

Pay, Incentives, and Benefits System

Smoore has established a comprehensive and competitive pay and benefits system for its employees, along with a robust incentive mechanism. The Company is committed to enabling employees to achieve both material rewards and self-fulfillment, growing alongside the Company and sharing in its future success.

I. Incentive Pay and Non-pay Benefits System

The Company benchmarks against market-leading standards, conducts regular market pay surveys and internal pay reviews to establish a comprehensive and competitive pay and benefits system for all employees, ensuring the Company maintains a competitive edge in talent acquisition. Basic salary is determined based on factors such as job position, job level, and years of service, reflecting the basic value of labor. All employees are eligible for variable performance-based incentive pay, with performance bonuses distributed based on the Company's annual operating performance and individual employee performance. Allowances and subsidies include housing subsidies, communication subsidies, meal allowances, and overseas assignment allowances, designed to compensate employees for their efforts under specific

working conditions. Additionally, the Company provides a wide range of non-pay benefits to meet employees' diverse needs, creating a warm, growth-oriented, and inclusive work environment.

1. Performance-based variable pay

The Company fully implements organizational and individual performance management and has established a performance-based incentive pay structure. In addition to basic salaries, all employees are eligible for performance-based pay bonuses. Bonuses are awarded based on a comprehensive assessment of company performance, departmental organizational performance, and individual performance achievement.

2. Non-pay benefits

The Company provide all employees worldwide with basic benefits and holidays that comply with the legal standards of their respective countries or regions. In addition, we offer a wide range of non-pay benefits to all employees worldwide, including holiday gifts, company team-building activities, family day events, and more, to continuously enhance the happiness and sense of belonging of our global employees.

II. Employee equity programs



Smoore places great emphasis on the value of talent and adheres to the principle of 'full-range conditional coverage.' All employees are eligible for participating in equity incentive programs such as the Employee Stock Ownership Plan (ESOP) and/or Employee Stock Purchase Plan (ESPP). The specific list of recipients is determined based on core criteria such as years of service, job level, and performance, with the aim of incentivizing long-term contributions and enhancing team cohesion.