

Advantech Co., Ltd.

Work Rules

Business Entity: Advantech Co., Ltd.

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Total number of employees: 3,500

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Advantech Co., Ltd.

Work Rules

Chapter I. General Provisions

- Article 1 The Company establishes human resource regulations to standardize personnel-related operations. These rules and regulations are intended to eliminate the influence of human factors during normal operations by creating a set of rules governing employee-to-employee interactions, employee-to-work responsibilities, and work process relationships, in order to maximize the functionality of administration systems. Through these rules and regulations, the Company may resolve unnecessary disputes, establish a normal and trustworthy interaction and communication network among employees, and achieve the following objectives:
1. Enable all employees to understand the Company's business management philosophy, fostering consistent beliefs and common ground across all levels of the organization, and strengthening employees' sense of engagement in their work and sense of belonging to the Company.
 2. Provide an overall understanding of the organizational structure and hierarchy to facilitate better communication within the Company.
 3. Familiarize employees with the Company's personnel administration policies, so that everyone on the team can work together in an atmosphere of mutual trust, understanding, unity, and harmony. This ultimately ensures adherence to the Company's disciplinary measures and administrative goals.
 4. Allow employees to apply for or enjoy the rights and benefits granted under the Company's rules and regulations.
 5. The work rules apply to all individuals employed by the Company who receive wages for their work performed for the Company.

Chapter II. Service Principles

- Article 2 The Company's employees shall be diligent and devoted to their duties, abide by all rules and regulations, and follow reasonable instructions from supervisors at all levels. Supervisors, in turn, are expected to maintain a kind and professional demeanor when instructing and mentoring employees.
- Article 3 Internally, employees shall work diligently, value company property, reduce waste, improve quality, and enhance productivity. Externally, employees shall keep business or duty-related matters confidential.
- Article 4 Unless in cases of emergency or special circumstances, employees shall follow the chain of command in their duties and official affairs, and may not bypass their direct supervisors to report directly to higher levels.
- Article 5 Employees are prohibited from privately engaging in, or concurrently holding positions in, businesses that violate any non-compete agreements.

- Article 6 Employees shall strictly adhere to the Company's code of conduct. Malpractice, misappropriation of company funds, bribery, or any other form of misconduct is strictly prohibited. Violations of this provision that significantly impact the Company's business operations may result in dismissal. In severe cases, such employees shall be reported to judicial authorities for prosecution.
- Article 7 Employees shall remain vigilant for irrelevant snooping personnel while handling job-related tasks. Unless otherwise specified in company regulations, employees may not show documents or account books to others. Employees shall take strict precautions to prevent disclosure of confidential information. Those who intentionally disclose confidential information may be dismissed in accordance with Article 12 of the Labor Standards Act. In severe cases, such employees shall be reported to judicial authorities for legal proceedings.
- Article 8 During working hours and in the workplace, employees are prohibited from wearing headphones to listen to music, having snacks, dozing off, downloading video or audio files unrelated to job duties. Additionally, employees may not leave their work premises without prior approval from their supervisor.
- Article 9 Employees are prohibited from bringing family and friends to meetings. For job-related purposes, visitor access to any of the Company's factories shall be handled in accordance with the Company's Personnel Access Control Policy.
- Article 10 Employees are prohibited from bringing hazardous items, weapons, cameras, flammable or explosive materials, or items unrelated to production duties into the workplace.
- Article 11 Employees are strictly prohibited from engaging in any inappropriate conduct, such as fighting, drinking alcohol, gambling, or chewing betel nuts, on factory premises.
- Article 12 Employees may not remove company property from factory premises without prior approval.
- Article 13 Except when on approved leave, employees shall clock in and out at the required times. Employees may not arrive late, leave work early, or be absent without providing prior notice and justification.
- Article 14 As required by business operations, the Company may transfer employees to other related business entities when deemed necessary. Such transfer may proceed, provided that prior negotiation with the employee is conducted, necessary support is provided, the employee's existing terms and conditions of employment are protected, and the transfer falls within the scope of his or her competencies.
- Article 15 Employees shall comply with all human resource regulations and work rules established by the Company. Matters not explicitly covered herein shall be referred to higher management for instructions.
- Article 16 Employees shall safeguard and use their employee badge properly, and return it upon leaving the Company. In the event of loss, employees shall apply for a replacement in accordance with applicable regulations.

Chapter III. Recruitment, Lay-off, Resignation, and Dismissal

- Article 17 The Company shall not employ any individual under the age of 15. However, this provision does not apply to junior high school graduates. Individuals under the age of 16 shall provide a written consent form from their legal representatives, along with proof of age, before the Company can proceed with their employment. Employees hired under the provisions stated in the preceding two paragraphs are deemed as child laborers and are prohibited from engaging in the following tasks:
- I. Tasks that are beyond their intellectual or physical capabilities.
 - II. Tasks deemed dangerous under legal regulations related to worker safety and health.

- Article 18
- I. The initial employment period serves as an evaluation phase during which the Company shall assess whether new employees are qualified for the job, and employees shall decide if the Company is one they truly want to work for. If an employee is found to be unqualified and fails to improve despite receiving relevant assistance from the Company, the Company reserves the right to adjust the employee's role or terminate the contract in accordance with the law. The process shall be handled in accordance with the applicable provisions of the Labor Standards Act.
 - II. After three months of employment, newly-hired employees shall complete the New Employee Reflection Report and submit it to the supervisor of the hiring department for review and evaluation. Official employment will be confirmed only upon passing the evaluation. Employees who fail the evaluation will have their employment terminated in accordance with the law.
- Article 19
- I. When an employee is unable to continue their service for any reason, they shall complete the following procedures before resignation:
 1. Notice period for resignation:

Years of service	Notice period
(1) Employment of 3 months or more but less than 1 year:	10-day notice.
(2) Employment of 1 year or more but less than 3 years:	20-day notice.
(3) Employment of 3 years or more:	30-day notice.
 2. Upon obtaining approval from the highest level of the business entity, the employee shall collect the Employee Resignation Letter/Employee Resignation Form/Handover Checklist from the Human Resources Department to proceed with the resignation process.
 3. Handover procedures upon resignation: Resigning employees shall, by their resignation date, return all company property in their possession, pay off any outstanding debts owed to the Company, and ensure that all relevant personnel sign the necessary paperwork, which shall then be submitted to the Human Resources Department for record-keeping.
 - II. Effective date of resignation
Resigning employees' wages will be calculated up to their final working day at the Company. The same date will be used for issuing the proof of employment, as well as labor and National Health Insurance certificates.
- Article 20
- I. Severance conditions
Pursuant to Article 11 of the Labor Standards Act, the Company may terminate its employment contract with an employee, providing notice and severance pay, under any of the following circumstances:
 1. The Company's business operations are discontinued or transferred.
 2. The Company suffers operating losses or business contractions.
 3. The Company is rendered unable to function for more than one month due to force majeure.
 4. Changes in the nature of the business necessitate a reduction in the workforce, and the affected employees cannot be reassigned to other suitable positions.
 5. A particular employee is clearly unable to perform satisfactorily the duties required for their position.
 - II. Severance notification
 1. Notice period:
 - (1) For continuous employment of 3 months or more but less than 1 year: 10-day notice.
 - (2) For continuous employment of 1 year or more but less than 3 years: 20-day notice.

- (3) For continuous employment of 3 years or more: 30-day notice.
 2. Employees who receive the aforementioned notice and request leave during work hours for job hunting are entitled to such leave. The leave hours may not exceed the equivalent of two working days per week, and wages for the leave duration shall be paid as usual.
 3. If an employee who is entitled to prior notice for lay-off does not receive the notice before the lay-off, the Company shall pay the employee wages for the notice period.
- III. Payment of severance pay
1. Severance pay calculation
 - (1) Employees who are eligible for the old pension system: For every full year of employment, employees are entitled to severance pay equivalent to one month's average wage.
 - (2) Employees who are eligible for the new pension system: For every full year of employment, employees are entitled to severance pay equivalent to 0.5 month of average wage, up to a maximum of 6 months of average wage.
 2. The months remaining after calculation in accordance with the preceding subparagraph or years of service less than one year shall be paid on a pro rata basis. For employees who have worked less than one month, the days shall be rounded up to one full month for payment.
 3. Severance pay does not apply to employees who resign of their own will, resign upon the expiration of a fixed-term employment contract, or have their employment contract terminated in accordance with Article 12 or Article 15 of the Labor Standards Act.

Chapter IV. Working Hours and Location

- Article 21
- I. The Company adopts a two-day weekend schedule. Normal working hours for day shifts are from 08:30 to 17:30, with a lunch break from 12:00 to 13:00 (1 hour in total). Standard working hours are 8 hours per day, with a total of 40 hours per week. For every continuous 4 hours of work, employees are entitled to a 30-minute break.
 - II. In addition to complying with the requirements of the Labor Standards Act, the Company provides flexible working hours for "indirect employees." Starting from January 1, 2024, these employees may choose their clock-in time within the window of 07:30 to 09:30. This flexibility allows employees to better balance their work and family life, significantly enhancing employee happiness.
 - III. According to the provisions of Articles 21, 29, and 31 of the Occupational Safety and Health Act, if an employee's working hours need to be shortened based on a doctor's advice, the Company will adopt the doctor's advice and adjust the employee's working hours accordingly. If other laws and regulations specify otherwise, the Company will comply with those provisions and adjust working hours accordingly.
 - IV. For operational needs, the Company may transfer an employee to a different work location in accordance with Article 10-1 of the Labor Standards Act.
- Article 22
- Restrictions on reporting overtime:
1. Employees who find it necessary to extend their working hours due to production or business needs must complete the Overtime Request Form before working overtime. Overtime work is not permitted until the form has been approved by the relevant supervisor with the approval authority.
 2. Except for overtime worked on public holidays and rest days, the average daily overtime hours during regular working days shall not exceed 4 hours, and the total monthly overtime hours shall not exceed 46 hours.

Chapter V. Wages

- Article 23 Basic wages refer to the remuneration an employee receives for work performed during normal working hours, excluding payments for extended working hours, holidays, and regular leave days.
- Article 24 Wages refer to the remuneration an employee receives for services rendered. This includes wages, salaries, and bonuses, allowances, and other regular payments made regardless of their name, calculated on an hourly, daily, or monthly basis, and payable in cash or in kind. However, wages do not include the following:
- I. Dividends.
 - II. Year-end bonuses, competition bonuses, research and invention bonuses, special achievement bonuses, and other non-recurring bonuses.
 - III. Gifts, consolation money, or bereavement money provided by the Company for occasions such as weddings or funerals.
- Article 25 Employees' working hours shall be extended in accordance with the Labor Standards Act:
- I. Overtime pay for weekdays:
 - (1) When the overtime work is within two hours, the employee shall be paid, in addition to the regular hourly wage, at least an additional one-third of the regular hourly rate.
 - (2) When the overtime work is extended for another two hours, the employee shall be paid, in addition to the regular hourly wage, at least an additional two-thirds of the regular hourly rate.
 - II. Overtime pay for rest days:
 - (1) When the overtime work is within two hours, the employee shall be paid, in addition to the regular hourly wage, at least an additional one and one-third of the regular hourly rate.
 - (2) When the overtime work is over two hours, the employee shall be paid, in addition to the regular hourly wage, at least an additional one and two-thirds of the regular hourly rate.
 - (3) When an employer requires a worker to work on a rest day, the time worked shall be included in the total extended working hours, which are subject to the maximum monthly overtime limit of 46 hours.
- If the Company finds it necessary for a worker to work beyond normal hours due to natural disasters, emergencies, or extended working hours during holidays, the Company shall report the extended working hours to the local competent authority in accordance with the Labor Standards Act and provide the worker with an appropriate rest period afterwards.
- Article 26
- I. Salary payment date: Upon mutual agreement, salaries are paid on the 5th day of the following month. If the 5th falls on a holiday, salaries will be paid earlier.
 - II. Bonuses or dividends may be distributed to employees based on their performance, provided that the Company has a surplus at the end of the fiscal year.
- Article 27 Employees are entitled to bonuses based on the Company's surplus, performance policies, and the nature of their positions, provided that they are still employed by the Company at the time of bonus disbursement.

Chapter VI. Leave Policy

Article 28 Leave entitlement

The Company's employees are entitled to the following 14 types of leave: paid annual leave, sick leave, menstrual leave, occupational illness or injury leave, personal leave, family care leave, marriage leave, maternity leave, pregnancy checkup accompaniment leave and paternity leave, bereavement leave, official leave, leave without pay, unpaid parental leave, and childcare leave.

1. Employees with 6 months or more but less than 1 year of service are entitled to 4 days of paid annual leave.
2. Employees with 1 year or more but less than 2 years of service are entitled to 8 days of paid annual leave.
3. Employees with 2 years or more but less than 3 years of service are entitled to 11 days of paid annual leave.
4. Employees with 3 years or more but less than 5 years of service are entitled to 15 days of paid annual leave.
5. Employees with 5 years or more but less than 10 years of service are entitled to 16 days of paid annual leave.
6. Employees with at least 10 years of service will be granted 1 additional day of paid annual leave for each year of service, up to a maximum of 30 days total.
7. Paid annual leave can be taken in increments of 0.5 hours. Any untaken paid annual leave, whether due to fiscal year-end closure or contract termination, shall be converted to salary.
8. All memorial days, Labor Day, and other holidays designated by the central competent authority as off days shall be observed as leave days.

Upon mutual agreement between labor and management, the Company may adjust and switch a holiday with a working day.

Article 29 The Company establishes its holidays and publishes them in the Company's Work Calendar, which is based on the work calendar published by the Directorate-General of Personnel Administration, Executive Yuan.

1. Employees on leave without pay will not be granted paid annual leave during their leave period.
2. Any untaken paid annual leave will be converted and paid as salary by the Company.

Article 30 Employees' leave application policy is as follows:

Type of Leave	Eligibility	Number of Days	Wage Calculation	Notes
Marriage leave	Employees who are getting married	8 working days	Wage paid as usual	Marriage leave can be taken partially or all at once within 3 months, starting from 10 days prior to the day an employee gets married. With supervisor consent, the leave can be extended

Type of Leave	Eligibility	Number of Days	Wage Calculation	Notes
				to be taken within 1 year. The leave days exclude rest days, regular leave days, memorial days, Labor Day, and other public holidays.
Personal leave	Employees who have matters that they must personally attend to	Not exceeding 14 days per year	No wage during leave	
Official leave	Granted pursuant to the law	Granted based on actual requirements	Wage paid as usual	
Occupational illness or injury leave	Handled in accordance with Article 59 of the Labor Standards Act and Article 6 of the Regulations of Leave-Taking of Workers	Employees suffering disability, injury, or illness due to occupational accidents.	Occupational accidents must be determined case by case and based on a doctor's diagnosis.	Salary paid as usual with proof from a responsible supervisor/ certificate from a public hospital, or a labor insurance-designated hospital.
Bereavement leave	Employees experiencing the passing of a parent, adoptive parent, step-parent, or spouse	8 days	Wage paid as usual	1. Leave does not need to be used consecutively but must be taken within 100 days.
	Employees experiencing the passing of a grandparent, child, parent-in-law, adoptive parent-in-law, or step-parent-in-law	6 days		
	Employees experiencing the passing of a great-grandparent, sibling, or a grandparent-in-law	3 days		
Sick leave due to a non-occupational illness or injury	Non-hospitalized	Not exceeding 30 days per year	No wage deduction will be made if the sick leave due to a non-occupational illness or injury is 5 days or fewer in	If the employee has not recovered when the sick leave due to a non-occupational illness or injury exceeds the aforementioned limit,
	Hospitalized	Not exceeding 1 year within 2 years		
	Non-hospitalized sick leave and hospitalized sick	Not exceeding 1 year within 2 years; employees who are		

Type of Leave	Eligibility	Number of Days	Wage Calculation	Notes
	leave	diagnosed with cancer (including carcinoma in situ) who are treated through outpatient visits, or pregnant female employees needing rest for tocolytic treatment shall have such leave combined with leave for injuries and illnesses with hospitalization.	the fiscal year. Beyond 5 days, 50% of the wage will be paid. If labor insurance payments fall short of half the wage, the business entity shall make up the shortfall.	and has also not recovered after taking personal leave or paid annual leave, the employee may request leave without pay. The duration of such leave without pay may not exceed one year. If the employee does not recover after unpaid leave, they may be laid off. Eligible employees will receive a pension if they meet retirement requirements.
Paid Annual Leave	Handled as per employee leave entitlements	<p>1. Employees with 6 months or more but less than 1 year of service are entitled to 4 days of paid annual leave.</p> <p>2. Employees with 1 year or more but less than 2 years of service are entitled to 8 days of paid annual leave.</p> <p>3. Employees with 2 years or more but less than 3 years of service are entitled to 11 days of paid annual leave.</p> <p>4. Employees with 3 years or more but less than 5 years of service are entitled to 15 days of paid annual leave.</p> <p>5. Employees with 5 years or more but less than 10 years of service are entitled to 16 days of paid annual leave.</p> <p>6. Employees with</p>	Wage paid as usual	<p>1. Salary paid as usual</p> <p>2. The leave may be taken in increments of 0.5 hours.</p> <p>3. Any untaken paid annual leave, whether due to fiscal year-end closure or contract termination, shall be converted to salary.</p>

Type of Leave	Eligibility	Number of Days	Wage Calculation	Notes
		at least 10 years of service will be granted 1 additional day of paid annual leave for each year of service, up to a maximum of 30 days total.		
Menstrual leave	One day per month	Female employees experiencing difficulties performing work duties due to menstruation	Handled as per the sick leave policy	<ol style="list-style-type: none"> 1. Days taken for this leave will be counted as part of sick leave, with the combined total not exceeding 30 days per year 2. Salary paid as per the sick leave policy 3. If the total days off do not exceed 3 days a year, these days will not count as sick leave, and 50% salary will be paid.
Maternity leave	Employees who have given birth or experienced a miscarriage after 6 months or more of pregnancy	9 weeks	Birth certificate or diagnosis certificate issued by a doctor	<ol style="list-style-type: none"> 1. Employees with 6 months or more of service: 100% salary 2. Employees with less than 6 months of service: 50% salary 3. Maternity leave due to miscarriage after less than 3 months of pregnancy: no salary 4. Maternity leave includes rest days, regular leave days, and public holidays, and must be taken continuously.
	Employees who suffered a miscarriage after pregnancy of 3 months or more but less than 6 months	4 weeks		
	Employees who suffered a miscarriage after pregnancy of 2 months or more but less than 3 months	1 week		
	Employees who suffered a miscarriage after pregnancy of less than 2 months	5 days		
Pregnancy	Pregnant employees	7 days	Wage paid as	

Type of Leave	Eligibility	Number of Days	Wage Calculation	Notes
checkout leave	shall be given pregnancy checkout leave days during their pregnancy period.		usual	
Tocolysis leave	Pregnant employees diagnosed by a doctor needing rest for tocolytic treatment	Handled as per sick leave policy		
Pregnancy checkout accompaniment leave and paternity leave	Employees accompanying their spouse for pregnancy checkups or childbirth	10 days	Proof of hospital pregnancy checkout and a birth certificate.	Employees are entitled to 10 days of leave to be taken either during their spouse's pregnancy or within a 15-day period before or after childbirth, including the day of childbirth. Wage is paid as usual.
Breastfeeding hours	Employees with a child under 2 years old who must be breastfed personally	60 minutes per day; additional 30 minutes if working overtime for 1 hour or more	Time spent on breastfeeding or breast milk collection are deemed as working hours.	Proof of personal breastfeeding or milk collection
Unpaid parental leave	Full-time employees who have been employed for at least six months may apply for unpaid parental leave for each child younger than three years of age. The period of unpaid parental leave shall end once the employee's children reach three years of age, and it may not exceed two years. For employees who need to provide childcare to two or more children, the unpaid parental leave will be combined, the		No salary	Employees remain entitled to labor insurance and national health insurance and may defer payments by 3 years. The Company is not liable to pay premiums during leave.

Type of Leave	Eligibility	Number of Days	Wage Calculation	Notes
	maximum duration will be two years of childcare to the youngest child.			
Family care leave	Employees with a family member receiving vaccination, having severe health conditions, or encountering major accidents	Not exceeding 7 days per year, deductible from the employee's personal leave balance	Handled as per personal leave policy	

Volunteer leave:

To encourage employees to participate in volunteer services, instill a sense of contribution to others, and in hopes that they gain experience and skills not available in their day-to-day workplace, employees are entitled to apply for volunteer leave. Volunteer services must involve the following four aspects: energy saving, public welfare, education, and arts and culture.

1. Employees are entitled to 2 days (16 hours) of volunteer leave per year, regardless of their years of service. The leave must be used within the given fiscal year and cannot be carried over to the following fiscal year if unused.
2. The leave may be taken in increments of 2 hours. If the volunteer activity falls on a holiday, the employee can apply for equivalent hours off on a working day as a make-up leave, subject to approval.
3. To apply for volunteer leave, employees shall first submit a request to their direct supervisor, ESG Office at csr@advantech.com, and ES&R at ableclub@advantech.com.tw via email, allowing the management to ensure proper work planning within the team and to verify that the activity is in line with one of the four volunteer service aspects. The email shall enclose documents related to the volunteer activity sign-up and a description of the volunteer activity.
4. After completing volunteer services, employees shall go to EZ to complete the volunteer leave application process and upload the relevant supporting documents.

Travel time leave

Wages will be paid as usual if employees are called up for military purposes or attend meetings of government agencies, with official leave granted pursuant to legal regulations. The policy for granting the number of leave days based on travel distance is as follows:

Number of days granted (for round trip)	Call-up locations
Number of days granted (for round trip)	Call-up locations
Locations not eligible	Keelung, Taipei, Taoyuan Taoyuan, Hsinchu, Miaoli
0.5 days	Yilan, Hsinchu, Miaoli, Taichung Yilan, Keelung, Taipei, Taichung
1 day	Nantou, Changhua, Yunlin, Chiayi, Tainan, Kaohsiung
One and a half days	Pingtung, Hualien
2 days	Penghu, Taitung, Kinmen, Matsu

Type of Leave	Eligibility	Number of Days	Wage Calculation	Notes
Remarks	<ol style="list-style-type: none"> 1. The Company will not reject employees' application for menstrual leave, pregnancy checkup accompaniment leave, paternity leave, family care leave, maternity leave, pregnancy checkup leave, or unpaid parental leave. Such leave will not impact employees' full attendance bonus, performance reviews, or result in other detrimental consequences. 2. Employees who fail to submit prior application for sick leave, bereavement leave, occupational illness or injury leave, or leave due to the occurrence of a major accident, must inform their direct supervisor by phone on the same day or request someone else to do so on their behalf. The leave application must be submitted to the Human Resources Department for record-keeping within three days of the incident. Failure to comply with this deadline will result in the leave being deemed as an absence from work. 			

Chapter VII. Retirement

Article 31 General Provisions

1. These regulations are hereby established to provide care for workers retirement life, enhance labor-management relationships, and improve work efficiency.
2. These regulations apply to all employed workers receiving wages from the Company.
3. These regulations shall be implemented in accordance with Article 56 of the Labor Standards Act (“Old Pension System”) and the Labor Pension Act (“New Pension System”). Employees eligible for the Old Pension System shall be subject to the following provisions:

Old Pension System (Labor Standards Act):

- I. An employee may apply for voluntary retirement if they meet any of the following criteria:
 1. The employee has worked for the Company for at least 15 years and has reached age 55.
 2. The employee has worked for the Company for at least 25 years.
 3. The employee has worked for the Company for at least 10 years and has reached age 60.
- II. The Company may require an employee to retire if they meet any of the following criteria:
 1. The employee has reached age 65.
 2. The employee is no longer competent to perform their job duties due to physical or mental disabilities. Physical and mental disabilities are defined as those falling within the first to sixth levels of disability as adopted in labor insurance.
- III. The retirement age of employees shall be determined based on household registration records.

Article 32

Employees eligible for the New Pension System shall be subject to the following provisions:

The individual accounts play a major role in the New Pension System. In accordance with the law, the Company is required to deposit 6% of an employee’s monthly wages (for Taiwanese citizens subject to the Labor Standards Act, as per the Monthly Contribution Classification of Labor Pension) into an individual labor pension account managed by the Bureau of Labor Insurance.

Provisions under the New Pension System (Labor Pension Act):

- I. The “individual accounts” play a major role in the New Pension System:
 1. An employee may apply for a pension upon reaching age 60. Employees who have made pension contributions for at least 15 years may choose to receive their pension as either a monthly pension or a lump sum pension.
 2. Employees with less than 15 years of pension contributions are only eligible to receive lump sum payments.
 3. After receiving the first pension payment, an employee who continues to work and make pension contributions may apply for pension payments once a year.
 4. Only years of service with actual pension contributions are counted. For employees whose contributions have been interrupted, the years of contributions made before and after the interruption shall be combined for calculation.
- II. The Company may **require an employee to retire** if they meet any of the following criteria:
 1. The employee has reached age 65.
 2. The employee is no longer competent to perform their job duties due to physical or mental disabilities. Physical and mental disabilities are defined as those falling within the first to sixth levels of disability as adopted in labor insurance.
- III. The retirement age of employees shall be determined based on household registration records.

Calculation of years of service: (applicable only to employees retiring under the Old Pension System)

- I. The calculation of years of service shall only include continuous employment with the same employer. Years of service during leave without pay shall be excluded from the calculation.
- II. For employees transferred by the employer or retained by the new employer following a company reorganization or transfer, their original years of service with the previous employer shall be included in the calculation.

Pension payment policy:

- I. For those eligible for the Old Pension System:
 1. Based on years of service, 2 bases will be given for every full year of service. For years of service exceeding 15 years, 1 base will be given for each full year. Pension payments are capped at 45 bases. Less than 6 months of service shall be rounded up to 6 months; more than 6 months but less than 1 year shall be rounded up to 1 year for calculation.
 2. For employees who become physically or mentally disabled due to performing their job duties, an additional 20% shall be paid in accordance with the provisions of the preceding subparagraph.
 3. For an appointed manager or director of the Company who was previously a worker, the pension for years of service as a worker shall be paid from the Workers' Retirement Reserve Funds. For years of service not as a worker, the pension shall not be paid from the Workers' Retirement Reserve Funds but shall instead be raised separately by the Company.
 4. The standard for the base of a pension is the average wage of the 6 months prior to the approval of the retirement application.
 5. Pension payments shall be made as a lump sum withdrawal.
- II. For those eligible for the New Pension System:
 - I. The methods of withdrawal and calculation under the individual pension account are as follows:
 1. Lump sum pension: Workers will receive the principal and accrued income from their individual pension account in one lump sum. Those with less than 15 years of service with pension contributions are only eligible to receive lump sum payments.
 2. Monthly pension: The principal and accrued income of a worker's individual pension account will be calculated based on: the annuity life table, the average life expectancy, and the interest rate. The resulting amount will be used as the monthly pension, which will be periodically disbursed. Workers who reach age 60 and have at least 15 years of service may apply for a monthly pension.

Comparison of the Old and New Pension Systems

	Old Pension System	New Pension System
Legal Basis	Labor Standards Act	Labor Pension Act
Eligibility	Workers subject to the Labor Standards Act	Workers subject to the Labor Standards Act
Eligibility	Those who have been employed by the same business entity <ul style="list-style-type: none"> • At least 15 years of service and age 55 • Years of service for at least 25 years • At least 10 years of service and age 60 	Those who reach age 60
Pension Withdrawal Method	Lump sum payment only	<ul style="list-style-type: none"> • Monthly pension payment is available for those with at least 15 years of service. • Lump sum pension payment is available for those with less than 15 years of service.

Employees eligible for the Old Pension System: The Company shall make pension payments to employees within 30 days of their effective retirement date. However, if the Company encounters difficulties in business operations or finances, or if the Workers' Retirement Reserve Funds set aside in accordance with the law are insufficient to cover the payments, making it impossible to pay the full amount in a lump sum, the Company may make payment in installments upon approval by the competent authority. An employee's right to claim their pension shall be extinguished if it is not exercised within 5 years from the month following the effective retirement date.

To supervise the Workers' Retirement Reserve Funds that the Company allocates monthly and deposits into individual accounts, a committee shall be organized, and meetings shall be held pursuant to the Rules Governing Organization of Supervisory Committee of Business Entities' Labor Retirement Reserve.

Effective July 1, 2005, the Company has been following the Labor Pension Act to implement the following procedures:

- I. For workers who choose to apply the retirement system under the Labor Standards Act and retain their years of service before the Labor Pension Act took effect, the contribution rate for the Workers' Retirement Reserve Funds shall be calculated based on factors such as the number of such workers, their wages, years of service, and turnover rate. The Workers' Retirement Reserve Funds shall continue to be fully contributed on a monthly basis within 5 years, in accordance with Article 56, Paragraph 1 of the Labor Standards Act, and will be paid as a pension.
- II. For workers who choose to apply the New Pension System under the Labor Pension Act, the Company will deposit 6% of each employee's monthly wage into their individual pension account on a monthly basis, in accordance with the Wage Classification Table. Employees may also voluntarily contribute 0%-6% of their monthly wages to their individual pension account. The Company will deduct the corresponding contribution amount from the employee's wage on a monthly basis on behalf of the employee.

- Article 33 In the event of death, disability, injury, or illness caused by an occupational accident, the Company shall compensate the employee in accordance with the following provisions. However, the Company may deduct any amounts already paid as compensation for the same accident under the provisions of the Labor Occupational Accident Insurance and Protection Act or other applicable laws or regulations. If the expenses paid are borne jointly by the employee and the Company, the deducted compensation amount shall be calculated based on the proportion borne by the Company.
- I. When an employee is injured or suffers from an occupational illness, the Company shall compensate the employee for the necessary medical expenses. The types of occupational illnesses and the scope of medical treatment shall be subject to the relevant provisions of the Labor Occupational Accident Insurance and Protection Act.
 - II. When an employee is unable to work due to medical treatment, the Company shall compensate the employee based on their previous wage amount, paid regularly on the wage payment date. However, if the employee remains ill after 2 years of medical treatment and a designated hospital has diagnosed that the employee has lost their original ability to work, and the employee is not eligible for the disability benefits referred to in Subparagraph 3, the Company may provide the employee with a lump-sum payment equivalent to the average wage of 40 months within 15 days, in lieu of any further responsibilities for wage compensation.
 - III. Upon conclusion of medical treatment, if a designated hospital has diagnosed and confirmed that the employee is left with a disability, the Company shall pay the employee a lump-sum disability compensation based on the employee's average wage and the degree of disability. The disability compensation policy shall comply with the relevant provisions of the relevant provisions of the Labor Occupational Accident Insurance and Protection Act.
 - IV. When an employee dies due to an occupational injury or illness, the Company shall pay funeral expenses equal to 5 months of average wage within 3 days after the employee's death and compensation equal to 40 months' average wage to the deceased employee's survivors within 15 days after the employee's death. The order in which survivors are entitled to receive death compensation shall be determined in accordance with Article 37.
- The compensation paid by the Company under the provisions of the preceding paragraph may be offset against any compensation payable for damages incurred by the employee arising from the same accident.
- The right to receive compensation as mentioned in Paragraph 1 shall not be affected by the employee's resignation and may not be assigned, offset, attached, or used as collateral. This right will be extinguished if it is not exercised within two years from the date the compensation becomes payable.
- Article 34 The term "previous wage" mentioned in the second paragraph of the preceding article refers to the wage earned by the employee during normal working hours one day prior to the employee's occurrence of the occupational accident. For employees whose wages are calculated on a monthly basis, their previous daily wages shall be determined by dividing the wage earned in the most recent month prior to the occurrence of the occupational accident by 30. For employees suffering from an occupational illness, if the amount calculated in accordance with the preceding paragraph is lower than the average wage, the average wage shall prevail.
- Article 35 To prevent occupational accidents and protect the health and safety of employees, the Company handles workplace safety and health matters in accordance with the Occupational Safety and Health Act and relevant legal regulations.
- Article 36 The Company has procured group insurance for all of its employees. The policy of consolation payment to employees' survivors shall be handled in accordance with the Group Insurance Policy of the Company. If the consolation amount is lower than the amount required by law, the Company shall make up the difference pursuant to the law.

Chapter IX. Labor-Management Meetings and Employee Grievances Handling

- Article 37 The Company holds periodic labor-management meetings in accordance with the Labor Standards Act. These meetings shall be conducted in accordance with the Regulations for Implementing Labor-Management Meeting.
- Article 38 If a worker discovers that the business entity has violated the provisions of the Labor Standards Act or other labor laws and regulations, they may file a grievance with the employer, the competent authority, or the inspection agency. The employer shall not dismiss, transfer, or take any other adverse actions against the worker for filing a grievance as mentioned in the preceding paragraph.

Chapter X. Sexual Harassment Prevention

- Article 39 To maintain gender equality in the workplace and safeguard personal dignity, the Company has formulated measures to prevent sexual harassment and established grievance channels and a grievance handling committee to protect employees from sexual harassment. To further protect employees from sexual harassment, the Company is committed to improving workplace facilities, and is regularly holding, or encouraging employees to attend, educational lectures on sexual harassment prevention.
- Article 40 The term “sexual harassment” mentioned in the preceding article refers to any of the following situations:
- I. Explicit or implicit sexual demands or sexually suggestive verbal or physical conduct toward others, made as a condition for the establishment, continuation, or modification of an employment contract, or distributed admissions, promotions, demotions, compensation, performance evaluations, rewards, or punishments.
 - II. Other sexual demands or sexually suggestive verbal or physical conduct that could cause annoyance or disgust to others, thereby infringing upon or interfering with their freedom, personal dignity, or affecting their job performance.
- Article 41 Employers or supervisors may not use their power, opportunities, or methods at work to sexually harass employees or job applicants, nor may they tolerate sexual harassment by others against employees or job applicants. Employees may not sexually harass co-workers, whether in the workplace or when performing duties outside of workplace. If any sexual harassment mentioned above occurs in the workplace, the direct supervisor shall stop the harassment or take other appropriate measures upon becoming aware of the situation. Failure to do so will be deemed as condoning the harassment.
- Article 42 If employees or job applicants encounter sexual harassment in the workplace, they may request a Sexual Harassment Grievance Form from the Human Resources Department to file a grievance. To safeguard the rights of complainants, grievances shall be handled with confidentiality. The names or other identifying information of complainants shall not be disclosed.
- Article 43 The Grievance Handling Committee shall close the case within two months from the date of the grievance being filed. If necessary, the period may be extended by one month. The parties concerned shall be notified of the extension. The investigation results of the Grievance Handling Committee shall be made into a resolution with reasons, and may be included in recommendations for disciplinary actions or other measures. The committee shall notify the complainant, the respondent, and the Company in writing of the resolution of the investigation. The notice shall specify that any party who objects to the resolution of the grievance may file a reconsideration request with the Grievance Handling Committee within 20 days from the day after the resolution is delivered to the parties concerned. However, if the cause of the request occurs or is discovered later, the period shall start from the date of discovery. Reconsideration requests shall include written justification and be reviewed by the Grievance Handling Committee in separately held meetings. Once the case is closed, no further grievances may be filed on the same grounds.

- Article 44 The Company shall not dismiss, transfer, or take any other adverse actions against an employee due to sexual harassment claims or for filing a grievance.
- Article 45 Where sexual harassment is substantiated, the Company shall take disciplinary action against the respondent based on the severity of the case or dismiss the respondent according to Article 12, Paragraph 1 of the Labor Standards Act. If the harassment involves criminal liability, the Company may also refer the case to judicial authorities.
- Additionally, the Company has formulated measures for the prevention of sexual harassment in the workplace, as well as guidelines for handling grievances and disciplinary actions, as shown in the attachments.

Chapter XI. Supplementary Provisions

- Article 46 To handle employee welfare matters, the Company allocates welfare funds in accordance with the Employee Welfare Fund Act and organizes an Employee Welfare Committee. All employees are entitled to enjoy the Company's welfare measures.
- Article 47 These Rules shall be published for implementation upon approval and filing with the competent authority. The same shall apply to any amendments hereto.