

Performance-Based Pay and Clawback Policy

1 Purpose

This policy is formulated to effectively motivate managers at all levels, personnel of other functional departments, and employees of EVE Energy Co., Ltd. (hereinafter referred to as the Company) to proactively improve their work performance and achieve higher levels of business results; to strengthen employees' sense of shared responsibility with the Company at every level; and to align the conduct of all employees with the Company's sustainable development goals and long-term value creation.

2 Scope of Application

This Policy applies to managers at all levels (including the Chief Executive Officer), personnel of other functional departments, and employees.

3 Performance-Based Pay Policy

3.1 Senior Management

The compensation of senior management (including the CEO) consists of fixed pay and performance-based incentives, the latter comprising short-term incentives and long-term incentives. These incentives are linked to the Company's financial performance indicators (such as annual revenue, profit, return on assets, return on equity, return on invested capital, etc.) as well as non-financial performance indicators that include ESG performance indicators covering multiple topics such as greenhouse gas emissions, waste emissions, resource consumption,

supply chain ESG, occupational health and safety, human capital retention, and sustainable development operations.

An annual comprehensive assessment mechanism is implemented for senior management. Performance-based compensation is determined based on the results of the annual performance assessment, ensuring that the conduct of senior management in discharging their duties remains aligned with the Company's long-term objectives and promoting the continuous improvement of governance effectiveness.

3.2 Other Personnel

The compensation of other personnel also consists of fixed pay and performance-based incentives, which include short-term incentives and long-term incentives. As the principal component of performance-based incentives, short-term incentives are linked—more than half—to performance indicators with specific targets, and these are reflected in individual annual performance contracts. Performance-based incentives are linked to individual performance indicators as well as the organizational performance of the unit to which the individual belongs; individual performance ratings are determined comprehensively with reference to organizational performance assessment results.

Organizational performance is linked to ESG performance indicators covering multiple topics such as greenhouse gas emissions, waste emissions, resource consumption, supply chain ESG, occupational health and safety, human capital retention, and sustainable development operations.

4 Performance-Based Incentive Clawback Policy

The clawback mechanism shall be triggered where a member of senior management (including the Chief Executive Officer) falls under any of the following circumstances:

- 1) **Failure to achieve performance targets:** core performance targets directly

linked to performance-based compensation are not achieved;

- 2) **Misconduct:** falsification or manipulation of performance assessment results, or conduct that seriously harms the Company's interests or violates ethical standards, laws and regulations;
- 3) **Gross negligence:** individual decision-making errors or managerial dereliction of duty that cause the Company to suffer material financial loss or reputational risk.

Once triggered, the Company will establish a dedicated working group to investigate and handle the matter, ensuring that the process complies with applicable laws and regulations.

5 Information Disclosure and Interpretation

- 5.1 The Board of Directors shall periodically review the performance commitment agreements and compensation proposals of senior management appointed by it, and publicly disclose their compensation.
- 5.2 The Company reserves the right of final interpretation of this Policy.

EVE Energy Co., Ltd.

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