Compensation Management Policy

Building a Fair, Competitive, and Incentive-Driven Total Rewards System

I. Compensation Philosophy

The Company is committed to building a “total rewards” philosophy . In addition to offering market-competitive financial compensation, the Company places strong emphasis on employees’ overall work experience, including a high-quality management culture, sufficient support for growth, career development opportunities, and sincere human-centered care.

II. Compensation Determination Principles

- **Value-Oriented**: Employees’ compensation is closely linked to the value they create for the Company and their job performance.

- **Fairness and Competitiveness**: Compensation is determined based on a comprehensive assessment of position value, individual capabilities, performance, and market conditions to ensure internal equity and external competitiveness.

- **Transparent Incentives**: The compensation structure and the ratio of fixed to variable pay are clearly defined to motivate employees to ahieve high performance.

III. Compensation and Benefits System

- **Compensation Components**: Monthly compensation consists of base salary, position-based salary, overtime pay, and allowances; annual total income also includes annual bonuses determined based on Company and individual performance.

- **Differentiated Fixed-to-Variable Pay Ratio**: Different ratios of fixed salary to variable bonuses are set according to the responsibilities and risks associated with different job levels, thereby strengthening incentives.

- **Comprehensive Benefits**: In addition to statutory benefits, including five social insurances and one housing fund, the Company provides distinctive supplemental benefits, such as holiday allowances, heat allowances, commuter shuttle service, free health check-ups, meal subsidies, marriage and childbirth gifts, birthday greetings, team-building activities, and free vaccination with vaccines independently developed by the Company.