

SICC CO., LTD.

THE REMUNERATION MANAGEMENT SYSTEM OF DIRECTORS AND SENIOR MANAGEMENT MEMBERS

Chapter I General Provisions

Article 1 In order to further improve the remuneration management of the Directors and senior management members of SICC CO., LTD. (the “**Company**”), establish a scientific and effective incentive and constraint mechanism, fully motivate the work enthusiasm of the Company’s Directors and senior management members, encourage them to create outstanding performance, and enhance the Company’s operational management efficiency, this System is formulated in accordance with the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Code of Corporate Governance for Listed Companies, the Shanghai Stock Exchange Self-Regulatory Guidelines for Listed Companies on the Science and Technology Innovation Board No. 1 -Standardized Operation and other relevant laws and regulations, the relevant regulatory rules of the securities regulatory authorities and stock exchanges of the place where the Company’s shares are listed (collectively, the “**securities regulatory rules of the place where the Company’s shares are listed**”), and the Articles of Association of SICC CO., LTD. (the Articles of Association), based on the actual conditions of the Company.

Article 2 This System applies to the Company’s Directors and senior management members. Senior management members refer to the general manager, deputy general managers, chief financial officer (financial officer in charge), chief technology officer, secretary to the Board of Directors, and other persons who are confirmed by a resolution of the Board of Directors as holding important positions.

Article 3 The remuneration system for the Directors and senior management members of the Company adheres to the following principles:

- (I) Adhere to the principle of combining remuneration with the Company’s long-term interests;
- (II) Adhere to the principle of combining remuneration with the actual conditions of the Company, including its scale and performance;
- (III) Adhere to the principle of distribution according to work, combining remuneration with job responsibilities and performance of duties;
- (IV) Adhere to the principle of placing equal emphasis on incentive and constraint;
- (V) Adhere to the principle of compliance and legality, strictly observing relevant national and local laws and regulations.

Chapter II Remuneration Management Body

Article 4 The Remuneration and Assessment Committee of the Board of Directors of the Company is responsible for formulating the assessment criteria for the Company's Directors and senior management members and conducting their assessments; and formulating and reviewing the remuneration policies and plans for Directors and senior management members, including the mechanism for determining remuneration, decision-making processes, payment arrangements, and suspension of payment and recovery arrangements. The Company may engage a third party to carry out performance evaluation.

The appraisals of duty performance of independent Directors shall be conducted by way of self-evaluation and mutual evaluation.

The human resources department of the Company is responsible for cooperating with the Remuneration and Assessment Committee of the Board of Directors in formulating and implementing specific remuneration schemes for Directors and senior management members, as well as formulating and assessment criteria for performance and duty performance.

Article 5 The specific duties of the Remuneration and Assessment Committee of the Board of Directors include:

- (I) Formulating remuneration plans or schemes based on the main scope, responsibilities, significance of the management positions of Directors and senior management members, as well as the remuneration levels of relevant positions in other relevant enterprises;
- (II) The remuneration plans or schemes shall include, but not be limited to, performance evaluation criteria, procedures and key evaluation systems, as well as major plans and systems for rewards and punishments;
- (III) Reviewing the performance of the Company's Directors and senior management members in fulfilling their duties and conducting annual performance appraisals thereof;
- (IV) To supervise the implementation of the Company's remuneration system;
- (V) Other matters authorised by the Board of Directors.

Article 6 Matters of Directors' remuneration shall be decided by the shareholders' meeting and shall be disclosed. When the Board or Remuneration and Assessment Committee assesses an individual Director or discusses his/her remuneration, such Director shall abstain from voting.

Remuneration plans for senior management members shall be approved by the Board of Directors, explained to the shareholders' meeting and fully disclosed.

The Board of Directors shall report the performance of duties, performance appraisal results and remuneration of Directors to the shareholders' meeting, and the Company shall disclose such reports.

When the Company incurs losses, it shall specifically explain during each stage of the remuneration review process for Directors and senior management members whether the changes to the remuneration of Directors and senior management align with the performance-linked requirements.

Chapter III Compositions and Standards of Remunerations

Article 7 The remuneration of the Company's Directors and senior management members shall be determined in accordance with the following standards:

- (I) Independent Directors: Independent Directors of the Company shall receive remuneration from the Company in the form of a fixed allowance. The allowance standard shall be considered and approved by the shareholders' meeting, and they shall not participate in the Company's internal performance assessment linked to remuneration.
- (II) Non-independent Directors: Non-independent Directors of the Company shall receive remuneration according to the remuneration standards of the senior management members positions or other positions they concurrently hold, and no separate Director allowance shall be paid. Non-independent Directors who do not hold any position in the Company shall, in principle, not receive remuneration from the Company.
- (III) The senior management members of the Company shall receive remuneration according to the relevant remuneration standards and performance assessment methods based on the specific management positions they hold in the Company.
 - 1. Basic remuneration: i.e., the monthly remuneration standard, which shall be determined based on fixed indicators such as industry remuneration levels, the individual's educational background, professional experience, working years, and the responsibility of the position held, and shall be paid on a monthly basis as a fixed salary;

2. Performance remuneration: based on the annual operating targets as the assessment benchmark, and shall be determined according to the profitability of each year and the completion of the individual's work performance.

If senior management members of the Company take personal leave, sick leave, work injury leave or pursue on-the-job studies for any reason, their salaries and benefits shall be implemented in accordance with the relevant policies of the Company.

Article 8 Remuneration of the Company's Directors and senior management members consists of basic remuneration, performance-based remuneration and medium-to-long-term incentive income, among which the proportion of performance-based remuneration shall, in principle, not be less than 50% of the total of basic remuneration and performance-based remuneration.

The remuneration for Directors and senior management members shall be commensurate with market developments, aligned with the Company's operating performance and individual performance, and coordinated with the Company's sustainable development.

Article 9 The Company may implement medium-to-long-term incentive methods to incentivise the Company's Directors and senior management members and implement corresponding performance assessments. Medium-to-long-term incentive methods include, but are not limited to, equity incentive plans, employee share ownership schemes, etc. Equity incentive plans, employee share ownership schemes and others approved by the shareholders' meeting for implementation in accordance with relevant laws, regulations and the Articles of Association shall be implemented in accordance with the applicable laws, regulations and relevant scheme provisions.

Article 10 The company should reasonably determine the salary distribution ratio for Directors, senior management members and ordinary employees based on factors such as industry standards, development strategies and job value, promote the tilt of remuneration distribution towards key positions, production frontlines and high-level and highly skilled talents in short supply, and promote the increase of the salary level of ordinary employees.

Article 11 If the Company turns from profit to loss or its loss expands compared with the previous financial year, and the average performance-based remuneration of the Directors and senior management members does not decrease correspondingly, the reasons shall be disclosed.

Article 12 The determination and payment of the performance-based remuneration and medium-to-long-term incentive income of the Company's Directors and senior management members shall take performance evaluation as an important basis.

The Company shall determine a certain percentage of the performance-based remuneration of its Directors and senior management members to be paid after the disclosure of the annual report and performance evaluation, and such performance evaluation shall be conducted based on audited financial data.

Article 13 The procedures for performance evaluation are as follows:

- (I) When reviewing the Company's annual report, the Board of Directors determines the annual business strategy;
- (II) Based on the annual business strategy, the Remuneration and Assessment Committee formulates the annual appraisal targets for the Directors and senior management members of the Company
- (III) The Remuneration and Assessment Committee is responsible for setting up an appraisal team, which, based on the appraisal targets and in accordance with the performance evaluation standards and procedures, conducts performance appraisals of the Directors, senior management members; the performance appraisal coefficient proposed based on the results of the performance appraisal shall be deliberated and approved by the Board of Directors.

Chapter IV Disbursement of Compensation

Article 14 Basic annual salary shall be paid on a monthly basis, and incentive bonus shall be paid after the end of the fiscal year in conjunction with the annual appraisal results.

For those who leave office due to change of term, re-election, resignation during the term of office or other reasons, remuneration shall be calculated based on their actual term of office.

Article 15 The remuneration of the Company's Directors and senior management members is pre-tax amount. The Company will, in accordance with the relevant regulations of the State and the Company, deduct the following items from wages and bonuses, and pay the remaining amount to the individual. The matters for which the Company withholds and pays on behalf of the individual include but are not limited to the following:

- (I) withholding and payment of individual income tax;
- (II) various social insurance premiums, etc., borne by the individuals;
- (III) other amounts stipulated by the State or the Company, etc., that shall be borne by the individual.

Article 16 At the beginning of each year, the annual remuneration budget for senior management members shall be formulated based on the Company's strategic objectives, performance appraisal indicators, market remuneration forecasts, etc., clarifying the remuneration budget amount for each position. When the Company's operating performance fails to meet expectations, the remuneration costs shall be controlled by controlling performance-based salary and performance bonuses, etc. It is emphasised that the payment of performance-based salary and performance bonuses is closely linked to the overall performance of the Company, departmental performance and individual performance of employees. Through performance appraisal, it ensures that remuneration input generates corresponding output benefits, thereby improving the Company's operating efficiency and competitiveness.

Chapter V Remuneration Adjustment, Suspension of Payment and Recovery

Article 17 The remuneration system of the Directors and senior management members should serve the Company's business strategy, and be adjusted accordingly as the Company's operating conditions change from time to time to meet the needs of the Company's further development. The basis for adjusting the remuneration of the Company's Directors and senior management includes but is not limited to:

- (I) changes in salary levels in the same industry;
- (II) inflation level;
- (III) the Company's operating performance and the completion of individual performance targets;
- (IV) adjustments to the Company's development strategy or organisational structure;
- (V) individual position adjustments or changes in duties.

Article 18 With the approval of the general meeting of the Company's shareholders or the Board of Directors, the Remuneration and Assessment Committee may temporarily establish special rewards or penalties for specific matters as a supplement to the remuneration of the Directors or senior management members of the Company.

Article 19 If any of the following circumstances occurs during the term of office of the Company's Directors or senior management personnel, the Company may, depending on the severity of the circumstances, reduce or stop the payment of unpaid performance remuneration and medium-to-long-term incentive income, and recover in full or in part the performance remuneration and medium-to-long-term incentive income already paid during the period in which the relevant conduct occurred:

- (I) Seriously violating the Company's rules and regulations, and receiving a disciplinary sanction of serious written warning or above from the Company;
- (II) Seriously impairs the Company's interests;
- (III) The Annual Financial Accounting Report is issued with a qualified opinion, an adverse opinion or a disclaimer of opinion by the accounting firm and certified public accountants;
- (IV) Being subject to administrative penalty by the China Securities Regulatory Commission or being publicly censured or declared as unsuitable to serve as a Director or senior management personnel of a listed company by the stock exchange due to a major violation of laws or regulations.

Article 20 When the Company's makes a retrospective restatement of its financial reports due to misstatements such as financial fraud, it shall promptly re-evaluate the performance remuneration and medium-to-long-term incentive income of the Directors and senior management personnel and accordingly recover the excess portion paid.

Article 21 Where any Director or senior management breaches his/her fiduciary duties and causes losses to the Company, or holds liable for illegal or non-compliant conduct such as financial fraud, fund misappropriation, or unauthorized guarantees, the Company shall reduce or suspend the payment of any outstanding performance-based remuneration and medium-to-long-term incentive income subject to the severity of the circumstances. The Company shall also recover in full or in part the performance-based remuneration and medium-to-long-term incentive income already paid during the period in which the relevant conduct occurred.

Article 22 Compensation provisions relating to the early termination of the appointment of Directors or senior management personnel as set out in the Articles of Association or relevant contracts shall comply with the principle of fairness, shall not harm the legitimate rights and interests of the Company, and shall not involve benefits transfer.

Chapter VI Supplementary Provisions

Article 23 Matters not covered in this System shall be dealt with in accordance with the relevant provisions of the relevant national laws, regulations, regulatory documents, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association. In the event that this System contradicts with the relevant national laws, regulations and the Articles of Association, it shall be implemented in accordance with the relevant laws, regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, and this System shall be promptly amended by the Board of Directors.

Article 24 This System is interpreted and revised by the Company's Board of Directors.

Article 25 This System shall take effect and be implemented from the date of its consideration and approval by the shareholders' meeting of the Company. Any amendment hereto shall also be considered and approved by the shareholders' meeting.

SICC CO., LTD.
March 2026