

KYE Systems Corp.

ESG Performance and Manager Compensation Linkage Policy

2024.12.20

In order to encourage managers to pursue the company's performance and profit goals, and at the same time pay attention to the company's sustainable development and long-term competitiveness when formulating and executing business decisions, this policy is specially formulated as the basis for managers' changes in reward payments.

The sustainable performance indicators of variable rewards for general managers, CEOs and persons with equivalent ranks are as follows:

Indicators	Weight	Explanation
Economic indicators	35~40%	The company's financial performance and peer comparison levels, such as operating and profit performance, growth rate, budget achievement rate, ROE, market capitalization and other comprehensive data.
Strategic indicators	35~40%	According to the annual strategic goals, such as AI digital transformation, strategic products, markets and customers, manufacturing, sustainable development performance opportunities and risk management, corporate governance evaluation scores, green design, low-carbon production and other major themes, we will adapt accordingly. Each indicator accounts for 5~10%.
Sustainability and internal control indicators	20~30%	Fulfill three major sustainability commitments: various key tasks and specific achievement status of honest operation, risk control and friendly environment. Each indicator accounts for 8~10%.
Others	Bonus	Promote social issues such as talent cultivation and improving the salary of grassroots employees.

The sustainable performance indicators of variable rewards for other managers and those with equivalent ranks are as follows:

Indicators	Weight	Explanation
Economic indicators	25~30%	The company's financial performance and peer comparison levels, such as operating and profit performance, growth rate, budget achievement rate, ROE and other comprehensive data.
Major topic solutions	40~50%	For example, promoting honest management, legal compliance, corporate governance evaluation scores, green design, energy-saving products, etc. Each indicator accounts for 10~15%.
Climate change solutions	20~35%	Improving internal climate awareness: achievement of goals such as carbon reduction commitments (such as greenhouse gas inventory and certification), water and electricity conservation, and waste reduction promotion by all employees. Each indicator accounts for 10~15%.
Others	Bonus	Other business promotion and contributions related to job responsibilities.