

# Keding Enterprises Co., Ltd

## Employee Handbook

Employee Handbook of Keding Enterprises **Co., Ltd.** is established based on the needs of the Company in accordance with the laws and regulations of Taiwan (Employment Law, etc.).

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# Keding Enterprises Co., Ltd Employee Handbook

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## **Chapter 1 General Provision**

Article1.1 Keding Employee Handbook defines the basic principles of Keding management policy concerning human resources, employee benefits, services and other pertinent employment information. This policy outlines the relationship between employer and employee in terms of duties and sets forth the specific role of the employee.

Article1.2 Keding Employee Handbook applies to all full-time employees and probationary employees.

## **Chapter 2 Employee Standard of Conduct**

Article2.1 Employees shall be subject to and shall comply with laws and regulations, district policies, procedures, administrative directives, rules and regulations that are in effect at the time of their employment or that may become effective during their employment.

Article2.2 Employees are expected to maintain the highest standards of conduct and integrity in the performance of their duties and responsibilities. Employees should also be aware of confidential information and particularly not be disclosed to our competitors. Besides, employees should not disparage or comment negatively about the Company which would reasonably be expected to harm the Company or its reputation.

Article2.3 Employees should not leave a work area without the permission of management and should meet visitors in the assigned visiting area if necessary.

Article2.4 It is prohibited to bring any dangerous objects, weapons, and objects not used for work on company premises.

Article2.5 Use of Company-owned equipment and data base for personal use without prior authorization is strictly prohibited. Bringing out company property from premises without prior authorization and accessing of work related files or documents of other colleagues without consent will lead to disciplinary action. The Company reserves the right to conduct an inspection of employees' personal possession and property if necessary.

Article2.6 Employees should not engage in other employment or business activities where there is a potential or actual conflict between the interests of the company and those of the other business. Employees should not even take leave or be absent without valid approval in order to engage in other employment. The business investment approved by Chairman is an exception of this policy.

Article2.7 If an employee is punished for causing a great loss of the Company, his/her direct supervisor will be punished as well due to joint liability, and it is also applied in rendering rewards.

Article2.8 The Company reserves the right to transfer employees job position with the same pay offered according to their capability and the Companys need.

Article 2.9 For employees working on a shift or schedule basis, any changes to their work shifts shall, in principle, be arranged by the supervisor, and employees may not refuse unless they have a valid reason.

Article2.10 Work schedules for employees can be adjusted by Supervisors in order to accomplish important tasks.

Article2.11 Employees should finish all assigned work and clean up all tools and their work spaces before leaving.

Article2.12 The employee should help to maintain a work place free of sexual or other harassment, discrimination and intimidation of any employee. Harassment in any form resulting in violation of individual freedom and human dignity and affecting job performance are prohibited and will lead to disciplinary actions and even dismissal.

## **Chapter 3 Employment**

Article 3.1 Pre-employment background checks:

Those who fall under one of the following conditions cannot be employed.

3.1.1 Under 18 years old.

3.1.2 Taking drugs or having other bad habits.

3.1.3 Was terminated by previous employers because of bad thoughts or behaviors.

3.1.4 Committing embezzlement.

3.1.5 Joining gangs, committing jobbery, or being notorious.

3.1.6 With mental disability or severe contagious diseases.

3.1.7 Was terminated previously by the Company or resigning without permission.

3.1.8 Sentenced to imprisonment but not allowed to be reprieved or to remain free on bail.

3.1.9 Being wanted for crimes

3.1.10 Proven guilty with hard evidence

3.1.11 Those who meet one of the criteria stipulated in Articles 3.1.7, 3.1.8, and 3.1.9 can only be employed under the permission of the management team.

Article 3.2 Once new employees are assigned to specific work positions, they are requested to report to work immediately without any delay and excuse.

Article 3.3 The Human Resources Department should issue the appropriate formal offer letter to inform the candidate and conduct the on-boarding and orientation process.

## Chapter 4 On-boarding

Article 4.1 New employees should complete in full and submit the new hire paperwork within 5 working days; otherwise, you will not be qualified to become a member of Keding Enterprises Co., Ltd.

4.1.1 Employee Personal Particulars Form, Pre-employment Health Questionnaire.

4.1.2 A scanned copy of the national identification card along with the original card for verification purposes.

4.1.3 ID photo (in color) taken within the last three months.

4.1.4 Health Check Report for new employees.

4.1.5 Proof of highest educational attainment.

4.1.6 Proof of military service. (If applicable)

4.1.7 A copy of the personal passbook covers from the bank designated by the company.

4.1.8 The original certificate of resignation from the last job.

4.1.9 Any Other documents

Article 4.2 The on-boarding process is conducted by the Department of Human Resources in accordance with the Employee On-boarding Process.

Article 4.3 Employees should not engage in any other employment once they become formal employees of Keding Enterprises Co., Ltd. Employees must complete all new hire paperwork accurately. Employees must read and understand the contents of this Employee Handbook and all other Company policies that are effective during their employment.

Article 4.4 Employees who provide the company with forged identification, resume, or personal information will result in immediate termination of employment without notice.

## Chapter 5 Probation

Article 5.1 New hire employees should sign and submit the Employment Contract on the date of employment. Employees will be put on a three-month probation period (including holidays) from the employment date. The Company reserves the right to extend or shorten the probation period at its own discretion. Employees on probation are not entitled to any leaves except for public holidays.

Article 5.2 New hire employees who resign or do not complete the onboarding process within one week (including holidays) will be required to complete the onboarding process within 3 days from the date of resignation. The work period, if any, will be paid after the resignation process is complete.

Article 5.3 The line manager of each department shall evaluate the employee's work ability and performance. At least one evaluation interview must be conducted before the expiration of the contract period, and the results must be documented. After both parties sign the document, it should be submitted to the authorized supervisor for approval and then forwarded to the HR department as a basis for continued employment.

## **Chapter 6 Probation Evaluation**

Article 6.1 Prior to the completion of the probation period, the supervisor will undergo a performance appraisal to determine whether the employee qualifies for permanent employment. The head of the department should personally inform the employee whether he/she is offered permanent employment.

Article 6.2 Employees deemed unsuitable for the position or failing to meet the expectations of the company can be terminated immediately during the probationary period.

Article 6.3 Any leaves or absences taken will automatically extend the probation period by the length of absence (in a day increments).

Article 6.4 During the three (3) month probationary period, an employee may be fairly dismissed for reasons listed as follow:

6.4.1 Personal leave accumulated up to or over 2.5 days.

6.4.2 Sick leave accumulated up to or over 5 days.

6.4.3 Being late for work or leaving work early without permission up to 10 times or accumulated up to or over 60 minutes.

6.4.4 Being absent without valid approval.

6.4.5 Punished by given a demerit.

6.4.6 For special reasons, employees can take more leave with the permission of the Supervisor.

## **Chapter 7 Salary**

Article 7.1 Salary Structure:

7.1.1 Basic Salary: Determined by Supervisor; salary adjustment is held and acted upon once a year, in April.

7.1.2 Meal Allowance: 3000 NTD.

7.1.3 Leader Bonus: Determined by Supervisor.

7.1.4 Duty Bonus: Determined by Supervisor.

7.1.5 Sales Allowance: Determined by Supervisor.

7.1.6 Morning Shift Allowance (work time starts at 07:40) : 50 NTD per day.

7.1.7 Morning Shift Allowance (work time starts at 07:10-07:30) : 100 NTD per day.

7.1.8 Morning Shift Allowance (work time starts at 06:40-07:00) : 150 NTD per day.

7.1.9 Morning Shift Allowance (work time starts at 06:00-06:30, 10:00-12:50) : 200 NTD per day.

7.1.10 Afternoon Shift Allowance (work time starts at 13:00-14:50) : 300 NTD per day.

7.1.11 Night, Graveyard Shift Allowance (work time starts at 15:00-18:00, 04:00-05:50) : 400 NTD per day.

7.1.12 Graveyard Shift Allowance (work time starts at 18:10-03:00) : 600 NTD per day.

7.1.13 Product Line Bonus: Determined through level classification

7.1.14 Fieldwork allowance: Issued based on actual working days (not applicable to market development and sales personnel in Taiwan or those at the assistant manager level and above), effective from July 1, 2022.

Article 7.2 Salary will be paid on the fifth (5<sup>th</sup>) of each month on a monthly basis. If the fifth (5<sup>th</sup>) falls on a weekend or public holiday, the salary will be paid in advance

Article 7.3 Distribution of allowances and bonuses should be handled in accordance with the company's bonus implementation regulations and evaluation criteria.

Article 7.4 The following are mandatory deductions that the Company has the statutory right to deduct from the pay:

7.4.1 Withholding tax: Personal income tax.

7.4.2 Court-ordered garnishments.

7.4.3 Any payments of restitution that the court ordered to be paid to the Employer.

7.4.4 Any other appropriate taxes and mandatory deductions that are to be deducted from your pay in accordance with law, employment contract and company regulations.

Article 7.5 In case the Employee suspects that the remuneration (including net pay, deduction, bonus, etc.) is incorrect, the employee should inform the Employer in writing within five (5) working days after the receipt of the remuneration statement. The employer will review the case and respond to the Employee in writing within five (5) working days from the day the written notice is received. If the matter remains unresolved, the employee reserves the right to file the dispute to the Labor Commissioner within five (5) working days after the response from the Employer is received. The dispute will be settled

through the legal process, otherwise, the employee is deemed to have waived the right and accepted the resolution of the company.

## Chapter 8 Attendance and Working Hours

### Article 8.1 Daily Working Hours:

#### 8.1.1 Daily Working Hours

8.1.1.2 Regular shift hours from 08:00 to 17:00 will have a lunch break from 12:00 to 13:00 (may be adjusted for special circumstances). Tea breaks are scheduled from 10:00 to 10:10 and 15:00 to 15:10. Overtime meal breaks are from 17:00 to 17:30, and employees may apply for a meal allowance if they work until 19:30, in accordance with company regulations.

8.1.1.3 Regular shift hours from 08:30 to 17:30 will have a lunch break from 12:00 to 13:00 (may be adjusted for special circumstances). Tea breaks are scheduled from 10:00 to 10:10 and 15:00 to 15:10. Overtime meal breaks are from 17:30 to 18:00, and employees may apply for a meal allowance if they work until 19:30, in accordance with company regulations.

8.1.1.4 Evening shift hours from 09:00 to 18:00 will have a lunch break from 13:00 to 14:00 (may be adjusted for special circumstances). Tea breaks are scheduled from 10:00 to 10:10 and 15:00 to 15:10. Overtime meal breaks are from 18:00 to 18:30, and employees may apply for a meal allowance if they work until 19:30, in accordance with company regulations.

8.1.1.5 Evening shift hours from 09:30 to 18:30 will have a lunch break from 13:00 to 14:00 (may be adjusted for special circumstances). Tea breaks are scheduled from 10:00 to 10:10 and 15:00 to 15:10. Overtime meal breaks are from 18:30 to 19:00, and employees may apply for a meal allowance if they work until 19:30, in accordance with company regulations.

**\*\*** For the shifts not been mentioned above, the standard is based on the region. The meal break is 30 minutes after the end of work hours. The management personnel listed above have a meal break of 1 hour after the end of work hours, and should apply for meal reimbursement according to regulations by 19:30.

8.1.2 Office staff should ideally remain on company premises during lunch breaks.

8.1.3 Employees who continue to work for four hours after regular working hours should have at least thirty minutes of rest time. However, for those on shift work or other jobs that require continuity or urgency, the rest time may be adjusted accordingly. The daily



working hours should not exceed 12 hours (excluding meal breaks), and there should be one day off after working continuously for seven days.

Article 8.2 Employees should punch in/out by themselves each workday.

Article 8.3 Employees caught punching in/out on behalf of another employee or forging work time records will not be paid for the entire work period and be penalized accordingly.

Article 8.4 In the event of natural disasters, employees can take unpaid leaves.

Article 8.5 Attendance and Punctuality Policy.

8.5.1 Being late or leaving early without permission (including overtime during weekends and holidays) by more than 3 minutes in a given day will be considered as Tardiness Leave. Tardiness will be recorded and rounded up in 10-minute increments; for instance, tardiness of 4 to 10 minutes will be recorded as 10 minutes of Tardiness Leave, while tardiness of 11 to 20 minutes will be recorded as 20 minutes of Tardiness Leave. Tardiness Leave is capped at 60 minutes per day.

8.5.2 For being late or leaving early without permission by more than 60 minutes in a given day will be subject to the employee leave policy, with leave hours counted in increments of half an hour.

8.5.3 When employees accumulate four (4) or more instances (days) of tardiness per month, the tardiness penalties policy applies.

8.5.4 Poor attendance (i.e. being late for work, leaving work early without approval, being absent without valid approval) will be taken into consideration when evaluating annual employee performance.

8.5.5 Being absent from duty without official permission will be considered as absent without valid approval.

8.5.6 Anyone who punches in on behalf of another person or asks someone else to do so will be considered absent for the entire day and will be penalized according to the reward and punishment regulations.

8.5.7 Being absent without valid approval for three (3) consecutive days within one month or accumulated up to six (6) days will result in termination of employment without notice.

8.5.8 Absentees will have their wages deducted as personal leave.

## Chapter 9 Overtime

Article 9.1 Where it is deemed necessary to support production or business operations by having employees work outside of normal working hours, upon approval by department heads, company may extend the work hour and it will be considered as working overtime. The regulations are outlined as follows:

9.1.1 All overtime needs to be pre-authorized by the supervisor beforehand and applied through the online attendance system by the following working day before 12:00 P.M. Employees who fail to apply for overtime accordingly, shall not be recognized that their extended working hours are due to the necessity of production or business, that is, it is not expected by the company and not within the scope of management responsibility hence will not be entitled to overtime pay.

9.1.2 Payment for overtime work during the normal working days, in accordance with Labor Standards Act:

9.1.2.1 Where the overtime work does not exceed two hours, the employees shall be paid, in addition to the regular wage, an additional one-third of the regular hourly rate;

9.1.2.2 Where the overtime work is further extended within two hours, the employees shall be paid, in addition to the regular wage, an additional two-thirds of the regular hourly rate.

9.1.3 Payment for overtime work during a rest day:

9.1.3.1 Where the overtime work does not exceed two hours, the hourly wage for overtime work shall be increased by at least an additional one-third of the original hourly wage;

9.1.3.2 Where the overtime work is further extended within two hours, the hourly wage for overtime work shall be increased by at least an additional two-thirds of his or her original hourly wage.

9.1.3.3 Overtime on rest days must be scheduled in units of one hours.

9.1.4 Payments for working during national holiday:

9.1.4.1 Where there is 8 hours of work, the wage will be paid double;

9.1.4.2 Where there is additional overtime work for two hours, the employees shall be paid, in addition to the regular wage, an additional one-third of the regular hourly rate.

9.1.4.3 Where the overtime work is further extended ten hours, the employees shall be paid, in addition to the regular wage, an additional two-thirds of the regular hourly rate.

9.1.4.4 Overtime on national holidays must be scheduled for a minimum of eight hours.

9.1.4.5 The monthly overtime hours shall not exceed 46 hours, and it is advisable that daily overtime does not exceed 2 hours.

Article 9.2 If the employee leaves the worksite without permission during working overtime, aside from the company will not pay for the overtime, the overtime period will also be considered as absenteeism

Article 9.3 If you work overtime at prescribed time and did not order the meal, you can apply for an overtime meal allowance of NT\$80 per meal, subject to approval by your supervisor.

Article 9.4 Your cooperation of overtime working will be one of the important indicator for salary adjustment and performance evaluation.

## **Chapter 10 Employee Leave Policy**

Article 10.1 All employees are required to apply for leave according to company policy when they are unable to report to work, except for scheduled holidays and business trips. Leave applications should be made before the scheduled leave date and are subject to approval beforehand. On the other hand, the retroactive application for leave should be submitted within five (5) calendar days starting from the day of return. Employees who fail to apply for leave according to the policy shall be penalized according to company regulations.

10.1.1 Leave application for casual leave and earned leave should be made not less than one (1) calendar day before the leave date (Leave application for morning shifts should be finished before 12:00 P.M. and leave application for night shifts should be finished before 12:00 A.M.). Detail information should be included in the application form, such as type of leave, the reason for leave, substitute employee, assignment to be done and any relevant certificate/document should be submitted as well. Apply the leave on the system according to regulations, leave application should be approved by the Supervisor and passed to the Human Resources Department to complete the application; otherwise, the leave will be taken as unpaid leave. Failure to apply for casual leave and earned leave one (1) calendar day before the requested leave will be given a warning as punishment.

10.1.2 In case employees fail to follow the procedures mentioned above, they should report to their supervisor by phone within one hour of their work start time. Additionally, the retroactive application should be submitted within five (5) Calendar days from the date of return. If the completion of the leave procedures is delayed by an additional one (1) to seven (7) days, an additional warning shall be issued. If it is delayed for an additional

eight (8) days, two (2) additional warnings shall be issued. Otherwise, the leave shall be treated as absenteeism.

Article 10.2 Leave entitlements for all employees include public holiday, personal leave, sick leave, menstrual leave, marriage leave, compassionate leave, maternity leave, paternity leave, family care leave, military service leave, official leave, work injury leave, and annual leave, etc.

Article 10.3 Any leave from work except for public holidays will be taken into consideration when evaluating annual employee performance. The respective policy documents will be issued in further detail.

Article 10.4 Public holiday:

10.4.1 New Year's Day (January 1st).

10.4.2 Peace Memorial Day (February 28th).

10.4.3 Children's Day (April 4th).

10.4.4 Qingming Festival /Tomb-sweeping Day (April 5th).

10.4.5 Labor Day (May 1st).

10.4.6 Dragon Boat Festival (May 5th on the lunar calendar).

10.4.7 Mid-Autumn Festival (August 15th on the lunar calendar).

10.4.8 National Day (October 10th)

10.4.9 Lunar New Year's Eve

10.4.10 Chinese New Year (January 1st -January 3rd on the lunar calendar).

10.4.11 Others designated by the central competent authority

Article 10.5 Personal Leave

Employees who are unable to work due to personal matters must apply for leave in person.

10.5.1 Employees who fail to apply for personal leave one (1) calendar days before the requested leave date shall be given a warning.

10.5.2 The total number of personal leave allowed per year shall not exceed 14 days, annual leave shall be deducted for any additional personal leave days taken.

10.5.3 If the personal leave exceeds the limit specified in 10.5.2, it must be submitted as a special case for approval by the manager level before leave is granted. Otherwise, the insufficient amount will be considered absenteeism.

10.5.4 No salary will be paid during personal leave.

10.5.5 Personal leave of absence can be taken in 0.5 hour increments. Personal leave of absence will be taken into consideration when evaluating annual employee performance.

#### Article 10.6 Sick Leave

Employees who need to seek medical treatment or rest due to common injuries, illnesses, or physiological reasons may apply for sick leave according to the following regulations:

10.6.1 For those who are not hospitalized, the leave period must not exceed 30 days per year. During the leave, the salary will be paid at half the rate, and for any leave exceeding 30 days, the entire salary will not be paid.

10.6.2 The total duration of hospitalization shall not exceed one year within a two-year period. Employees may apply for sickness and injury benefits during the hospitalization period in accordance with the regulations of the Labor Insurance Act.

10.6.3 The total of non-hospitalization sick leave and hospitalization sick leave within two years shall not exceed one year.

10.6.4 If the sick leave exceeds the period mentioned in 10.6.1 (30 days) and the employee has not recovered after deducting personal leave and annual leave, may apply for additional leave or be placed on unpaid leave. Leave without pay can last for a maximum of one year. If the employee recovers within one-year unpaid leave period and holds a medical examination certificate from a public hospital proving their physical fitness, they may be reinstated. If the period expires without reporting back and without providing a reason, it will be considered as automatic resignation.

10.6.5 The employee must provide a medical certificate from hospitals or clinics and submit it when applying for sick leave; otherwise the unapproved sick leave will be treated as personal leave.

10.6.6 Salary will be paid at half rate during the sick leave period.

10.6.7 The minimum unit of sick leave is half (0.5) hour. Number of sick leaves taken will be included in annual performance evaluation.

#### Article 10.7 Menstrual Leave

Female employees who experience difficulties at work due to their menstrual period are entitled to take one day of menstrual leave each month. The salary will be paid at half rate. If the total number of leave days taken in a year does not exceed three days, these days will not be counted as sick leave; any additional days will be counted as sick leave.

#### Article 10.8 Marriagel Leave

Employees can take eight days of marriage leave (excluding public holidays) around their wedding. The leave can start from ten days before the wedding or registration date and must be used within one year. Employees can take two days of leave within ten days before or after the wedding, and the rest can be used after the registration. Marriage leave can be taken in separate periods if needed, and salary will be paid during the leave. Employees must submit relevant documents before the leave and provide a marriage certificate afterward for their personnel records.

#### Article 10.9 Compassionate Leave

Employees can take compassionate leave according to the following regulations:

- 10.9.1 When a death occurs in an employee's parent, step-parent, or spouse, employees can take up to 8 days leaves to attend the funeral or make compassionate arrangements. Compassionate leave should be taken in full-day increments and must be taken within one hundred days. Leave will not be granted after the deadline.
- 10.9.2 When a death occurs in an employee's grandparents, children, parents of spouse, adoptive parents of spouse or step-parents of spouse, employees can take up to 6 days leaves to attend the funeral or make compassionate arrangements. Compassionate leave should be taken in full-day increments and must be taken within one hundred days.
- 10.9.3 When a death occurs in an employee's great grandparents, siblings or grandparents of spouse, employees can take up to 3 days leaves to attend the funeral or make compassionate arrangements. Compassionate leave can an be taken in a maximum of three separate instances and should be taken in full-day increments and must be taken within one hundred days.
- 10.9.4 Salary will be paid as usual during the compassionate leave period.
- 10.9.5 Employees should provide a copy of the obituary or any other document to prove the relationship with the deceased for this leave.

#### Article 10.10 Maternity Leave

- 10.10.1 Female employees who have a miscarriage before completing two months of pregnancy should be allowed to stop working and granted five days of maternity leave; those who have a miscarriage after two months but before three months of pregnancy should be allowed to stop working and granted one week of maternity leave. Female employees who choose to take maternity leave will not be paid, while those who choose to take sick leave, personal leave, or annual leave will be handled according to the relevant regulations.

10.10.2 Female employees who have a miscarriage after three months of pregnancy should be required to stop working and be granted maternity leave for four weeks (28 days, including regular holidays); before and after childbirth, they may apply for maternity leave for eight weeks (56 days, including regular holidays). Employees with more than six months of service will receive their full salary during the leave period. Those with less than six months of service will receive half of their salary.

10.10.3 A certificate from a public or private hospital must be attached when applying for maternity leave, as well as a copy of the household registration for childbirth, which will be noted in the personnel profile.

10.10.4 Female employees may apply for seven days of maternity check-up leave during their pregnancy, and must provide proof from a public or private hospital. Salary will be paid during the leave period.

#### Article 10.11 Paternity Leave

Paternity leave for accompanying a spouse to prenatal check-ups should be taken during the spouse's pregnancy. Leave for accompanying a spouse during childbirth should be taken on the day of delivery and within a total of 15 days before and after the delivery date. The total number of leave days is up to 7 days, and salary will be paid as usual during the leave period. If the leave period coincides with public holidays, commemorative days, or other legally mandated days off, these will be included in the leave and no additional days will be granted. When applying for paternity leave, a certificate from a public or private hospital and a copy of the full household registration must be attached for personnel records.

#### Article 10.12 Family Care Leave

When employees need to personally care for family members receiving vaccinations, suffering from serious illnesses, or facing other significant incidents, they may apply for family care leave. The number of leave days will be counted as part of personal leave, with a yearly limit of seven days. Salary during family care leave will be calculated in accordance with the regulations for personal leave. When applying for family care leave, relevant documents providing sufficient proof must be attached for personnel records.

#### Article 10.14 Work Injury Leave

If employee is injured while performing official duties or during commute to and from work, and is unable to work due to a valid certificate from labor insurance, health insurance, or a designated hospital, will receive full salary for work injury leave in addition to the labor insurance benefits. If the employee becomes permanently disabled

and cannot return to work due to the injury, they will be entitled to disability benefits from the insurance agency in accordance with the Labor Insurance Act, and termination will be handled according to the law. If the medical treatment period extends to two years and the employee has not recovered, it will be processed according to Article 59 of the Labor Standards Act. During the work injury sick leave period, salary and allowances will be provided by the insurance agency according to the Labor Insurance Act, with the company covering any difference.

#### Article 10.15 Annual Leave

All regular employee upon completion of certain period shall be eligible for annual leave.

10.15.1 For employees who have worked for more than six months but less than one year, three (3) days of leave will be granted.

10.15.2 For employees who have worked for more than one year but less than two years, seven (7) days of leave will be granted.

10.15.3 For employees who have worked for more than two years but less than three years, ten (10) days of leave will be granted.

10.15.4 For employees who have worked for more than three years but less than five years, fourteen (14) days of leave will be granted.

10.15.5 For employees who have worked for more than five years but less than ten years, fifteen (15) days of leave will be granted.

10.15.6 For employees who have worked for more than ten years, thirty (30) days of leave will be granted.

Year of Service	Days of Leave
6 months	3
1 year	7
2 years	10
3 years	14
4 years	14
5 years	15
6 years	15
7 years	15
8 years	15
9 years	15
10 years and above (an	Above 16



<p>additional leave day is granted each year, but the total days should not exceed 30 days)</p>	
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10.15.7 The minimum unit of annual leave that may be taken is half (0.5) hour.

10.15.8 Annual leave is calculated based on the employee's date of joining and should be used within a 12-month period. To promote a healthy work-life balance, special leave is primarily scheduled by the employees, though it can also be arranged through mutual agreement between the employee and the company. Any remaining unused special leave at the end of the period will be converted into cash compensation and paid out on the 5th of the following month.

10.15.9 If the employment contract is terminated, any unused special leave will be converted into cash compensation and paid on the 5th of the month following the completion of the resignation and handover procedures.

10.15.10 Employees who fail to apply for special leave one (1) calendar day before the requested leave will be given a warning.

10.15.11 In response to the low and peak season of the company's industry, all employees must apply for annual leave in advance during the fourth quarter. If you wish to take one day off, you must apply one week in advance; if you wish to take two days off, you must apply one month in advance; and if you wish to take three or more days off, you must apply three months in advance, to facilitate work arrangements and scheduling.

## Chapter 11 Performance Evaluation

Article 11.1 To boost employee morale and improve efficiency and productivity, The Company conduct performance evaluation periodically to provide rationale and basis for raise, promotion, and bonus distribution. The respective policy will be issued in further detail.

Article 11.2 The Company will perform a performance review to each employee upon his/her working performance and capability. (The content of the performance review includes but is not limited to the monthly sales target achievement, achievement of KPIs, capacity effectively producing reports, etc.) All employees shall follow the promotion/demotion made upon the performance review, and shall accept the salary, compensation and benefits after adjustment.

## Chapter 12 Reward & Punishment

Article 12.1 Reward and punishment should be given based on the overall outcome of the situation in contrast of the actions of the individual. Whether the outcome is positive or negative, judgment should always be free of bias with the aim of creating better discipline.

Article 12.2 Reward and recognition mechanisms fall into five categories: commendation, merit, excellent merit, praise and award.

Article 12.3 Rewards should be given for significant outstanding performance that advances unit goals, and should be tied to a specific accomplishment. Criteria are as follows:

12.3.1 The successful completion of an assignment by an individual or team, the results of which are of an exceptionally high order of achievement.

12.3.2 Staff taking prompt action in avoiding severe accident and great loss of the Company.

12.3.3 The performance of duties under extraordinary circumstances in a manner that constitutes a contribution of unusual merit to the Company.

12.3.4 Significant contribution to prevent loss of Company profit.

12.3.5 Significant contribution to build or maintain good corporate image.

12.3.6 In the event of a serious incident, taking courageous action to rescue or prevent in advance, thereby protecting the company from losses, based on the factual evidence.

12.3.7 A project team or an individual able to deliver results with significant cost savings and greater than expected results.

12.3.8 Significant accomplishment in the management of financial, material or human resources.

12.3.9 Innovative and trend-setting initiatives that result in important improvements to operations and/or savings to the Company.

12.3.10 Staff volunteering to handle an emergency situation or do anything that make significant contribution to the Company. (where this is outside the expectations of their position).

12.3.11 Higher than anticipated achievement.

Article 12.4 Manager/Supervisor can nominate a colleague for any type of rewards and should submit and the reward nomination to the supervisor for approval/rejection.

Article 12.5 Punishment mechanisms fall into three categories: penalty, demerit, great demerit.

Article 12.6 Penalties or demerits are given for typical behaviors as follows:

12.6.1 Refusal to comply with instructions of a supervisor.

12.6.2 Fighting or threatening violence in the workplace; or failure to notify supervisor of absences.

- 12.6.3 Using verbal abuse to insult or intimidate colleagues.
- 12.6.4 Disclosure of confidential and proprietary information of the Company.
- 12.6.5 Unauthorized time away from work station which causes great damage to equipment.
- 12.6.6 Fighting or threatening violence in the workplace or other indecent conduct that cause damage to corporate image.
- 12.6.7 Unauthorized possession of weapons on the Company properties.
- 12.6.8 Damaging, defacing, or misusing the Company property or the property of coworkers.
- 12.6.9 Failure to perform assigned job responsibilities without reasonable explanation and refusal to comply with instructions of a supervisor.
- 12.6.10 Accepting gifts, money, or other such minor favors from vendors or suppliers without disclosure to immediate supervisor.
- 12.6.11 For individuals who accumulate four or more late arrivals within the same month for the first time, a penalty will be issued.
- 12.6.12 Other misconducts or disobedience to the Company policy.

Article 12.7 The accumulation of rewards in a fiscal year: three commendations equal one merit; three merits equal one excellent merit.

Article 12.8 The accumulation of punishments during a fiscal year: three penalties equal one demerit; three demerits equal one great demerit. Employees with an accumulation of two great demerits should be dismissed, demoted or receive a pay cut.

Article 12.9 During a fiscal year a commendation can offset a penalty; a merit can offset a demerit.

Article 12.10 Reward and punishment records will be taken into consideration when evaluating annual employee performance.

Article 12.11 Employees under the following circumstances will be given monetary rewards or tokens.

- 12.11.1 Significant contributions, such as the development of a new idea, or improvement on an existing idea, solutions to business and workplace challenges that results in savings to the Company.
- 12.11.2 Significant contribution to Company business
- 12.11.3 An individual or team with excellent work performance
- 12.11.4 Other significant contributions

## **Chapter 13 Resignation & Dismissal**

### **Article 13.1 Resignation**

- 13.1.1 The employee who wish to resign must notify the company in advance. During the notice period, the employee is required to submit a written resignation letter and complete a "Resignation Application Form." After obtaining approval from their supervisor, the

documents should be submitted to the HR department for record-keeping. This will initiate the work handover process to facilitate the company's arrangements for the transition. The notice period is determined according to the following regulations:

13.1.1.1 10-day notice period if continuous employment is more than 3 months.

13.1.1.2 20-day notice period if continuous employment is more than 1 year.

13.1.1.3 30-day notice period if continuous employment is more than 3 years.

13.1.2 At supervisor's discretion, the employee's resignation date can be backdated to an earlier date upon completion of the required resignation process.

13.1.3 The employee must complete all handover procedures and return any company-owned items. The employee should then fill out a Resignation/Handover Checklist which must be approved by their department supervisor and the designated approving authority. Once the form is submitted to the HR department for record-keeping, the resignation process will be considered complete.

13.1.4 The Company reserves the right to suspend the pay to resigned employee until the resignation procedures are completed.

13.1.5 The resigned employee can request proof of resignation upon completion of the resignation procedures.

13.1.6 Supervisor should inform the Department of human resource the termination of the employee on the effective date of resignation. Department of human resource will cancel the employee's insurance on the date.

## Article 13.2 Severance

13.2.1 Keding may terminate employment on account of severance of employment due to the following situations:

13.2.1.1 The business ceases to operate or has been transferred.

13.2.1.2 The business suffers an operating loss or contraction.

13.2.1.3 Business suspension for more than one month is necessitated by force majeure.

13.2.1.4 A change in business nature requires a reduction of workers and the particular employees cannot be assigned to another suitable position.

13.2.1.5 A particular employee is clearly not suitable to perform satisfactorily the duties required of the position held.

13.2.2 Keding will give a notice period of termination of employment as below:

13.2.2.1 10-day notice period if continuous employment is more than 3 months.

13.2.2.2 20-day notice period if continuous employment is more than 1 year.

13.2.2.3 30-day notice period if continuous employment is more than 3 years.

13.2.3 After receiving the notice, employees may take leave during working hours to seek alternative employment, but should not exceed two working days per week. During the leave period, salary and allowances will continue to be paid. If the company fails to provide notice as specified in the previous article and terminates employment immediately, salary and allowances will still be paid according to the notice period.

13.2.4 When the company terminates employees according to regulations, in addition to providing the salary for the notice period, severance pay will be provided according to the following provisions:

13.2.4.1 For continuous employment with the company, the years of service accumulated up to June 30, 2005, entitle employees to severance pay equivalent to one month's average salary for each full year of service. For years of service from July 1, 2005, onwards, employees are entitled to severance pay equivalent to half a month's average salary for each full year of service.

13.2.4.2 For the remaining days calculated according to 13.2.4.1, or if the employment period is less than a year, severance pay will be calculated proportionally.

13.2.5 Severance pay does not apply to the following employee:

13.2.5.1 Employee with fixed-term contracts that have expired.

13.2.5.2 Employee dismissed due to serious violations of work rules.

13.2.5.3 Employee resign voluntarily.

### Article 13.3 Dismissal

During the period of employment, whether at work or off work, upon the occurrence of any one of the following circumstance, the employer may dismissal employment agreement within 30 days without giving notice and severance pay.

13.3.1 Falsifying statements in employment contract or in other employment documentation which causes great loss of Company.

13.3.2 Using verbal abuse to insult or intimidate colleagues or their family members.

13.3.3 Sentenced to imprisonment but not allowed to be reprieved or to remain free on bail.

13.3.4. Severe violations of company policies or rules outlined in the Employee Handbook (including the Punishment Regulations and Monetary Guidelines).

13.3.5. Destroying or defacing Company property or records or the property of an employee; or disclosure of confidential and proprietary information of the Company

13.3.6 Disclosure of personnel information (e.g. salary)

13.3.7 Being absent without valid approval for three consecutive days or accumulated up to six days within one month with no decent explanation.

- 13.3.8 Applying for retained position accumulated up to three times
- 13.3.9. Accumulation of two great demerits within a year.
- 13.3.10 Insubordination or refusal to comply with the specific instructions of a supervisor in the context of an assigned job duty
- 13.3.11 Theft, dishonesty or unauthorized use of company property including records and confidential information
- 13.3.12 Posting or distributing any vulgar, obscene, discourteous or indecent words, images or language which causes misunderstanding between supervisors, subordinates, and colleagues; encouraging or instigating a strike or provoking conflicts between employer and employee
- 13.3.13 Being proven intentionally damaging the reputation of the Company or an individual; false reporting of illegal operation of the Company to authorities.
- 13.3.14 Gambling, participating in lotteries or any other games of chance on the premises at any time.
- 13.3.15 Workplace sexual harassment is found to be true after investigation, and the situation is deemed serious.
- 13.3.16 A false accusation of workplace sexual harassment was made out of spite or retaliation has been confirmed, and the situation is deemed serious.
- 13.3.17 Unauthorized time away from work station which causes great loss of Company.
- 13.3.18 The negligent loss of Company confidential information
- 13.3.19 Theft, misappropriation, embezzlement, unauthorized possession or removal of Company property or the property of employees or customers
- 13.3.20 Taking bribes and kickbacks for granting favors or providing information.
- 13.3.21 Swaggering and swindling under the guise of the company's name.
- 13.3.22 Other misconduct which brings the Company's name into disrepute.
- 13.3.23 Engaging in other employment or business activities where there is a potential or actual conflict between the interests of the company and those of the other business.
- 13.3.24 Intentionally deceiving or threatening individuals or the Company to make false or misleading statement in establishing or changing the employment contract or other employment documents.
- 13.3.25 If the employee has seriously late, after persuasion, the situation is still incorrigible, those who are late for work more than three times, the fourth time in the same month within one year will be dismissed.

13.3.26 Employees who provide falsified information or expenses to the company, such as false daily work reports, visit and telesales records, delivery schedules, moving records, or expense claims.

13.3.27 For positions with performance targets, if the employee fails to meet the target performance and various work indicators each month (including but not limited to the number of calls made, number of client visits, showroom visitors, number of presentations, new cases added to CRM, number of cold calls, and number of deals closed), the supervisor will conduct monthly performance reviews and provide guidance for improvement to those who did not meet the targets. If the employee is still unable to meet the following standards after counseling and training, they will be subject to termination:

1. Failure to achieve 60% of the target for three (3) consecutive months.
2. Achieve 60-69% of the monthly targets for four (4) consecutive months.
3. Achieve 70-79% of the monthly targets for five (5) consecutive months.
4. Achieve 80-89% of the monthly targets for six (6) consecutive months.

13.3.28 Refer to the following chart for the performance evaluation criteria for Call Center Executive/Product Consultant/Inside Sales Representative/ Outside Sales Representative during the probation period. Those who fail to meet expectations shall be considered unsuitable for the job.

Full Month of Employment	Mr. K
Third (3) month	Successfully invite 0.5 session per day
Fourth (4) month	Successfully invite 0.8 session per day
Fifth (5) month	Successfully invite 1 session per day
Sixth (6) month	Pass evaluation of Product Consultant

## Chapter 14 Benefits

Article 14.1 Source/Income:

14.1.1 At the time of establishment of the enterprise, 5% of the total capital amount shall be allocated.

14.1.2 Each month, the enterprise shall allocate 0.15% of its total operating revenue.

14.1.3 Each month, the enterprise shall allocate 0.5% from the salary and allowances of each employee.

14.1.4 When the enterprise disposes of assets at a discounted price, 40% of the proceeds shall be allocated.

14.1.5 When the enterprise increases its capital, 5% of the additional capital amount shall be allocated.

14.1.6 Other bonuses as specified by regulations

#### Article 14.2 Function:

14.2.1 Subsidy for employee get-together activities

14.2.2 Seniority less than 1 years: birthday cash gift 600 NTD. Seniority more than 1 year's birthday cash gift 1200 NTD.

14.2.3 Cash gift or token for wedding / childbirth / condolence

14.2.4 Annual incentive overseas tour

14.2.5 Cash gift or token for Chinese New Year, Labor Day, Dragon Boat Festival, Mid-Autumn Festival and other festival.

14.2.6 Sympathy gift

14.2.7 Special reward

14.2.8 Refreshments

#### Article 14.3 Cash gift Standards:

	Type	Wedding		House warming		Birthday	Sympathy		condolence ( <b>Note 2</b> )	
	Description	Employee	Children	Employee only		Employee only	Business	personal	Employee only	Parents, Spouse & Children
General	employment over 3 months below 6 months	3200	-	-	-	-	According to the standard of sympathy gift	2000 or gift	50000	1500
	employment within 1 years	3600	3200	3600	2000	2600				2100
	employment within 3 years	6000	3600	6000	2000	2600				3100
	employment over 3 years	8000	6000	8000	3600	3200				4100
Managerial	employment within 3 years	8000	6000	8000	3600	3200				4100
	employment over 3 years	12000	8000	12000	3600	3200				5100
Note		Marriage certificate Note 1		With banquet	Without banquet	Issued by Payroll Group	<b>Note 1</b>			
	First time only									

Note 1: Cash gift to be applied by supervisor level and above.

Note 2: For those who apply for condolence tribute, the General Affairs Department will deliver a pair of flower baskets.

#### Article 14.4 Description:

14.4.1 For the occasion/event that is not listed above, supervisor could determine whether to give cash gift or not.



14.4.2 Starting from the 4th day of private hospitalization, if the employee has a serious illness or injury, the supervisor must bring a gift when visiting. If the illness or injury is not serious, supervisor shall determine the seriousness of the illness and whether to visit the employee in hospital and/or give sympathy gift.

14.4.3 An employee who has not completed three (3) months of consecutive employment should not receive birthday cash gift.

14.4.4 In order to be eligible for house warming cash gift, condition as follow:

15.4.4.1 A minimum of one table must be reserved for a public banquet. (with proof)

15.4.4.2 Purchase or non-rental housing with fully furnish (limited to employee or spouse or engaged couple, with proof).

14.4.5 An employee who has not completed six (6) months of consecutive employment may receive cash gift for the event listed above which is to be determined by Supervisor.

14.4.6 For the same occasion/event, only one employee should receive the cash gift

## **Chapter 15 Labor Insurance**

Article 15.1 New employees under the age of sixty will be enrolled in labor insurance starting from their employment date. HR will complete the "Health and Labor Insurance Enrollment Application Form" for this purpose.

Article 15.2 Labor insurance premiums are shared according to the government regulation, with the employee's portion uniformly deducted and remitted during the payroll process.

Article 15.3 After verification against the calculation sheet and payment slip sent by the Health and Labor Insurance Bureau, the premiums will be paid to the Labor Insurance Bureau.

Article 15.4 Employees may apply for the Reissuance of a Health Insurance Card from the HR starting from the day of enrollement. Employees may visit designated hospitals for medical treatment.

Article 15.5 On the day of resignation, the insurance coverage will be terminated. The department supervisor of the resigning employee should promptly notify HR to complete the "Application form for insurance withdrawal " and report to the Health and Labor Insurance Bureau.

Article 15.6 Insurance enrollments, withdrawals, benefits, and other related matters will be handled in accordance with the Health Insurance, Labor Insurance, and Labor Pension Act. However, the Labor Pension Act do not apply to foreign employees.

## **Chapter 16 Additional Article**

Employee Handbook of Keding Enterprises Co., Ltd., takes effect upon approval of the management team. Information not covered in this handbook will be carried out in accordance with the Labor Standards Act, Act of Gender Equality in Employment, Civil Code, Criminal Code and the laws and regulations of Republic of China (Taiwan). In case of any discrepancies in the text, the content of the latest Chinese version of the Employee Handbook shall prevail.