

KMC (Kuei Meng) International Inc. ("the Company")

Remuneration Committee Charter

Article 1 Basis of adoption

These Remuneration Committee Charter ("the Charter") is adopted pursuant to Article 14-6 of the Securities and Exchange Act ("the 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 ("the Regulations").

Article 2 Composition, number and terms of committee members

The committee members shall be professional qualification and experiences which meet the requirements set out in the Regulation Article 5, and without any matter which is restricted or banned by Article 6. The Committee shall consist of at least one independent director and other members appointed by resolution of the board of directors. Total number of the committee members shall not less than three members and one of the independent directors shall be elected as convener. The term of the Committee members shall be the same as that of the board of directors by whom they were appointed. When a member of the Committee is dismissed for any reason, a new committee member shall be appointed in the next board meeting.

Article 3 Duties of the committee

The Committee shall exercise the care of a good administrator to faithfully perform the following duties and present its recommendations to the board of directors for discussion. However, recommendations regarding compensation for supervisors may be submitted to the board of directors for discussion only when the board of directors is expressly authorized to resolve on that matter by the articles of incorporation or by a resolution of the shareholders meeting:

1. Establishing and periodically reviewing the performances of the directors, supervisors, and managerial officers and the policies, systems, standards, and structure for their compensation.
2. Periodically evaluating and establishing the compensation of the directors, supervisors, and managerial officers.

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

1. Performance assessments and compensation levels of directors, supervisors, and managerial officers shall take into account the general pay levels in the industry and also to be evaluated the reasonableness of the correlation between the individual's performance and this Corporation's operational performance and future risk exposure
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.

3. For directors and senior managerial officers, the percentage of bonus 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.

"Compensation" as used in the preceding two paragraphs 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, supervisors, and managerial officers as set out in the Regulations Governing Information to be published in Annual Reports of Public Companies.

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 the parent company, the Committee shall be asked to make recommendations before the matter is submitted to the board of directors for deliberation. The preceding paragraph of the managerial officers including:

1. General Managers or their equivalents.
2. Assistant general managers or their equivalents.
3. Deputy assistant general managers or their equivalents.
4. Chief financial officers.
5. Chief accounting officers.
6. Other persons authorized to manage affairs and sign documents on behalf of a company.

Article 4 Rules of meeting

Meetings of the Committee shall be held at least two 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 convener of the committee shall be the chairman. 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 there is no other independent director on the Committee, the convener shall appoint another Committee member to act on his or her behalf. 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.

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. The proxy may accept a proxy from one person only. 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.

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. The meeting minutes shall be handled with accordance with the Regulation Article 10.

Article 5 Resources to be provided when the Committee exercises its powers

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.

Article 6 Implementation of meeting resolutions

The execution of tasks relating to resolutions adopted by the Committee in accordance with its duties or subsequent work may be delegated to the convener or other Committee members for follow-up, with a written or verbal report to be presented to the Committee during the implementation period. When necessary, the matter shall be presented for ratification or a report made at the next meeting of the Committee.

Article7 Unmentioned matters

If the Charter has any matters not mentioned herein, the Company shall handle with accordance with the Act, the Regulation and rules by the authorities.

Article8 Amendments

The Regulation and any amendments hereto, shall be implemented after approval by a board of directors.