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Universal Scientific Industrial (Shanghai) Co., Ltd.

Remuneration Policy for Directors and Senior Management

Chapter I General Provisions

Article 1 To further improve the corporate governance structure of Universal Scientific Industrial (Shanghai) Co., Ltd. (hereinafter referred to as the “Company”), and to strengthen and standardize the remuneration management mechanism for directors and senior management, this policy is formulated in accordance with relevant laws and regulations such as the Code of Corporate Governance for Listed Companies, in conjunction with the Articles of Association of Universal Scientific Industrial (Shanghai) Co., Ltd. (hereinafter referred to as the “Articles of Association”) and the actual circumstances of the Company, so as to promote healthy, sustainable, and stable development of the Company.

Article 2 This policy applies to the following personnel:

- (1) Members of the Board of Directors: including independent directors and non-independent directors (including employee representative directors);
- (2) Senior management personnel: referring to the President, Vice Presidents, Board Secretary, and Chief Financial Officer appointed by the Board of Directors.

Article 3 Management of remuneration for directors and senior management shall follow these principles:

- (1) Remuneration levels shall reference standards of comparable listed companies in the same industry and region, ensuring openness, fairness, and transparency;
- (2) Remuneration shall be linked to the Company’s operating performance and long-term interests and be commensurate with the Company’s scale;
- (3) Distribution based on performance, combined with responsibilities, authority, and benefits;
- (4) Performance priority, reflecting value distribution through sharing of benefits and risks with the Company;
- (5) Equal emphasis on incentives and constraints, with corresponding rewards and penalties.



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Chapter II Remuneration Governance Body

Article 4 The remuneration plans for directors and senior management shall be formulated by the Remuneration Committee of the Board of Directors, specifying the basis and structure of remuneration.

Authorized by the Board of Directors, the Remuneration Committee is responsible for:

- (1) Establishing assessment standards and conducting evaluations of directors and senior management;
- (2) Formulating and reviewing remuneration policies and plans, including decision-making mechanisms, procedures, and payment and clawback arrangements;
- (3) Making recommendations to the Board of Directors regarding remuneration.

Article 5 The remuneration plan for directors shall be determined by the shareholders' meeting and disclosed. When the Board of Directors or the Remuneration Committee evaluates or discusses a certain director's remuneration, the director concerned shall abstain.

Article 6 The remuneration plan for senior management shall be approved by the Board of Directors, explained to the shareholders' meeting, and fully disclosed.

Article 7 Where the Company's financial performance records a loss, the Company shall, at each stage of reviewing remuneration for directors and senior management, provide specific clarification as to whether any adjustments are consistent with performance linkage requirements.

Article 8 The Human Resources Department shall assist the Remuneration Committee in formulating and implementing remuneration plans.

Chapter III Composition and Standards of Remuneration

Article 9 Directors' remuneration consists of fixed allowances, base salary, performance-based salary, and medium- to long-term incentive income.

- (1) Fixed allowances for independent and non-independent directors shall be



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determined with reference to industry compensation levels, taking into account the Company's scale and Board operations, and subject to approval by the shareholders' meeting.

- (2) For non-independent directors who hold other positions within the Company, in addition to director allowances, the composition, determination, and payment of their remuneration shall be governed by the provisions of Articles 10 to 13 of this policy.

Article 10 Senior management remuneration consists of base salary, performance-based salary, and medium- to long-term incentive income. Performance-based salary shall generally account for no less than 50% of the total of base salary and performance-based salary.

- (1) Base salary: Determined based on job responsibilities, capabilities, and industry compensation levels.
- (2) Performance-based salary: Based on annual personal work objectives and linked to the Company's annual operating performance and sustainable development; distributed at year-end according to evaluation results by the Remuneration Committee.
- (3) Medium- to long-term incentive income: Linked to medium- to long-term assessment results, rewarding long-term performance and contributions; includes equity, stock options, employee stock ownership plans, and other long-term incentives or bonuses formulated by the Company.

Article 11 Performance-based salary and medium- to long-term incentive income of senior management shall be determined and paid based on performance evaluation, with assessment conducted prior to distribution. After each fiscal year, the Remuneration Committee shall organize performance evaluations of senior management based on the Company's strategy, annual plans, and individual achievements, and supervise the implementation of compensation policies.

Article 12 Performance evaluations shall be based on audited financial data, and a portion of performance-based salary shall be paid after disclosure of the annual report and completion of evaluations.



Article 13 Variable remuneration of senior management shall be linked to the Company’s Environmental, Social, and Governance (ESG) performance, with defined weightings to incentivize achievement of short-, medium-, and long-term goals.

Base Salary	The Company determines base salary based on job responsibilities and individual capabilities, taking into account industry compensation benchmarks.	
Variable Compensation (including performance-based compensation and mid- to long-term incentive income)	Financial Metrics (60%)	Revenue, operating profit, earnings per share (EPS), return on equity (ROE), return on invested capital (ROIC), etc
	Sustainability Metrics (20%)	<ol style="list-style-type: none"> 1. Inclusion in the <i>S&P Global Sustainability Yearbook</i> 2. Climate strategy-related performance, including greenhouse gas emissions, proportion of renewable energy usage, energy intensity, etc. 3. Achievement of sustainability goals by each business unit aligned with material topics
	Strategic Metrics (20%)	Guided by four core sustainability strategies — Low Carbon, Circular, Collaborative, and Inclusive — the Company advances modularization, globalization, vertical integration, and smart manufacturing, fosters a diverse and inclusive work environment, strengthens value-chain partnerships, and contributes to environmental sustainability.

Chapter IV Payment of Remuneration

Article 14 Allowances for independent directors and non-independent directors without other Company positions shall be paid monthly from the date of approval of their appointment by the shareholders’ meeting. Remuneration for non-independent directors holding other positions in the Company and for senior management shall be paid in accordance with Company compensation policies.

Article 15 All remuneration amounts are stated on a pre-tax basis. The Company shall withhold and remit individual income tax and other amounts to be borne by the individual in accordance



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with applicable laws and Company policies, and the remaining amount shall be paid to the individual.

Article 16 Where directors or senior management cease to hold office due to completion of a term, reappointment, resignation, or other reasons, their remuneration shall be calculated and paid based on their actual tenure and performance.

Chapter V Suspension and Clawback of Remuneration

Article 17 The Remuneration Committee may, under authorization of the Board of Directors, assess whether it is necessary to initiate clawback procedures in respect of specific directors and senior management for performance-based salary and long-term incentive income.

Article 18 In cases of financial restatement due to misstatements such as financial fraud, performance-based remuneration and long-term incentives shall be reassessed and excess payments recovered.

Article 19 Where directors or senior management breach their duties, thereby causing losses to the Company, or are found to be at fault in connection with violations such as financial fraud, fund misappropriation, or illegal guarantees, the Company shall, depending on the severity of the circumstances, reduce or suspend any unpaid performance-based remuneration and long-term incentive income, and may recover, in whole or in part, any amounts already paid during the period in which such conduct occurred.

Chapter VI Adjustment of Remuneration

Article 20 The remuneration system shall serve the Company's business strategy and be adjusted in accordance with changes in operating conditions to support its further development.

Article 21 The remuneration of directors and senior management shall be adjusted based on the following factors:

(1) Industry compensation trends:

Reference shall be made to annual increases in compensation levels within the same industry, based on market compensation reports and publicly available



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remuneration data, which shall be collected, consolidated, and analyzed as a basis for adjustment;

(2) Inflation levels:

Adjustments shall take into account inflation rates, with the objective of maintaining the real purchasing power of remuneration;

(3) Company profitability and individual performance;

(4) Organizational restructuring;

(5) Changes in job positions;

(6) Other circumstances deemed necessary by the Board of Directors.

Chapter VII Supplementary Provisions

Article 22 Matters not covered herein shall be governed by relevant national laws, administrative regulations, normative documents, and the Articles of Association. In case of conflict with future laws or revised Articles of Association, the latter shall prevail, and this policy shall be amended accordingly if necessary.

Article 23 The Board of Directors reserves the right to interpret this policy.

Article 24 This policy shall take effect upon approval by the shareholders' meeting and shall be implemented retroactively from January 1, 2026.

Universal Scientific Industrial (Shanghai) Co., Ltd.

April 24, 2026