

The Policy on linking managers' compensation with ESG performance evaluation

To attract and retain key talent and achieve the company's short-, medium-, and long-term goals, Faraday uses financial indicators as performance targets and includes aspects of corporate governance, environmental, and social into these targets. This strengthens the link between mid- and long-term managers' compensation and sustainable performance, motivating employees to fully commit to achieving the company's operational and corporate sustainability goals, thereby creating greater profits for the company and its shareholders and ensuring that the interests of employees and shareholders are aligned. Therefore, managers' compensation, in addition to taking into account the company's overall operational performance, is determined based on each manager's role, contribution to the company's operations, individual performance, financial indicators, sustainability indicators (environmental, social, and corporate governance), and consideration of the company's future risks and benchmarking against peer compensation practices. After individual review and assessment of the reasonableness of overall compensation, the Compensation and Remuneration Committee submits the final decision to the Board of Directors for approval. The remuneration policies, standards, and structure are reviewed regularly based on actual operating conditions and relevant laws and regulations to ensure a balance between sustainable operations and risk management.

Total compensation	Compensation elements and weights		
Fixed	The responsibilities of the position and the relative importance of each element will be determined in reference to industry standards.		
Variable	Financial indicators	50%	Net profit margin growth rate R&D as a Percentage of Revenue
	Sustainable development indicators	50%	Corporate governance evaluation: 25% Proportion of renewable energy usage: 15% Workplace injury incidents/women in management ratio: 10%
<p>Note:</p> <ol style="list-style-type: none"> 1. Considering different compensation objectives, a diverse range of compensation components will be provided, such as performance bonuses, signing bonuses, employee remuneration, and restricted stock. 2. Based on the execution and achievement of the operational strategies and goals for which each executive is responsible. 3. The cash rewards actually received in the current year will serve as the calculation basis. 			