

SHIEH YIH MACHINERY INDUSTRY CO., LTD.

Employee Benefits and Retirement System

■ Employee Benefits:

(1) Company self-organized employee welfare:

- Year-end bonuses and employee remuneration will be paid annually according to operational performance, and quarterly performance bonuses will be paid according to performance evaluation.
- All employees are covered under labor insurance, National Health Insurance, and labor pension.
- Free meals, work outfits, safety shoes, dormitory, regular health checkups and parking spaces are provided to employees.
- Employees are provided with cash bonuses for moving to new homes, births, injuries and illnesses, and weddings and bereavements.
- To create a childcare-friendly environment, the company provides a nursing (breastfeeding) room and a contracted nursery.
- The Company is empathetic to our employees' hardships and provides them with massage services by the visually impaired, which also helps us fulfill our corporate social responsibility.
- The Company organizes employee training and seminars, provides subsidies for foreign language study, and provides subsidies for employees' on-the-job training and scholarships for offspring.

(2) The Company's Welfare Committee handles the following employee benefits:

We set aside employee welfare funds in accordance with the law and established an employee welfare committee to implement the following benefits:

- Organize employee outings and trips to enhance solidarity.
- Provide festival and birthday bonuses.
- In case of an employee's illness and hospitalization, the Welfare Committee will provide necessary assistance and understanding of emergency needs, and provide consolation money for injuries and illnesses.
- Encourage employees to participate in clubs and provide subsidies for activities; strengthen employee relations and organize departmental teambuilding meals.

■ Retirement and Pension System

- (1) An employee may apply for retirement before he/she is eligible under one of the following circumstances:

Those who have worked for at least fifteen years and have reached the age of fifty-five.

Those who have worked for more than 25 years.

Those who have worked for at least 10 years and reached the age of 60.

After the application is approved, the relevant procedures can be completed on the last working day of the retiring employee.

- (2) The Company has established a Labor Retirement Reserve Fund Supervisory Committee in accordance with the Labor Standards Act. In order to comply with the amendment of the Labor Standards Act, if the balance in the special retirement fund account is not sufficient to pay for the workers who are expected to meet the retirement requirements in the following year before the end of each year, the Company should allocate the difference before the end of March of the following year. The Company has allocated the full amount by the end of March to meet statutory requirements. In addition, the Company contributes a certain percentage of the monthly payroll to the pension reserve fund, which is deposited into the special account of the Bank of Taiwan Trust Division for labor fund payment.
- (3) The Labor Pension Act became effective on July 1, 2005, and labor pension funds are subject to a defined contribution plan. Upon implementation, employees may choose to be subject to the pension provisions of the Labor Standards Act or the pension system under the Labor Pension Act and retain the years of service prior to the application of the Act. For employees applicable to the Labor Standards Act, the Company's monthly contribution rate to the employees' pension fund shall be 6% of their monthly salary.
- (4) The Company shall pay the employees' pensions under the Labor Standards Act within 30 days from the date of retirement.