



USI Fair Compensation and Living Wage Management Mechanism

I. Fair Compensation Framework and Implementation Principles

All compensation designs at USI adhere to the core principles of our Fair Compensation Framework, establishing an equitable and competitive remuneration system. We regularly review salary levels to ensure that employees across all facilities receive a living wage sufficient to maintain a decent standard of living. Furthermore, we are dedicated to maintaining the market competitiveness of overall employee compensation to support the enterprise's talent retention strategy. The core principles and implementation methods are as follows:

- **Wages to Ensure a Decent Standard of Living:** All global employees, regardless of job types and categories, shall receive a wage (including basic salary, assured allowances, and fixed cash incentives) within legal working hours that is at least sufficient to meet decent living needs, which is benchmarked against living wage standards. Additionally, all compensation settings must comply with the local regulations of the operating locations.
- **Market-Based and Competitive Fixed Wages:** Fixed wages shall be based on market realities, fairly reflecting employees' skills, education, and experience, and grounded in tripartite social dialogue and collective bargaining. Fixed wages are reviewed and adjusted periodically to meet or exceed the statutory minimum wage.
- **Non-Discriminatory Compensation:** Adhering to the principle of fair compensation, we ensure equal pay for equal work. No differentiated treatment shall be tolerated based on factors such as race, age, position, gender, skin color, religion, nationality, sexual orientation, marital status, number of dependents, disability, social class, or political affiliation.
- **Performance-Driven Variable Pay:** Variable pay is linked directly to both corporate and individual performance, rewarding employees based on their actual contributions. Employees participate in incentive schemes in accordance with established reward systems.
- **Transparent and Communicable Remuneration System:** All compensation items are designated with openness, fairness, consistency, and explainability, backed by a complete payroll system to assist employees in understanding the structure, expected amounts, and payment methods of their remuneration package. Unions or employee representatives jointly review wage issues through collective bargaining mechanisms, and multiple grievance handling channels are provided.

II. Living Wage Assessment Operations

- **Benchmarks and Methodology:** Our living wage protection strategy comprehensively covers global operating sites, including Shanghai, Huizhou, Kunshan, and Suzhou in Mainland China; Nantou in Taiwan; Hai Phong in Vietnam; and Guadalajara in Mexico, focusing on global grassroots employees (skilled positions) as our core scope. USI has engaged the Center for Corporate Sustainability Impact at Tunghai University to utilize the internationally recognized Anker Methodology and the WageIndicator Foundation database as localized living cost benchmarks, thereby supporting fair compensation management across all global operating facilities.
- **Normalized Mechanism:** USI integrates this living wage assessment principle into its annual compensation review and adjustment processes. Through periodic evaluation and optimization, the Company demonstrates its long-term care for employee well-being through concrete corporate actions.