

Regulatory of Management Team

Note 1: Advantech implements the decentralization and balance mechanism of the management team. The organizational structure does not have the position of CEO, yet co-governance by the Chairman and three Corporate Presidents, instead. The management model of "co-governance and co-creation" creates the maximum value of the enterprise. The division ratio of important managerial functions and powers is about 30% of the Chairman and 70% of the Corporate Presidents.

Note 2: Advantech's compensation policies for top management are approved by Compensation Committee. The compensation structure of our CEO/top management includes Fixed pay, Cash bonus and Employee Stock option for both Performance-based and Time-based (PSOP/ESOP). According to "Advantech Executive Compensation Structure", there are specific regulatory of : Stock Bonus percentage for Short-term & Long-term, Vesting criteria for time/performance, Performance period for variable compensation... Please refer to latest version of "Advantech Executive Compensation Structure" amended by Compensation Committee on Feb. 10, 2022.