



Tongwei Co., Ltd

Policy for Performance-Based Pay and its Clawbacks

1. Purpose

This policy is designed to effectively motivate the Company's Chief Executive Officer (hereinafter referred to as "CEO") and its senior executives (hereinafter referred to as "executives"). It aims to enhance their duties and performance, strengthen the sense of responsibility for mutual growth with the Company, fully engage their motivation and innovative capabilities, and ensure that their actions align with the Company's sustainable development goals and its shareholders' long-term interests.

2. Scope of Application

This policy applies to the CEO and executives of Tongwei Co., Ltd.

3. CEO Performance-Based Pay Policy

(1) Compensation Structure

The CEO's compensation consists of two components: fixed salary and performance-based awards. Fixed salary provides a stable income for the CEO's daily role execution, determined based on industry salary benchmarks, the Company's operational scale, and the position's value. Performance-based awards are linked to the achievement of the Company's financial performance and strategic objectives.

(2) Performance-Based Award Metrics

The CEO's performance-based awards are linked to the company's financial performance metrics (such as Return on Assets, Return on Equity, Return on Invested Capital, etc.). These financial indicators serve as the core evaluation basis for performance pay, closely aligned with the company's annual operational plans and long-term strategic objectives. The specific calculation, payout schedule, and entitlement conditions of performance-based compensation will be dynamically adjusted based on the actual achievement of these metrics, ensuring precise alignment between performance pay and contribution to results.

4. Executive Performance-Based Pay Policy

The pay structure consists of two components: fixed salary and performance-based reward. The performance-based rewards are linked to the financial performance indicators and ESG performance indicators of the Company.

(1) The financial performance indicators include the Company's revenue, profit, cost and other indicators.

(2) ESG performance indicators include the achievement of the Company's internal ESG targets

and external ESG ratings. ESG targets encompass but are not limited to climate change management targets, energy saving and emission reduction targets, innovative research and development targets, employee management targets, green supply chain management targets, safe production targets, business ethics and anti-corruption management targets.

Annual comprehensive assessment is adopted to determine executive performance-based pay, ensuring active participation and continuous improvement of the Company's executive team in advancing the overall corporate targets.

5. Performance-Based Pay Clawback Mechanism

The Company has established an explicit clawback provision specifically for its CEO and executives. (1) For CEO: Under this policy, if within a designated period following the grant of compensation any of the following circumstances occur: restatement of financial results, identified errors in reported financial information, direct misconduct by the CEO, or other improper actions by the CEO that result in material inaccuracies in financial reporting, the Company shall reclaim performance-based compensation (including both short-term and long-term incentives) previously awarded to the CEO. (2) For Executives: In instances where executives fail to achieve the performance indicators corresponding to their performance-based pay, engage in falsification of performance appraisal results, significantly harm the Company's interests, violate the code of ethics, or commit legal violations, the clawback mechanism will be triggered in accordance with the Company's policy.

The Company has a dedicated auditing department that ensures the clawback process is

conducted in a lawful, compliant, and equitable manner, in accordance with the Company's regulations and auditing procedures.

6. Other

The Company publishes information on pay arrangements in the annual report and other disclosures to enhance the transparency of the Company's pay practices.



CEO: Shuqi Liu

Tongwei Co., Ltd

Date: July 2025

Remarks:

1.This document is interpreted and revised by Tongwei Co, Ltd. To ensure the efficacy and timeliness of this policy, the Company will make necessary revisions or updates in a timely manner based on the actual operation and changes in laws and regulations.

2.In the event of any inconsistencies between the Chinese and English versions of this document, the Chinese version shall prevail.