:</p> <p>(1) Consideration can be given to staggering the paydays of the Year-end bonus and the Performance Bonus so that the Performance Bonus can directly reflect the individual performance.</p> <p>(2) Consider factors such as the company's compensation competitiveness, workforce supply and demand in the market, etc., and track any opportunities for optimization of the company's business performance and the employees' total compensation over the years (which can be observed from indicators such as the personnel</p>	<p>Directors' Compensation & Senior Executives' Bonus: Implemented according to the conclusion Compensation Strategies: Based on the priority and importance of the issues, and after aligning with the CEO, HR will collaborate with external consultants to launch two compensation projects.</p>

		<p>expense rate, Revenue Per Employee, etc.).</p> <p>(3)Regarding talent competition, in response to the declining birthrate, we can expand industry-academia cooperation and R&D Substitute Services (Advantech has already begun to deploy overseas student groups in Thailand, India, and Malaysia.).</p>	
<p>The 4th meeting of the 15th Terms (February 2, 2024)</p>	<p>Review the number of Stock Options granted to the Senior Executives and employees holding directorships</p>	<p>Committee members agreed with the report</p> <p>1. On September 20, 2023, the Board of Directors approved the Employee Stock Option Program (ESOP). Suppose the number of ESOP holders changes to reflect the Company's strategy adjustment. In that case, the change will still be submitted to the relevant functional committees for deliberation in accordance with the statutory procedures and approved by the Board of Directors.</p> <p>2. This meeting was to review the ESOP issued to Senior Executives and Directors.</p>	<p>Approved by the Board of Directors</p>

<p>The 5th meeting of the 15th session(October 31, 2024)</p>	<p>C & B Transformation & Optimization</p>	<p>Committee members agreed with the report and suggested:1. Positively acknowledged the coverage and optimization of the report.2. Agree to optimize corporate governance and compensation management through the assistance of external consultants.3. When the subsequent projects are formally launched, the Compensation Committee members can share feedback or guidance if necessary, and look forward to CC's influence and professional support on the relevant subjects in the future.4. Related Reminders:(1) Decision factors on the prioritization of key action plans could include immediate improvement in the short term. (2)Headquarters can establish relevant management principles. However, the local market conditions of RBUs are different and need to be adapted locally, which makes it difficult to fully standardize a set of compensation management practices.(3) The initiatives set out in the Sustainability Report should be continuously implemented or further advanced.(4) Whether or not to adopt pay structure adjustment depends on the Company's compensation philosophy and communication policy. It is necessary to consider the appropriate timing of implementation and the impact of labor costs on operations.(5)Market practices regarding the regulation of employee compensation differ. The</p>	<p>Based on the priority and importance of the issues, and after aligning with the CEO, HR will collaborate with external consultants to launch two compensation projects.</p>
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