

PlayNitride Inc.

Rules Governing Management of Remuneration Committee

Operation

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Approved by the board meeting of the term board of directors on December 24, 2021

1. Purpose

To ensure a sound system for compensation of the directors and managerial officers of PlayNitride Inc. (hereinafter as “**this Corporation**”), the *Rules Governing Management of Remuneration Committee Operation* (hereinafter as “**these Rules**”) is adopted pursuant to the *Remuneration Committee Charter* and Article 3 of 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* (hereinafter as “**the Regulations**”).

2. Scope

Except as otherwise provided by law or regulation or by the articles of incorporation, matters in connection with the official powers of this Corporation’s Remuneration Committee (hereinafter as “the Committee”) shall be handled in accordance with these Rules.

3. Unit Responsible

The Operation Center is the agenda working group responsible for matters relating to meetings of the Committee.

4. Content

1. Number, Composition and Term of Officer of the Committee Members

- 1.1 The Committee members shall be appointed by resolution of the board of directors. The Committee shall not be fewer than three members, and at least one independent director shall participate in the Committee. Furthermore, the entire membership shall unanimously elect the independent director to serve as the convenor and the meeting chair.

However, members who are this Corporation's or the related enterprise's director appointed under the application of the transitional provisions shall not be the convenor of the Committee.

- 1.2 The term of the Committee members shall end at the same time as that of the board of directors that appointed the members.
- 1.3 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.
- 1.4 When there is any appointment of, or change in, a member of the Committee, this Corporation shall, within 2 days counting from the date of occurrence of the event, publicly announce and report it on the information reporting website designated by the competent authority.

2. Qualifications for Committee Members

- 2.1 Members of the Committee shall meet one of the following professional qualification requirements, together with at least 5 years work experience:
 - 2.1.1 An instructor or higher in a department of commerce, law, finance, accounting, or other academic department related to the business needs of this Corporation in a public or private junior college, college, or university.
 - 2.1.2 A judge, public prosecutor, attorney, certified public accountant, or other professional or technical specialist who has passed a national examination and been awarded a certificate in a profession necessary for the business of this Corporation.
 - 2.1.3 Have work experience in the area of commerce, law, finance, or accounting, or otherwise necessary for the business of this Corporation.
- 2.2 A person to whom any of the following circumstances applies may not serve as a member of the Committee; if already serving in such capacity, the person shall be dismissed:
 - 2.2.1 Any of the circumstances in the subparagraphs of Article 30 of *the Company Act*.
 - 2.2.2 Any violation of the Committee member qualification requirements

set out in Article 6 of the Regulations.

3. Functions of the Committee

The functions of the Committee are to professionally and objectively evaluate the policies and systems for compensation of the directors and managerial officers of this Corporation, and submit recommendations to the board of directors for its reference in decision making.

4. Scope of Responsibilities

4.1 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. However, recommendations in connection with remuneration for independent directors may be submitted for deliberation by the board of directors and, if necessary, submitted for resolution by the shareholders meeting:

4.1.1 Establishing and periodically reviewing the performance assessment standards, annual and long-term performance goals, and the policies, systems, standards, and the structure for the compensation of the directors and the managerial officers of this Corporation.

4.1.2 Periodically assessing the degree to which performance goals for the directors and managerial officers of this Corporation have been achieved, setting the types and amounts of their individual compensation based on the results of the reviews conducted in accordance with the performance assessment standards. If necessary, the annual report may disclose the results of the individual performance assessments of the directors and managerial officers and the connection between and reasonableness of the contents and amounts of their individual compensation and performance assessment results, and making a report at a shareholders' meeting.

4.2 The Committee shall perform the duties under the preceding paragraph in accordance with the following principles:

4.2.1 Performance assessments and compensation levels of directors and managerial officers shall take into account the general pay levels in the industry, individual performance assessment results, the time spent by the individual and their responsibilities, the extent of goal

achievement, their performance in other positions, and the compensation paid to employees holding equivalent positions in recent years. Also to be evaluated are the reasonableness of the correlation between the individual's performance and this Corporation's operational performance and future risk exposure, with respect to the achievement of short-term and long-term business goals and the financial position of this Corporation.

4.2.2 There shall be no incentive for the directors or managerial officers to pursue compensation by engaging in activities that exceed the tolerable risk level of this Corporation.

4.2.3 For directors and senior managerial officers, the percentage of remuneration to be distributed based on their short-term performance and the time for payment of any variable compensation shall be decided with regard to the characteristics of the industry and the nature of this Corporation's business.

4.2.4 Reasonableness shall be taken into account when the contents and amounts of the compensation of the directors and managerial officers are set. It is not advisable for decisions on the compensation of the directors, independent directors, and the managerial officers to run contrary to financial performance to a material extent. It is not advisable for said compensation to be higher than that in the preceding year in the event of a material decline in profits of long-term losses. If it is still higher than that in the preceding year, the reasonableness shall be explained in the annual report and reported at a shareholders' meeting.

4.3 "Compensation" as used in the preceding two subparagraphs 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. Its scope shall be consistent with the compensation for directors and managerial officers as set out in the *Regulations Governing Information to be Published in Annual Reports of Public Companies*. When discussing the recommendations submitted by the Committee, the board of directors shall give comprehensive consideration to factors including amount of compensation, payment methods, and this Corporation's potential risks

in the future.

- 4.4 If the board of directors will not adopt, or intends to modify, a recommendation submitted by the Committee, the recommendation must be adopted by a majority of the directors at a meeting attended by two-thirds or more of the entire board. In addition, the directors shall take all the factors mentioned in the preceding paragraph into consideration and shall specifically explain why the adopted recommendation is better than that submitted by the Committee.
- 4.5 If the remuneration adopted by the board of directors is better than the recommendations submitted by the Committee, the differences and the causes thereof shall be specified in the board meeting minutes, and shall be publicly announced and reported on the information reporting website designated by the competent authority within 2 days counting from the date of adoption by the board of directors.
- 4.6 If the 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 this Corporation, the Committee shall be asked to make recommendations before the matter is submitted to the board of directors for deliberation.

5. Meeting Call and Notice

- 5.1 The Committee shall convene at least twice a year. In calling a meeting of the Committee, a notice setting forth therein the subject(s) 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 at any time. The aforementioned notice may be given in electronic form.
- 5.2 When this Corporation has selected independent directors in accordance with these Rules, at least one independent director shall participate on the Committee, and the entire membership shall unanimously elect the independent director to serve as the convenor and meeting chair. If there is no independent director, one member shall be elected as the convenor and meeting chair by and from among the entire membership. When the convenor goes on leave or otherwise for any reason whatsoever is unable to convene a meeting, the meeting shall be convened by another

independent director of the Committee designated by the convener. However, if there is no other independent director on the Committee, the convener shall appoint another Committee member, who is neither this Corporation's nor the related enterprise's director appointed under the transitional provisions, to act on his or her behalf. If the convener does not make such an appointment, a Committee member, who is neither this Corporation's nor the related enterprise's director appointed under the transitional provisions, shall be elected by and from among the other members on the Committee to serve as convener.

6. Drafting of Meeting Agendas

- 6.1 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.
- 6.2 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.
- 6.3 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; however, a member who is this Corporation's or the related enterprise's director appointed under the transitional provisions shall not be appointed as proxy of other members. Attending a meeting via telecommunications will be deemed attendance in person. However, no meeting shall be convened if less than two members of the Committee attend 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.

7. Evasion

A member of the Committee shall enter recusal if he/she has a personal interest in any agenda items. If the Committee is unable to resolve the matter due to the aforementioned rule, it shall report to the board of directors for resolution.

8. Resolution

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 vote shall be made known immediately and recorded in writing.

9. Meeting Minutes

9.1 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: For each proposal, the method of resolution and the result, and any objections or reservations expressed by the Committee members.
8. Extraordinary motions: The name of the mover; the method of resolution and the result for each motion; a summary of the comments of the members of the Committee and experts and other persons present at the meeting; and any objections or reservations expressed.
9. Other matters required to be recorded.

9.2 If with respect to any resolution of the Committee, any member has a dissenting or qualified opinion that is on record or stated in a written statement, the opinion shall be stated in the meeting minutes, and additionally, within two days counting inclusively from the date of occurrence, shall be publicly disclosed and reported on the information reporting website designated by the competent authority.

- 9.3 The attendance book constitutes part of the minutes for each meeting of the Committee; if the meeting is held via telecommunications, the audio and video materials also constitute part of the meeting minutes.
- 9.4 The minutes of each meeting of the Committee shall bear the signature or seal of both the meeting chair and the minute taker. A copy of the minutes shall be distributed to each member on the Committee within 20 days after the meeting, and shall be presented to the board of directors and retained as important corporate records for 5 years. The meeting minutes may be produced and distributed in electronic form.
- 9.5 If, before the expiration of the retention period under the preceding paragraph, any litigation arises in connection with any matter relating to the Committee, the meeting minutes shall be preserved until the conclusion of the litigation.

10. Resources to be provided when the Committee exercises its powers

- 10.1 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 this Corporation to attend the meeting as non-voting participants and to provide pertinent and necessary information.
- 10.2 The Committee may, at the expense of this Corporation, 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.

11. Resolution of Meetings

The execution of tasks relating to matters resolved by the Committee may be delegated to the convenor or other member or 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.

5. Control Focus

- 1. Meetings of the Committee shall be convened in accordance with the

“Remuneration Committee Charter” and the number of times for convening meetings of the Committee as required by the relevant laws and regulations.

2. Relevant information shall be made available to members for reference seven days before convening of the Committee meetings.
3. The qualifications for members of the Committee shall be in accordance with the provisions of the relevant regulations, and whether members of the Committee is appointed by the board of directors shall be examined.
4. The meeting minutes of the Committee meetings shall be distributed to the members 20 days after the meeting in accordance with the *“Remuneration Committee Charter”* and the relevant laws and regulations, and shall be preserved for reference within the prescribed time.
5. The recommendations related to motions passed by the Committee shall be submitted to the board of directors for discussion
6. The resolution made by the Committee shall, unless otherwise provided by statute or this Corporation’s articles of incorporation, requires the consent of more than one half of the entire membership.
7. Whether the matters required to be disclosed and reported are completed within the required timeframe.

6. Reference

1. *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*
2. *Remuneration Committee Charter*

7. Adoption and Amendment

These Rules, and any amendments hereto, shall enter into force after adoption by the resolution of the board of directors.