GigaDevice Semiconductor Inc.

Terms of Reference of the Remuneration and Appraisal Committee of the Board of Directors

Chapter 1 General Provisions

Article 1 To standardize the compensation and performance appraisal mechanisms for the Company's directors and senior management members, and to enhance the corporate governance structure, the Company hereby establishes the Remuneration and Appraisal Committee of the Board and formulates these Terms of Reference (hereinafter referred to as these Terms) in accordance with the Company Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and the articles of association of GigaDevice Semiconductor Inc. (hereinafter referred to as the "Articles of Association").

Article 2 The Remuneration and Appraisal Committee of the Board is a specific working body of the Board and is accountable to the Board.

Chapter 2 Membership

Article 3 The Remuneration and Appraisal Committee shall comprise three directors, with independent directors forming the majority.

Article 4 The members of the Remuneration and Appraisal Committee shall be nominated by the chairman of the Board, or more than half of the independent directors, or more than one-third of all directors, and shall be elected by the Board.

Article 5 The Remuneration and Appraisal Committee shall have one chairperson, who shall be an independent director, and shall be responsible for presiding over the work of the Committee.

Article 6 The term of office of the Remuneration and Appraisal Committee shall be the same as that of the Board. The members may be re-elected upon expiration of their term of office. During the term, if any member ceases to serve as a director of the Company, such member shall automatically lose his/her Committee membership, and the Board shall fill the vacancy in accordance with these Terms.

Chapter 3 Duties and Powers

Article 7 The Remuneration and Appraisal Committee shall be responsible for formulating the appraisal criteria for directors and senior management members and conducting such appraisals; formulating and reviewing remuneration determination mechanisms, decision-making procedures, payment and clawback arrangements, and other remuneration policies and schemes for directors and senior management members; and making recommendations to the Board on the following matters:

(I) the remuneration of directors and senior management members (including non-monetary benefits, pension rights, and compensation amounts, including compensation for loss or termination of office or appointment);

(II) recommendations to the Board on the overall remuneration policy and structure for the Company's directors and senior management members, and on the establishment of formal and transparent procedures for developing remuneration policies;

(III) reviewing and approving management's remuneration proposals with reference to the corporate strategies and objectives set by the Board;

(IV) considering salaries paid by comparable companies, the time commitment and responsibilities of the relevant roles, and the employment conditions of other positions within the Group;

(V) reviewing and approving compensation payable to executive directors and senior management members for loss or termination of office or appointment, to ensure that it is consistent with contractual terms; where such terms are not consistent, ensuring the compensation is fair and reasonable and not excessive;

(VI) reviewing and approving compensation arrangements relating to the dismissal or removal of a director for misconduct, to ensure that they are consistent with contractual terms; where such terms are not consistent, ensuring the compensation is reasonable and appropriate;

(VII) ensuring that no director or any of his/her associates (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) shall participate in determining his/her own remuneration;

(VIII) formulating or revising equity incentive schemes, employee share schemes (including matters relating to share schemes under Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited), the grant of incentives to eligible participants, and the vesting conditions for such incentives;

(IX) matters relating to directors and senior management members participating in shareholding plans of subsidiaries proposed to be spun off;

(X) other matters as stipulated by laws, regulations, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

Article 8 Remuneration and appraisal plans or schemes for directors, and draft equity incentive plans proposed by the Remuneration and Appraisal Committee shall be submitted to the Board for agreement and then to the shareholders' meeting for approval before implementation. Remuneration and appraisal plans or schemes for senior management members of the Company shall be submitted to the Board for approval.

Article 9 The Remuneration and Appraisal Committee shall consult the chairman of the Board and/or the general manager with respect to the remuneration proposals for other executive directors. Where necessary, the Remuneration and Appraisal Committee may seek independent professional advice.

Article 10 The Remuneration and Appraisal Committee shall make public on the website of The Stock Exchange of Hong Kong Limited and the Company its terms of reference, giving an explanation of its role and the powers delegated to it by the Board.

Chapter 4 Decision-making Procedures

Article 11 The relevant departments of the Company shall cooperate with the Committee in preparing the documents or materials required prior to the Committee's decision-making, including:

(I) Providing the Company's key financial indicators and the status of achievement of its operational targets;

(II) Information on the work scope and principal duties of the Company's directors and senior management members;

(III) Providing the status of completion of the indicators under the performance appraisal system for directors and senior management members;

(IV) Providing the operational performance of directors and senior management members with respect to business innovation capabilities and profitability;

(V) Providing the relevant calculation bases for formulating the Company's remuneration distribution plan and distribution methods based on the Company's performance.

Article 12 The Remuneration and Appraisal Committee shall, in accordance with the Company's appraisal standards, draft appraisal recommendations and, after review, submit them to the Board of the Company. The Board of the Company and the shareholders' meeting shall review and decide thereon within their respective authorities.

Chapter 5 Rules of Procedure

Article 13 Members of the Remuneration and Appraisal Committee have the right to propose convening a meeting. Upon receiving such proposal, the chairperson shall convene the meeting within 10 days and notify all members 5 days prior to the meeting. A meeting may also be convened at any time with the unanimous consent of all members.

Article 14 Meetings of the Remuneration and Appraisal Committee shall be presided over by the chairperson. If the chairperson is unable to preside, another independent director serving on the Committee may be entrusted to preside.

Article 15 A meeting of the Remuneration and Appraisal Committee shall be held only when more than two-thirds of the members are present. Each member shall have one vote; resolutions adopted at the meeting must be approved by a majority of all members.

Article 16 Voting at meetings of the Remuneration and Appraisal Committee may be conducted by a show of hands or by ballot; meetings may also be conducted through telecommunications.

Article 17 The secretary to the Board shall attend meetings of the Remuneration and Appraisal Committee, and other directors and senior management members of the Company may be invited to attend when necessary.

Article 18 Members of the Remuneration and Appraisal Committee and other attendees shall owe a duty of confidentiality with respect to the matters discussed at the meetings and shall not disclose any relevant information without authorization.

Article 19 Meetings of the Remuneration and Appraisal Committee shall be attended in person by the members. If a member is unable to attend for any reason, he/she may appoint another member in writing to attend on his/her behalf. A member who neither attends a meeting nor appoints a representative to attend shall be deemed to have waived the right to vote at that meeting.

Article 20 Where necessary, the Remuneration and Appraisal Committee may engage intermediaries to provide professional advice for its decision-making, and the related expenses shall be borne by the Company.

Article 21 The procedures for convening meetings of the Remuneration and Appraisal Committee, the voting methods, and the resolutions adopted at the meeting shall comply with relevant laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed, the Articles of Association, and these Terms.

Article 22 Meetings of the Remuneration and Appraisal Committee shall have minutes, which shall be signed by the members attending the meeting. The meeting minutes shall be kept by the Office of the Board for a period of no less than 10 years.

Article 23 The resolutions and voting results at the meetings of the Remuneration and Appraisal Committee shall be reported to the Board of the Company in written form. If the Board does not adopt or does not fully adopt the recommendations of the Remuneration and Appraisal Committee, the Board resolution shall set out the Committee's views and the specific reasons for not adopting them, and such matters shall be disclosed.

Chapter 6 Supplementary Provisions

Article 24 For the purpose of these Terms, the term "above" includes the given number, while the term "more than" excludes the given number.

Article 25 These Terms shall take effect upon approval by the Board and from the date on which the Company's H shares are listed on The Stock Exchange of Hong Kong Limited.

Article 26 For matters not expressly provided for in these Terms, or if any provision herein conflicts with national laws, administrative regulations, or securities regulatory rules of the place where the shares of the Company are listed, such laws, administrative regulations, and securities regulatory rules of the place where the shares of the Company are listed shall prevail.

Article 27 The power of interpretation of these Terms shall rest with the Board of the Company.

GigaDevice Semiconductor Inc.
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