

2019 Labor Relations

1. Employee benefits policy :

(1) Employee benefits measures: :

- ① The Company has set a staff welfare committee, and allocates the welfare fund for the welfare activities based on the laws. The annual staff welfare fund allocated of the year of 2019 is NT\$4,535,000.
- ② Award the gold memorial medal and diploma to praise outstanding colleagues.
- ③ Issue three Chinese festival bonus and education grant.
- ④ Continuously enhance the improvement of the working environment on site.
- ⑤ Conduct employee group insurance and employee health check. The related expenditure for the year of 2019 was NT\$965,000.

(2) Implementation of improvement and training system :

The Company has a staff training program that provides staff training and implementation. The company's on-the-job training includes organizing various workshops, training courses and the cooperative appointment training with other training institutions or schools, or the Company may hold short-term work exercises based on job needs. The training fees for various types of training were NT\$ 301,000.

(3) Retirement system :

The "Labor Pension Act" has been in operation since 1 July 2005, Those who were employed before June 30 and still served on July 1 may choose to continue to apply the pension provisions of the Labor Standards Act, or the pension system to which the ordinance applies and retain the job tenure before the application of the conditions. After July 1, 2005, new employees may only apply to the pension system of the "Labor Pension Act".

The Company developed the regulations of employee pension in accordance with the "Labor Pension Act", which are the regulations of determining allocating the pension. Since July 1, 2005, 6% of each employee's monthly salary has been allocated to the individual pension accounts of Bureau of Labor Insurance.

The Company developed the regulations of employee retirement based on the "Labor Standards Act", which are the regulations of determining paying the pension. The payment of employee pension is calculated on the basis of the service year and the average salary of the last six months before retirement, and the company contributes pension reserves monthly based on

the provisions, which is submitted to the Labor Retirement Reserve Monitoring Committee for management, and the pension is saved in the Central Trust of China in the name of such committee

In the current year, 9 people retired and the pensions totaled NT\$ 19,664,000.

2. Protection measures of employee rights :

A harmonious labor relation is the cornerstone of enterprise development, and the labor relations of the Company have been in a harmonious, stable and prosperous relationship over the years. In addition to promoting employee benefits, welfare and improving the working environment, the Company also maintains the smooth flow of labor communication channels, and provided the general discussion of the trade union in the factory to understand the difficulties and needs of employees. All levels of executives attached importance to each problems and responses and helped for the solutions.

3. Labor dispute situation:

- (1) No labor dispute occurred during the latest year and up to the printing date of this annual report.
- (2) Estimative the amount of current and future possible losses: None

4. Social Responsibility Implementation:

- (1) Coordinate labor relations, promote labor management cooperation, and improve work efficiency, labor-management conferences are held regularly.
- (2) Human resources department handles employees' complaints and cases related to employees who are not satisfied with the punishment.
- (3) The Company has established the Regulations on the Prevention of Sexual Harassment (which has already submitted to the county government).
- (4) Encourage employees to participate in external sexual abuse and sexual harassment prevention and related educational training, and the participants will be provided with business trip registration and budget subsidy, and the relevant information will be disclosed in an obvious place of the workplace publicly as well.

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- (5) The Company shall handle safety and hygiene work in accordance with the relevant laws and regulations on labor safety and hygiene.
- (6) Employees shall comply with the relevant provisions of safety and health,

and yield to the guidance of the personnel of safety and health management.

(7) Safety and hygiene of labors :

- ① Each on-site worker is provided with a hard hat and safety shoes, and according to the work nature, the appropriate protective equipment that meets the needs of the work is provided. For example, high temperature, dust, and noise workplaces are equipped with fireproof clothing, fireproof shoes, dust masks, earplugs, etc., to ensure the health and safety of employees.
- ② The Company has formulated the occupational safety and health policy, requiring all employees to abide by occupational safety and health laws and regulations, and providing employees with the necessary education and training, including the new employee orientation, regular on-the-job training, disaster prevention and fire fighting, first aid, escape and other drills, In each workplace, an obvious notice board is used to inform and remind employees of what hazards exist in the workplace, how to prevent and use what kind of protective equipment, in order to predict and take the correct safety protection measures.
- ③ In order to protect the safety of employees and reduce accidents, the Company not only strengthened equipment maintenance to ensure safe operation, but also improved the surrounding equipment, such as the installation of safety nets, stairs, railings improvement, and required the contractor to perform the work in accordance with the Company's management regulations and relevant safety and health regulations. Moreover, an inspection team composed by the security environment division carried out the dynamic inspection to enable employees and contractors to work in compliance with safety regulations.
- ④ The total expenditure on labor safety in 2019 amounted to approximately NT\$3,711,000.

(8) To build a sound safety and health management system, the Company hired a consulting company in December 2018 to provide guidance on the establishment of the ISO 45001: 2018 Occupational Health and Safety Management Systems. In July 2019, the system certification was implemented by TUV NORD International Verification Agency, and. obtained ISO 45001: 2018 certificate on August 26, 2019.