

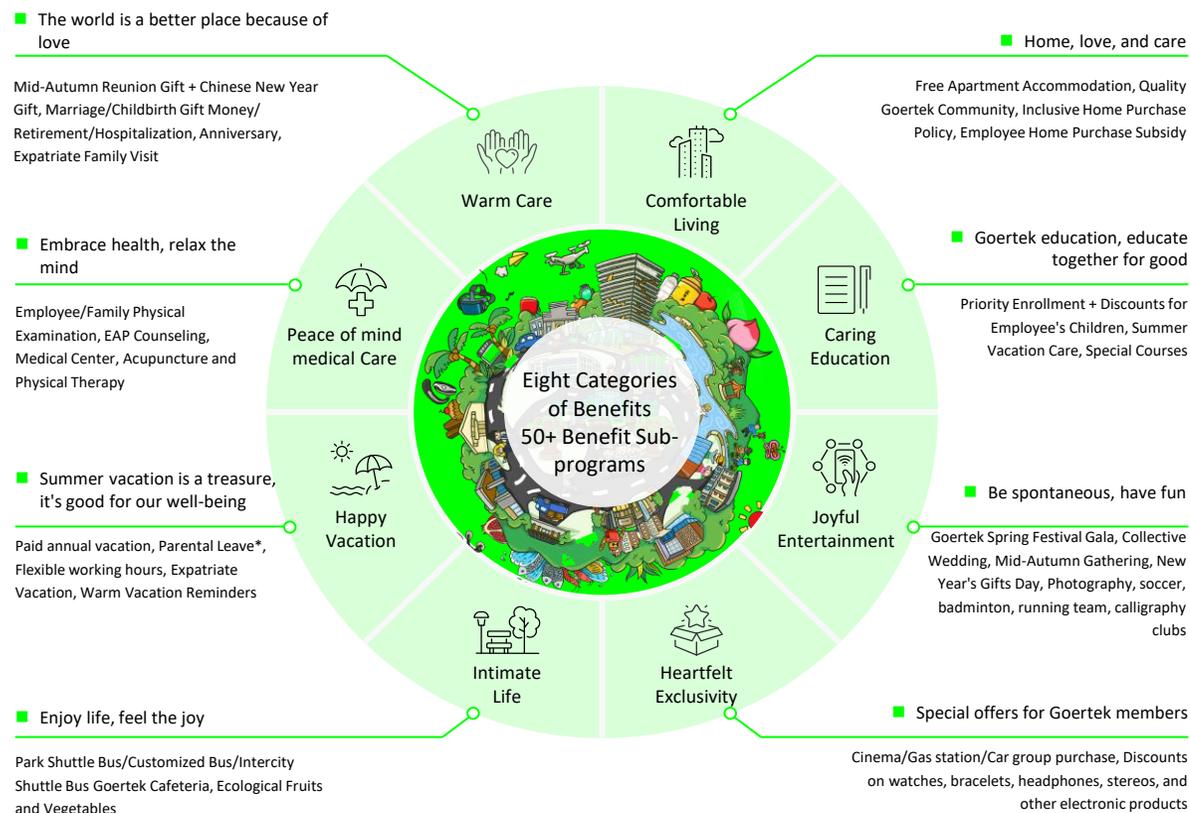
# Employee Remuneration and Welfare

The Company has formulated internal systems such as the *Remuneration Management System* and the *Employee Welfare Manual* to build and continuously improve the remuneration and welfare management system, and to supervise and guide the standardized operation of the remuneration and welfare systems of its subsidiaries. Meanwhile, subsidiaries have formulated differentiated remuneration and benefit policies according to their respective operating sites to meet the individual needs of local employees and further enhance employee experience.

## Welfare System

The Company strictly follows the national laws and regulations and the relevant policies of the local government to protect the welfare rights and interests of all employees, including social insurance, housing fund, diversified vacation arrangement, and diversified vacation and flexible working system.

Meanwhile, the Company has set up a diversified welfare system characterized by home culture, and is committed to enhancing employees' sense of belonging and happiness. The Company provides diversified welfare programs for all employees, covering eight categories: comfortable living, caring education, joyful entertainment, heartfelt exclusivity, intimate life, happy vacation, peace of mind medical care, and warm care, and continuously organizes creative and temperature coexisting welfare activities, to comprehensively, multi-level and three-dimensional protect employees' welfare.



\*Goertek provides no less than 14 weeks of paid parental leave, including maternity and paternity leave, to all eligible employees worldwide.

## Compensation and Incentive System

The Company has formulated a compensation and incentive system which covers all employees globally, with a complete structure, sharing, focusing on differences and protection, and highlighting the characteristics of benefits, and has gradually improved the incentive mechanism oriented to high performance and high incentives, prioritizing the allocation of resources to talents with excellent performance and key position groups, and continuously improving the competitiveness of the compensation of high-contribution and high-potential employees.

The Company has established a performance-based appraisal and compensation system covering all employees globally, continuously optimizes the internal performance appraisal system, and the continuously optimized salary distribution mechanism ensures that salary distribution is closely linked to individual and team performance, creating a high-performance culture. The Company breaks down strategic objectives, organizational objectives, and individual objectives into layers, forming a closed-loop process from performance objective setting, performance implementation and coaching, performance evaluation and performance feedback. At the same time, the Company adopts a data-driven performance evaluation mechanism to objectively evaluate the performance of employees, and sets up a multi-round communication mechanism to guarantee the fairness of the assessment.

The Company's compensation package consists of base salary and variable compensation, with the latter including:

- Year-end bonus linked to company performance & individual performance
- Long-term incentive
- Project-based incentives, instant incentives, etc.
- Other incentives, e.g. Annual Outstanding Individual

**Long-term incentive mechanism**

The Company implements employee shareholding and option incentive plans for core business backbones, and through the innovation of equity incentive mechanism, conducts assessment based on the assessment indexes or work performance set at each assessment stage, and continuously improves the formation of a well-balanced value distribution system, so that the core staff can continue to share the growth of the Company's value.

**Specialized incentive mechanism**

For key positions and talents supporting the development of the Company's strategic new business, the Company has implemented special salary adjustment strategies to realize precise talent attraction and retention. The Company continues to raise the salary level of fresh graduates, and implements the "Talent Retention Award" incentive program for high-potential talents and the "Moat (Talent Retention)" incentive program for core engineers to protect the talent pool.