



WT MICROELECTRONICS

Compensation & Clawback Policy

Effective January 31, 2024



To establish a framework for the assessment of executive compensation, encompassing the Chief Executive Officer, President, and Vice President, we hereby introduce the Compensation and Clawback Policy, hereinafter referred to as "this Policy." The overarching purpose extends beyond the mere alignment of compensation packages with relevant legal statutes and the attraction of exceptional talents; it also embraces the solemn obligation of preserving the rights and interests of our esteemed shareholders.

Performance Appraisal Criteria

The assessment of performance and remuneration for executives, encompassing the Chief Executive Officer, President, and Vice President, is conducted in strict accordance with the Company's "Regulations Governing Compensation Payment for Executive Officers." The Remuneration Committee shall diligently fulfill their responsibilities in accordance with the following criteria:

1. Performance assessments and compensation levels shall consider industry-wide remuneration standards, individual performance appraisal outcomes, the temporal investments and responsibilities of the individuals, the degree of goal attainment, their performance in other roles, and the compensation awarded to peers occupying equivalent positions in recent years. Additionally, the evaluation shall encompass the rationality of the connection between an individual's performance and the Company's operational performance, as well as prospective risk exposure, in relation to the realization of short-term and long-term corporate objectives and the financial standing of the Company.
2. Scrutiny shall be applied to ascertain the existence of moral or other risks that might engender detrimental effects on the Company's image, reputation, or internal management.
3. Prudence and judiciousness shall guide the determination of the



content and magnitude of compensation for Executive Officers. Substantial misalignment with financial performance is to be avoided. In the event of a significant decline in profits or enduring losses, it is inadvisable for such compensation to exceed that of the preceding year.

4. In alignment with the principles of sustainable development, the assessment incorporates a focus on and participation in sustainable development aspects related to the environment, corporate governance, and social contributions. Within the assessment, environmental performance should constitute at least 5% and social performance at least 5%.

Clawbacks & Malus

Simultaneously, to deter executives, including the Chief Executive Officer, President, and Vice President, from engaging in actions that surpass the Company's risk appetite for the sake of pursuing remuneration, provisions for retrieval are established based on the following objectives:

1. Mitigate the risk posed by executives, such as the Chief Executive Officer, President, and Vice President, manipulating the Company's financial performance.
2. Prevent executives, including the Chief Executive Officer, President, and Vice President, from gaining undue benefits and manipulating financial statements.
3. Enforce disciplinary measures when executives, including the Chief Executive Officer, President, and Vice President, violate regulations.

If significant illegal or non-compliant actions occur due to improper conduct by executives, including the Chief Executive Officer, President, and Vice President, resulting in substantial risk losses or necessitating the



restatement of financial statements, the Company will reclaim the "excess" compensation received by current or former executives for their improper conduct and the significant risk losses incurred. "Excess" compensation refers to the difference between the compensation assessed based on the restated financial statements and the original compensation.

The content and reasonableness of the aforementioned compensation, as well as the excess compensation, undergo scrutiny by the Remuneration Committee and are subsequently presented to the Board of Directors for deliberation and approval. Furthermore, the remuneration system is periodically reviewed in consideration of operational conditions and relevant legal provisions, aiming to strike a balance between sustainable corporate operation and risk management.

Signed

A handwritten signature in black ink, appearing to read 'Gu Cheng', written in a cursive style.

Chairman of the Board
WT Microelectronics Co., Ltd