

## Employee Benefits, Retirement System and Implementation

### 1. Employee Benefits Measures

- (1) All employees of the Company participate in labor insurance and national health insurance, and apply for it in accordance with the relevant management regulations.
- (2) The Company established the Employee Welfare Committee on April 1, 1968, and the Company and its employees shall allocate welfare funds in accordance with the law to plan, promote and implement various welfare measures. Such as: including employee's wedding and funeral congratulations and condolences, birthday cash gifts, maternity cash gifts, Lunar New Year gift certificates, Dragon Boat Festival gift certificates, Mid-Autumn Festival gift certificates, hospital condolences, retirement congratulations and optional benefits, etc.
- (3) The Company offers a number of benefits, listed as follows:

- Pay the cost of outsourcing employee health examination every year.
- Provide free shuttle bus to and from Aircraft Maintenance Division, Pingtung.
- Distribute cash gifts such as Lunar New Year, Dragon Boat Festival, Mid-Autumn Festival and Labor Day.
- Advance payment system for employee annual leave.
- The Company grants menstruation leave, maternity leave, paternity leave and parental leave in accordance with laws and regulations, among which the application for parental leave and reinstatement of employees over the years are as follows:



Years	Male		Female		Reinstatement rate
	Number of applicants	Number of reinstatements	Number of applicants	Number of reinstatements	
2014	1	0	3	3	75%
2015	3	3	0	0	100%
2016	2	1	2	2	75%
2017	0	0	0	0	0%
2018	2	0	3	2	40%
2019	1	0	1	1	50%
2020	2	1	1	1	67%
2021	4	3	2	1	67%
2022	3	2	2	2	80%
2023	3	1	2	2	60%
Total	21	11	16	14	68%

(4) The Labor Union has formulated a number of subsidy and welfare measures for its members in relation to marriage, funeral, hospitalization and travel, which are listed as follows:

- From 2017 to 2023, the Company has participated in the 100% Work Safety Walk and the Labor and Management Sports Competition held by the Bureau of Labor Affairs, Tainan City Government.
- The 2023 Labor and Management Sports Competition won various awards:
  - i. The Fun Races project won a 2<sup>nd</sup> place, 2 4<sup>th</sup> places and a 5<sup>th</sup> place respectively.
  - ii. The team relay placed 6<sup>th</sup>.



- In 2018, two family day activities were held.
- In 2019, a total of four family day activities were held in the North, Central and South regions.
- In 2020, three family day events have been held in different regions.
- In 2022, three family-day events have been held in different regions.
- In 2023, four family-day events have been held in different regions.



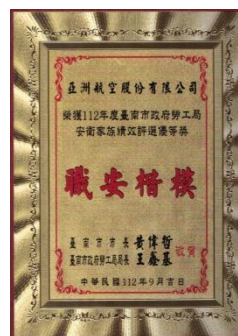
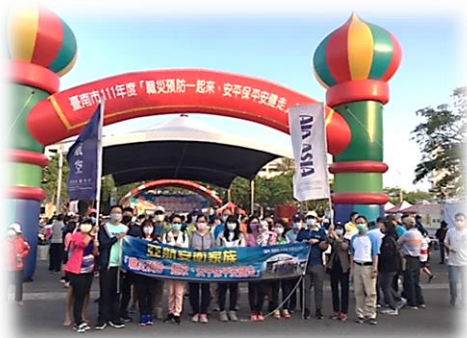
(5) The Company signed a collective contract with the Labor Union for the first time on Nov. 24, 2016, signed for the second time on Sep. 17, 2020, and for the third time on Sep. 17, 2023. It has been revised 6 times on Nov. 10, 2017, Jun. 15, 2018, Dec. 18, 2018, Nov. 14, 2019, Aug. 24, 2022, and Feb. 14, 2023. It is applicable to all full-time employees of the Company, with a coverage rate of 100%. New additions to the annual contract include long-term bonuses based on service years, an increase in the amount of holiday bonuses, and adjustments to Labor Union activity funding subsidies. We continued to optimize the content of the contract, and work together to build a happy enterprise.



➤ In 2019, 2020, 2022 and 2023, the Company was commended by the Tainan City Government for the Labor-Management Harmony Institution.



➤ From 2018 to 2023, the Company won the honorable mention award for Safety and Health Family performance for 6 consecutive years.





## **2. Overall Compensation Reward Policy**

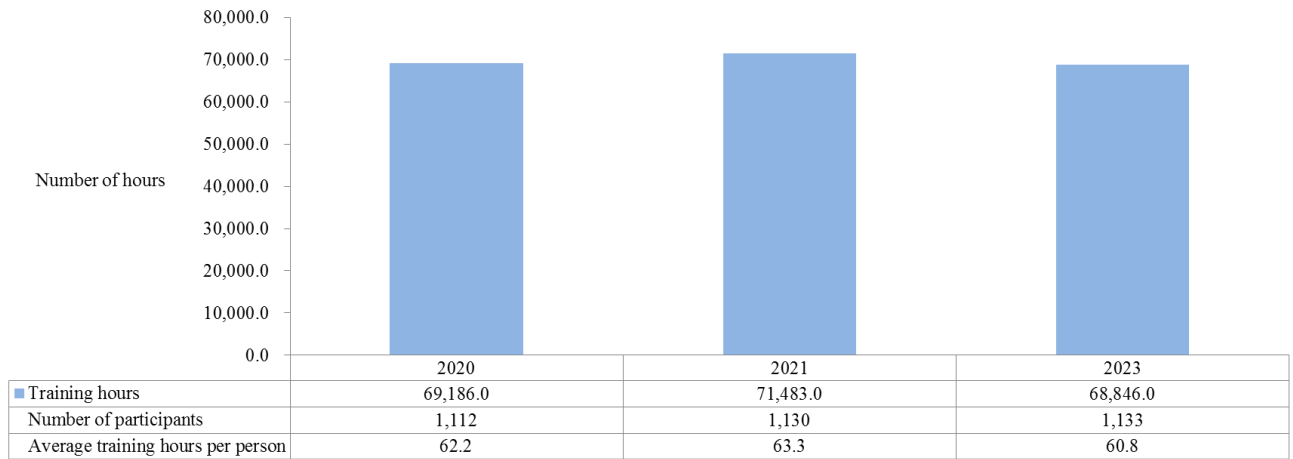
- (1) The Company has "Regulations for Year End Bonus", which provides employees with year-end bonuses based on the Company's overall profitability conditions and individual performance appraisal assistance.
- (2) According to the "Articles of Incorporation" regulations, if there is a profit in the year, 1% to 3% should be allocated as employee compensation. However, if the Company still has accumulated losses, it should reserve the compensation amount in advance.
- (3) In order to enhance employee well-being, increase employees' attachment to the Company, and ensure employees' life after retirement, the Company's Board of Directors approved the implementation of employee stock ownership trusts in 2023.

Starting from January 2024, qualified colleagues will voluntarily participate in the shareholding trust committee. Employees will allocate a fixed self-withdrawal amount from their monthly salary, and the Company will allocate a fixed proportion of public allocation funds every month and jointly deposit them into the trust account for investment.

- (4) In order to encourage Departments and employees to exceed original performance targets to increase corporate profits, and to reward those who have made significant contributions to the Company, the Company has established an "Incentive Bonus Payment Method". KPI bonuses will be issued quarterly based on performance, and special achievements of individuals or units will be rewarded monthly based on different indicators.

## **3. Education and Training**

- (1) The Company complies with the relevant Civil Aviation Act regulations and trains employees with the knowledge, experience and expertise of a repair station to perform maintenance, preventive maintenance or modification.
- (2) In order to enable employees to fully understand aviation and other related laws and regulations, Air Asia Technical Training regularly and irregularly arranges various training courses and exam counseling. If it is required by international aviation or OEM technology, it will also send personnel to foreign countries to receive relevant training courses.
- (3) The Company held employee language ability improvement courses, arranged supervisor training or consensus camps, accepted management-related courses such as business strategy and corporate governance, and participated in financial and other professional training courses for business-related personnel to improve the job functions of employees at all levels.
  - The Company has conducted education and training in the past three years, with an average annual total training hours of 69,838.3 hours.



- (4) In addition to cultivating technical manpower, industry-university cooperation also provides professional knowledge and technicians to partner schools to serve as industry teachers to expand their career development.

#### 4. Retirement System and Implementation

- (1) In order to truly take care of the living guarantee of employees after they leave the workplace, the Company has established a Labor Retirement Reserve Supervision Committee in accordance with the relevant provisions of the Labor Standards Act to coordinate and manage related businesses. The employees' pension seniority has been settled. From Dec. 18, 2018 to Jan. 31, 2020, a total of 259 people were fully settled in three stages, and the total settlement amount was NT\$330,424,742 (Taiwan Bank special account paid NT\$208,048,781; the Company paid NT\$122,375,961). The Tainan City Government issued a letter on Mar. 8, 2023 (Letter No. 1120285446 of Nanshi Labor Reeducation Code) to our Company, allowing the Labor Retirement Reserve Supervisory Committee to close its accounts.
- (2) All employees of the Company are subject to the Labor Pension Act, the Company also complies with the regulations and contributes monthly pensions.