

# **Megazone Corporation Employee Handbook**

**January , 2025**

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## **CHAPTER I. GENERAL PROVISIONS**

### **Article 1. Purpose**

1. These Rules of Employment (hereinafter referred to as the "Rules") have been established in order to ensure the development of Megazone Corporation (hereinafter referred to as the "Company") and to ensure and improve the basic livelihood of the Employees by clarifying the working conditions of the Employees employed by the Company pursuant to California Labor Code and any other employment-related laws. In the event any question should arise for which no provision is found herein, the California Labor Code and applicable federal labor laws, ordinances or regulations and the Company's rules, regulations and policies shall apply.

2. The Company may prepare separate rules for other working conditions not provided for by these Rules.

### **Article 2. Employee**

The term "Employee", as referred to throughout these Rules, shall mean a person or persons who are employed by the Company pursuant to Article 6 and who have entered into an official offer letter/employment agreement.

### **Article 3. Scope of Application**

These Rules apply to regular and contract basis Employees who are employed by the Company pursuant to Article 6.

### **Article 4. Obligation of Faithfulness**

The Company shall observe the working conditions provided for in these rules, and the Employees shall be obligated to faithfully observe these rules and any instructions issued by the Company pursuant to these Rules and all other rules and regulations of the Company.

## **CHAPTER II. EMPLOYMENT**

### **Article 5. Documents to be Submitted upon Job Application**

All applicants must submit the following documents when applying for a position at the Company :

1. Resume
2. Copy of Certificates or Licenses listed on the Resume
3. Copy of Graduation Certificate and Employment History Certificate

#### Article 6. Employment

1. The Company will select and hire the most suitable candidate based on a screening process, which may include tests, interviews, or other evaluation methods as determined by the Company.
2. A person to be employed by the Company shall enter into an employment agreement with the Company by signing and affixing his/her seal thereon.

#### Article 7. Documents to be Submitted upon Employment

1. Within 7 days following employment, the Employee shall submit the following documents:
  - (a) Copy of ID
  - (b) Copy of Certificates or Licenses listed on the Resume
  - (c) Copy of Graduation Certificate and Employment History Certificate
  - (d) Bank Account information
  - (f) Other documents requested by the Company.
2. Employees must promptly report any changes to the documents listed in Paragraph 1.

#### Article 8. Probation

1. All newly hired employees will undergo a probationary period of three (3) months, starting from the first day of employment. The probationary period provides an opportunity for the Company to assess the employee's performance, skills, and overall suitability for the role, while also allowing the employee to determine if the position aligns with their expectations.
2. Employment at the Company is at-will, meaning either the employee or the Company may terminate the employment relationship at any time, with or without cause or prior notice, subject to applicable laws. The completion of the probationary period does not guarantee continued employment, nor does it alter the at-will nature of employment.

3. Throughout the probationary period, the employee's performance, work habits, and overall fit within the organization will be evaluated. Supervisors may provide feedback and guidance to support the employee's success. If performance concerns arise, the Company may extend the probationary period or take appropriate employment action, including termination.

4. The probationary period will count toward the employee's continuous service with the Company. All employment terms, including compensation and benefits, will be applied as outlined in the employee's offer letter and applicable policies.

### **CHAPTER III. RESPONSIBILITIES**

#### **Article 9. Employee Responsibilities**

Employees must comply with the responsibilities outlined in this Employee Handbook, as well as all other Company policies and rules. Employees are expected to perform their duties cooperatively and in accordance with Company instructions.

#### **Article 10. Alteration of Assigned Responsibilities and Place of Work**

In order to conduct business efficiently, the Company may order a change of each Employee's assigned position, title or place of work, etc.

#### **Article 11. Matters to be Observed by Employees**

1. The Employees shall not, either during or after their periods of employment, reveal any information and/or confidential matters regarding the Company's management, business or technologies, nor may the Employees utilize such information on their own behalf or on behalf of others. Information regarding the Company's management, business or technologies shall include the following:

- (a) Information regarding manufacturing skill and design of products;
- (b) Information regarding planning, development and experiment data, etc. of products;
- (c) Information regarding manufacturing cost and price-setting, etc. of products;
- (d) Information regarding the status of trust of manufacturing;
- (e) Information regarding financial and personnel administration of the Company;
- (f) Information regarding the Company's subsidiary companies or relevant companies or regarding cooperation with other companies; and
- (g) Any other information similar to the above.

2. Upon separation from the Company, the Employee shall surrender to the Company business documents, blueprints, confidential Company data and national health insurance card, office access card, etc. All transcripts, notes, etc. in the possession of the Employee concerning the activities of the Company shall be regarded as the property of the Company.

3. Employees shall not be allowed to engage in, either during or outside working hours, any other gainful employment or any other form of business activity, either personally or through the agency of another, unless the Company agrees thereto in advance.

4. Unless otherwise authorized to act on behalf of the Company, being an Employee of the Company shall not entail a right to act on behalf of the Company. This also pertains to the right to clarify the standpoint of the Company to the press or to the third party on behalf of the Company.

5. Employees may not accept personal gifts or benefits unless expressly permitted under Company policies.

6. (a) Employees shall keep in mind and behave appropriately that individual employee's manner and behavior is eventually related to the Company's reputation. Any of an individual's inappropriate act can affect other Employees and the Company.

(b) Employees shall not use the Company Name or one's position at the Company for the purpose of personal profit or advantages, which is not related to the assigned performances.

(c) Employees shall observe the working rules and the management systems of the Company to maintain a safe and healthy work environment.

7. Any Employee shall not sexually harass other Employees by using his/her position in the workplace or in relation to work, give them disadvantages in the employment for sexual reasons, nor create an oppressive working atmosphere by causing sexual humiliation.

8. (a) All data prepared, amended, copied, received, sent, or saved in the Company's system shall be restricted from personal use. In particular, it is strictly prohibited to send information and/or materials including, but not limited to, internal information or data classified as confidential for business purposes to an unauthorized person or

organization, materials regarding personal information of other Employees or information containing sexual abuse or racial discrimination, illegal and immoral materials, or political, social or religious materials which may cause social criticism.

(b) Employees shall not falsify any of the procedures, enrollment, reports or other documents required by the Company nor refuse to submit those.

(c) Employees shall not trespass restricted areas where the Company specified.

(d) Employees shall treat any of the Company's property carefully and preserve the order of the workplace.

(e) Employees try their best to join any of the Company events.

(f) Employees shall not conduct out of one's work duty, and not use one's job title with false information.

(g) Employees shall organize documents and the Company's properties when leaving the workplace. Any significant documents shall be kept in a safe place.

(h) Employees shall confirm any electric powers should be off, and follow the rules of disaster prevention.

(i) Employees shall not hold a rally, post or distribute printed-materials, or any other similar activities which are not for the purpose of work.

(j) Employees shall not perform any politically intended activities at the workplace or at the Company's properties such as publicity campaigns or propaganda of specific political parties.

## Article 12. Intellectual Property

1. Employees are responsible for ensuring that any work they create for the Company (hereinafter referred to as the 'Object') does not infringe upon the intellectual property rights of any individual or business entity.

2. If a copyright and intellectual property infringement complaint is filed from a third party, employees shall be responsible for themselves to indemnify and defend the Company at a cost. In addition, Employees shall be liable for any type of tangible or intangible damages upon the Company happened in the event of third party's claim of intellectual property infringement,

3. Employees shall guarantee that (s)he must be a creator and a copyright holder upon copyright law upon 'Object'.

4. Employees shall be provided with any of expenses from the Company upon each development stages in accordance with creating assigned 'Object', and at the same time,



employees shall transfer all kinds of intellectual property, and ownership including copyright(including author access right for derivative works)

## **CHAPTER IV. WORKING HOURS, REST PERIODS AND HOLIDAYS**

### **Article 13. Working Hours and Rest Period**

1. Regular working hours shall be eight (8) hours per day and forty (40) hours per week, and one (1) hour of rest period shall be excluded from working hours. Working hours shall commence at 9:00 a.m. and shall end at 6:00 p.m. However, the Employee's working hours may be changed pursuant to the circumstances of the Company or each department. \*\*The rest period can be flexible and be at a different time to each division in accordance with the business requirements of the Company.

2. The Company shall have right to adopt the flexible working hours policy upon the Labor Standard Act, which applies the Company may have Employees work in excess of eight (8) hours per day and in excess of forty (40) hours per week, but not to exceed an average of 40 hours per week during any unit period within two (2) weeks.

3. In the event of the Employees having business travel or any other similar work outside situation, the working hours during the time shall be regarded as the same as the Company's regular working hours unless there are any documents to prove the difference of working hours.

### **Article 14. Attendance, Work**

Employees shall report for work before the commencement time and be prepared to begin work from the commencement time. During working hours, except in an emergency, Employees shall not leave their workplace without permission from his/her relevant supervisor.

### **Article 15. Absence from Work**

An Employee desiring to arrive late, depart early, leave the work place or be absent altogether shall request approval in advance from his/her relevant supervisor. In an emergency, where it is impossible to obtain such approval, the Employee shall report as soon as possible, and at the latest, immediately upon return to work, the reason for his/her late arrival, early departure, leaving the work place, or absence and the reason why he/she could not obtain prior approval.

### **Article 16. Change in Working Hours**

The Company may change the Employee's work days and hours, commencement time, and rest time or may order new work shifts, pursuant to business requirements.

#### Article 17. Holidays

Employees are entitled to the following paid holidays, as determined by the Company:

1. Weekly Day Off : Sundays or another designated day of the week, as determined by the Company.
2. Recognized Holidays: The Company observes certain federally recognized holidays in the United States at its discretion.
3. Additional Holidays : The Company may designate additional paid holidays at its discretion.

#### Article 18. Work on Holidays

1. Employees may be required to work on a recognized holiday due to business needs. In such cases, the Company will determine whether the employee will receive overtime compensation in accordance with applicable California labor laws or an alternative paid day off.
2. The Company reserves the right to decide whether an employee who works on a designated holiday will receive either:
  - Overtime pay, as required under California wage and hour laws, or
  - An alternative paid day off, to be scheduled at a mutually agreed-upon date within a reasonable period following the holiday.
3. Employees must obtain prior approval from their immediate supervisor before working on a Company-designated holiday. Similarly, requests for an alternative holiday off must be approved in advance to ensure operational continuity.
4. If a non-exempt employee is required to work on a holiday and their total daily or weekly hours exceed the legal threshold, they will be compensated in accordance with California overtime laws. If an alternative day off is provided, it will not replace any legally required overtime pay.
5. The Company reserves the right to reschedule or adjust holiday work requirements based on business needs. If certain teams are required to work on a designated holiday, their supervisors must coordinate in advance and provide notice to affected employees.

#### Article 19. Overtime Policy

"The Company complies with all applicable wage and hour laws, including those governing overtime, breaks, and meal periods. Employees' individual offer letters or employment contracts

specifying whether they are classified as exempt or non-exempt. Non-exempt employees are eligible for overtime pay in accordance with California law and must receive prior approval from their supervisor before working overtime. Employees should direct any questions regarding work hours, overtime eligibility, or compensation to Human Resources.

## **CHAPTER V. LEAVE**

### **Article 20. Kinds of Leave**

Employees shall be granted the following kinds of leave:

1. Annual paid leave;
2. Sick Leave
3. Pregnancy & Parental leave;

### **Article 21. Procedures for Taking Leave**

1. Any Employee wishing to take leave shall obtain the prior approval of his/her relevant supervisor in advance by submitting a written request (including email) seven (7) days ahead therefor in the form designated by the Company. The Company may alter the timing of an Employee's annual paid leave in accordance with the Company's workload and business needs; provided that the Company shall, to the extent possible, respect such timing as selected by an Employee.
2. If an Employee, for unavoidable reasons, is unable to submit a prior request as provided for in the preceding Paragraph, the Employee shall submit a report of absence as soon as possible, or, at the latest, immediately upon returning to work, clearly stating the reasons for failing to report for work. In the event the Employee does not submit a report of absence within two (2) days from returning to work, the absence period shall be considered as absence without a notice.

### **Article 22. Annual Paid Leave**

1. The employee is entitled to up to 15 days of annual leave for the first year.
2. For the Employees who have worked more than twenty-four (24) months, the Company shall grant one day's paid leave for each twenty-four months of consecutive service in addition to the leave prescribed in Paragraph 1. In this case, the total number of leave including the additional leave shall not exceed 25.
3. The Company shall grant one day's paid leave per month to an employee whose number of consecutive service years is less than one year if the employee has offered work without an absence throughout a month.

4. The Company can apply the calculation of annual leave entitlement based on the calendar year from 1 January to 31 December if necessary.
5. In applying paragraphs 1 through 3, the period during which (i) an Employee cannot work due to occupational injuries or diseases; (ii) the period of maternity leave pursuant to the Employment Ordinance; (iii) Childcare leave; (iv) any period upon related statute shall be regarded as a period of attendance.
6. The Company shall grant paid leave pursuant to Paragraphs 1 through 5 upon request of an employee. However, the leave period concerned may be changed, in case granting the leave as requested by the employee might cause a serious impediment to the operation of the business.
7. Employees are encouraged to use their annual paid leave within the calendar year. However, in compliance with California Labor Code § 227.3, unused accrued vacation will either carry over to the following year or be paid out, as determined by the Company's policy. Upon termination, any unused accrued vacation will be paid at the employee's final rate of pay.
8. The Company may encourage the Employees to take the annual paid leave.

#### Article 23. Paid Sick Leave

1. The Company provides paid sick leave in compliance with all applicable California state and local laws. Employees accrue paid sick leave at a rate of one (1) hour for every thirty (30) hours worked, up to a minimum of five (5) days (40 hours) per year, or as otherwise required by local regulations. Employees start accruing sick leave immediately upon hire, and they may begin using it on the 90th day of employment.
2. Employees may use paid sick leave for their own illness, injury, or medical appointments, as well as for the care of a qualified family member, including a child, spouse, domestic partner, parent, grandparent, grandchild, or sibling. Paid sick leave may also be used for preventive care, mental health care, or recovery from domestic violence, sexual assault, or stalking, as permitted by law.
3. Unused sick leave will carry over to the following year; however, the maximum available balance is capped at forty-eight (48) hours, in accordance with California law. Paid sick leave is not subject to payout upon termination of employment, except where required by local regulations.
4. Employees must notify their supervisor as soon as practicable when requesting sick leave. In cases of unexpected illness or emergency, employees should provide notice before their scheduled start time or as soon as reasonably possible. The Company may request reasonable documentation for absences exceeding three (3) consecutive workdays to ensure compliance with applicable laws.

5. In jurisdictions where local paid sick leave laws provide greater benefits than those outlined in this policy, the Company will comply with the law that offers the most favorable benefit to employees.

#### Article 24. Pregnancy & Parental Leave

1. Pregnancy Disability Leave (PDL)

Employees who are disabled due to pregnancy, childbirth, or a related medical condition are eligible for up to four (4) months of unpaid, job-protected leave under California's Pregnancy Disability Leave (PDL). PDL may be taken on a continuous or intermittent basis as certified by a healthcare provider.

Employees may use accrued paid leave (such as sick leave or vacation time) during PDL, if available, but the Company is not required to provide paid leave unless otherwise stated in the employee's contract.

2. California Family Rights Act (CFRA) – Parental Bonding Leave

Employees who have worked for the Company for at least 12 months and 1,250 hours in the past year are eligible for up to 12 weeks of job-protected unpaid leave under the California Family Rights Act (CFRA) for the purpose of bonding with a newborn, adopted, or foster child.

Parental bonding leave under CFRA begins after Pregnancy Disability Leave (PDL) ends.

CFRA leave must be taken within one (1) year of the child's birth or placement and may be taken all at once or intermittently. Employees may use accrued paid leave (such as vacation or PTO) while on CFRA leave.

3. Paid Family Leave (PFL) Benefits

While CFRA does not require employers to pay for parental leave, employees may be eligible for Paid Family Leave (PFL) benefits through the California State Disability Insurance (SDI) program.

PFL provides up to 8 weeks of partial wage replacement for bonding with a newborn, adopted, or foster child. Employees must apply for PFL benefits through the California Employment Development Department (EDD).

4. Job Protection and Return to Work

Employees returning from PDL or CFRA leave will be reinstated to the same or a comparable position, unless otherwise permitted by law.

The Company will continue health benefits for eligible employees during CFRA leave under the same conditions as if they were actively working, provided that employees continue to pay their portion of the premium.

#### 5. Notice and Documentation

Employees requesting PDL or CFRA leave must provide at least 30 days' advance notice when possible. If the need for leave is unforeseeable, employees must notify their supervisor as soon as practicable.

The Company may require medical certification to verify the need for PDL. However, CFRA leave for parental bonding does not require medical documentation.

#### 6. Compliance with California Law

The Company adheres to all California labor laws, including PDL, CFRA, and PFL, ensuring compliance with state-mandated leave policies. If applicable laws provide greater benefits than those outlined in this policy, the Company will comply with the law that offers the most favorable benefit to employees.

### **CHAPTER VI. COMPENSATION**

#### Article 25. Payroll and Deductions

Employees are paid on a semi-monthly basis, with payroll processed through Gusto, the company's HR software. Payroll deductions include mandatory taxes, Social Security contributions, and any voluntary benefits selected by the employee.

All other compensation-related policies are outlined separately in the Incentive Policy and Individual Annual Compensation Contract

### **CHAPTER VII. BENEFIT**

#### Article 26. Benefit

The Company provides certain categorized benefits, which are managed through Gusto's automated system rather than a separate written policy.

## **CHAPTER VIII. SAFETY AND HEALTH**

### **Article 27. Safety and Health**

The Company is committed to maintaining a safe and healthy work environment in compliance with California Occupational Safety and Health Administration (Cal/OSHA) regulations and other applicable workplace safety laws.

To ensure employees are fully informed of workplace safety procedures, hazard prevention measures, and emergency response protocols, the Company has established a separate Safety and Health Policy, which has been shared with all employees.

Employees are required to review, acknowledge, and comply with the guidelines outlined in the Safety and Health Policy, including:

1. Workplace safety standards and responsibilities
2. Reporting of workplace hazards, injuries, or unsafe conditions
3. Emergency response and evacuation procedures
4. Health and wellness programs

Employees have the right to report workplace hazards without fear of retaliation, as protected by Cal/OSHA regulations. For further details, employees should refer to the official Safety and Health Policy in Flex (HRM system) or contact Human Resources.

## **CHAPTER IX. WORKPLACE CONDUCT AND ANTI-HARASSMENT POLICY**

### **Article 28. Workplace conduct and anti-harassment policy**

The Company is committed to maintaining a safe, respectful, and inclusive workplace free from discrimination, harassment, bullying, and any form of misconduct. To ensure compliance with California labor laws, all employees are required to review and acknowledge the Company's Workplace Conduct and Anti-Harassment Policy, which is provided separately.

Employees must adhere to the standards outlined in the policy, which includes guidelines on:

1. Prevention of discrimination, harassment, and retaliation
2. Workplace bullying and misconduct reporting procedures
3. Investigation processes and corrective actions
4. Management responsibilities and employee rights

All employees are required to sign and acknowledge receipt of this policy stated in Flex (HRM system), confirming their understanding and commitment to compliance. For further details,

employees should refer to the official Workplace Conduct and Anti-Harassment Policy or contact Human Resources.

## **CHAPTER X. AT-WILL EMPLOYMENT**

### **Article 29. At-Will employment**

Employment with the Company is at-will, meaning that either the employee or the Company may terminate the employment relationship at any time, with or without cause or prior notice, subject to applicable laws.

Nothing in this Employee Handbook, Company policies, procedures, practices, or statements—whether written or oral—shall be interpreted as creating an employment contract or modifying the at-will nature of employment. No manager, supervisor, or representative of the Company has the authority to alter the at-will employment relationship, except through a written agreement signed by the CEO or an authorized executive of the Company.

The Company reserves the right to modify, revoke, or change policies at its discretion, provided such changes do not alter the at-will employment relationship. Employees will be notified of any policy updates in a timely manner.

## **SUPPLEMENTARY PROVISIONS**

### **Article 30. Apply Provisions**

1. Any conflicts from other matters not covered by these Rules and Company regulations shall be governed by the relevant Laws, California Labor Code. These Rules and the Company regulations shall be deemed to have been amended to the extent that the relevant Laws, Regulations and Ordinances are amended and in accordance with the spirit of such amendment.
2. The Company reserves the right to review, modify, update, or revoke any policies outlined in this Employee Handbook as necessary to reflect changes in business needs, operational requirements, or legal compliance. Employees will be notified any material changes. However, no modification to this handbook shall alter the at-will employment relationship or override any rights and protections provided under applicable California or federal labor laws. These Rules are effective as of January 1, 2025, and shall remain in effect until revised. Any future updates will be communicated to employees in a timely manner.