

Operation Rules of Labor-Management Council

Chapter 1 General Rules

Article 1 (Purpose)

The purpose of these regulations is to enhance Employees' welfare and to contribute to the Company's health development by promoting the common interests of the labor and management through their joint participation and cooperation.

Article 2 (Establishment and Operation)

The name of the council shall be called as Labor-Management Council of 00000 Company (hereinafter referred to as "Council") and the Council shall be established inside the Company.

Article 3 (Definitions)

The terms stipulated in the regulations shall be defined as follows:

1. The term "Labor Management Council" means the consultation organization established to promote the common interests of the labor and management through their joint participation and cooperation.
2. The term "Employee" means a person who provides labor service to the Company.
3. The term "Employer" means the Corporation and the G.D.

Article 4 (Good Faith Obligation)

Employees and Employer shall consult with each other in good faith and mutual trust.

Article 5 (Employer's Duties)

1. The Employer shall not intervene or obstruct the election of Employee Members.
2. The Employer shall provide basic convenient facilities such as provision of place for the purpose of Employee Members' work.

Chapter 2 Establishment of Council

Article 6 (Composition)

A Council member shall be composed of Members representing (hereinafter referred to as "Employee Members") and Members representing the Employer (hereinafter referred to as "Employer Members"), but the number of member shall be 4 Members respectively.

Article 7 (Composition of Election Management Committee and its Missions)

1. There shall be an Election Management Committee (hereinafter referred to as "Election Committee", which consists of three Members.
2. The Election Committee Members shall be selected in order of seniority among Sawons (non-titled Employees) and Assistant Managers.
3. The missions of the Election Committee are the election and its itinerary reporting, voting and applicants' registration, determining successful candidates, and other related items.
4. The Election Committee shall implement the election within fifteen days before the Employee Members' term of Office expires.

Article 8 (Election of Employee Member)

1. Employee Members shall be elected by the majority vote in Employees' direct, secret and unsigned vote.
2. Anyone who applies for an Employee Member shall be an Employee of the Company and should have more than ten recommendations.
3. In the case where the number of applicants for Employee Members is the same as the number of elected Employee Members, those applicants are admitted as Employee Members without an election.
4. When an Employee Member has dropped out due to resignation of the Company or resignation from the position, a replacement should be elected or commissioned within thirty days.
5. The Replacement Member shall be appointed the highest poll among those who applied as an electoral candidate but could not be elected.
6. The Employer shall appoint the Employee Member elected or commissioned or issue the Certificate of Employee Member according to Attachment 1.

Article 9 (Disqualification of Employee Members)

Those who apply to any of the following paragraphs shall not be Employee Members.

1. A person who is not an Employee of the Company;
2. A person whose age does not reach the age of 20 (TWENTY) as of election day;
3. A person who was sentenced to imprisonment or heavier punishment, but did not yet spend two years from the time completing his/her imprisonment; and
4. A person who has not served more than 1 (ONE) year.

Article 10 (Commission of Employer Member)

1. Employer Members shall be the G.D and ones who are recommended and commissioned by the G.D. provided, that the position is allowed to Bujang (General Manager) and higher position.
2. When Employer Member has dropped out, the G.D. will commission a replacement within thirty days.
3. The Employer shall appoint the Employer Member commissioned or issue the Certificate of Employee Member according to Attachment 2.

Article 11 (Disqualification of Employer Members)

Those who apply to any of the following paragraphs shall not be Employer Members.

1. A person whose age does not reach the age of 20 (TWENTY) as of election day;
2. A person who was sentenced to imprisonment or heavier punishment, but did not yet spend two years from the time completing his/her imprisonment; and
3. A person who was ordered for remedy of unfair labor practice, but disobeyed it, or who was once prosecuted for violation of the Labor Standards Act. Provided, that the G.D will be excluded in this application.

Article 12 (Chairman)

1. There shall be a Chairman of the Council, and the Chairman shall be elected from among its Members. When necessary, Employee Members and Employer Members shall elect their representative as joint Chairman.
2. The Chairman shall represent the Council and shall preside over and manage the affairs thereof.
3. The term of the Chairman's position shall be one year.
4. The Employee Members and the Employer Members shall each have one Secretary to handle the recording of Council affairs and other clerical work of the Council.

Article 13 (Term of Office of Members)

1. The term of Office of Members shall be three years and Members may be reelected or re-commissioned.
2. The term of Office for a Member elected or commissioned to fill a vacancy shall be the remainder of the term of the predecessor.
3. A Member shall continue to perform his duties until his successor has been elected or commissioned, even though the term of his Office has expired.

Article 14 (Status of Members)

1. Members shall not work exclusively for the Council and shall not be compensated for their services to the Council.
2. The Employer shall not take disadvantageous actions against Employee Members' interest in connection with the performance of their duties as Members of the Council.
3. The time spent by an Employee Member for attendance at meetings of a Council shall be regarded as hours devoted to work.

Chapter 3 Operation of the Council

Article 15 (Meetings)

1. A Council shall hold a regular meeting once every three months.
2. A Council may hold an extraordinary meeting if necessary.

Article 16 (Calling of Meeting)

1. The Chairman shall call for and preside over meetings of the Council.
2. The Chairman shall hold a meeting when either of the representatives sends a written request including the meeting purpose and ask for a meeting. The demand for the council meeting shall be filled out in the form, Attachment 3.
3. The Chairman shall notify each member of the date, time, place, agenda, etc. of a meeting seven days prior to the meeting. With the exception if there is an urgent requirement for an extraordinary meeting.
4. Council Members shall attend the conference, and their delegates cannot attend it.

Article 17 (Quorum)

A meeting shall open with the presence of a majority of each of the Employee Members and the Employer Members, and decisions shall be made by an affirmative vote of two-thirds or more of the Members present.

Article 18 (Open Meetings)

Council meetings shall be open to the public; however, they may be closed to the public upon a resolution of the Council.

Article 19 (Maintaining Confidentiality)

Members of a Council shall not divulge any confidential matter revealed at a meeting of the Council.

Article 20. (Keeping of Minutes)

1. A Council shall draw up and keep minutes recording each of the following subparagraphs.
The meeting minutes follows the form, Attachment 5:
 1. Date, time and place of each meeting;
 2. Members present at each meeting;
 3. Contents of consultations and matters agreed upon at each meeting; and
 4. Other matters discussed at each meeting.
3. All Members present at the meeting shall sign on the meeting minutes, and shall preserve it for three years.

Chapter 4 Functions of the Council

Article 21 (Matters Subject to Consultation)

1. Council shall make it a principle to consult about the following subparagraphs:
 - a. The improvement of productivity and the distribution of the productivity reporting results:
 - b. Employees' employment, disposition and education & training:
 - c. Prevention of labor disputes:
 - d. Handling Employees' grievances:
 - e. Safety, health & other improvement of the working environment, and Employees' health maintenance
 - 1) The improvement of the institution for the rational operation of the personnel and labor management:
 - 2) General principles of employment adjustment, such as personnel's disposition exchange, retraining, dismissal, etc. on causes by business environment or technology.
 - 3) Operation of work hours and break periods
 - 4) The improvement of wage payment method, structure, composition, etc.
 - 5) Establishment or revision of working regulations
 - 6) Assistance to Employees' property accumulation, such as Company Share ownership.
 - 7) The enhancement of Employees' welfare:
 - 8) Other matters concerning Labor-Management cooperation:
2. A Council can determine each of the above subparagraphs according to Article 16.

Article 22 (Matters required Decision)

The Employer should go through decision-making process on the matters that fall under any of the following subparagraphs:

1. Establishment of basic plans to develop Employees' education & training;
2. Installation and management of welfare facilities;
3. Establishment of the Company welfare fund;
4. Matters that are not decided in the Council for Grievance Handling; and
5. Establishment of various mutual Labor-Management Councils.

Article 23. (Matters Subject to Report and Explanation)

1. The Employer shall report and explain in good faith at a regular meeting any of the following subparagraphs:

1) Matters concerning the management regulations and actual results:

- A. Short, middle, long term business plan;
- B. Business results and prospects;
- C. Reorganization; and
- D. Important matters of decision-making in business, such as business enlargement, mergers, plant transfers, shutdowns and the cessation of business.

2) Matters concerning quarterly production plans and actual results:

- A. Plans, actual results per quarter; and
- B. Goals and actual results per business Department. ;

3) Matters concerning the manpower plan:

- A. Personnel regulations;
- B. Personnel supplement plan, such as enlargement or reduction; and
- C. Recruiting and training.

4) Economic and financial conditions of the Enterprise:

- A. General overview of the financial structure;
- B. Property condition and operation;
- C. Debt condition and repayment; and
- D. Balance of management.

2. In the case where the Employer does not implement 'matters subject to report and explanation' by his duties of the above Paragraph 1, the Employee Members can request for the submission of data concerning the above Paragraph 1 and the Employer shall follow it in good faith.

3. An Employee Member can report and explain Employees' demands.

Article 24 (Notification of agreed matters)

A Council shall promptly notify Employees of the agreed matters by proper means.

Article 25 (Implementing the agreement)

Employers and Employees shall carry out the matters agreed upon by the Council in good faith.

Article 26 (Voluntary Arbitration)

1. The council may refer contents of each of the following matters to an Arbitral Organization established by agreement between Employees' Members and Employers' Members, or to arbitration by the Labor Relations Commission or other third parties:
 - 1) Matters falling within Article 21 which have not been resolved by the council; or
 - 2) Disagreement on the interpretation or enforcement measures of resolutions made by the council.
2. In the case of arbitral decisions under paragraph (1), it shall be deemed that resolution of the council has been obtained, and both Employees and Employers shall comply with such decisions.

Chapter 5 Grievance Handling

Article 27 (Grievance Handling Members)

All businesses or workplaces shall maintain Grievance Handling Members in order to hear and handle Employees' grievances.

Article 28 (Composition of Grievance Handling Members)

1. Grievance Handling Members shall consist of two Members representing Labor and Management (G.D).
2. The term of Grievance Handling Members shall be in accordance with Article 13.
3. The Company shall issue the letter of appointing grievance handling to grievance handling Members, in a form of Attachment (6).

Article 29 (Status of Grievance Handling Members)

1. Members shall not work exclusively for the Council and shall not be compensated for their services to the Council.

2. The Employer shall not take disadvantageous actions against Grievance Handling Members' interest in connection with the performance of their duties as Grievance Handling Members.
3. The time spent for handling grievances by a Grievance Handling Member for consultations or researches shall be regarded as hours devoted to work.

Article 30 (Grievance Handling)

1. An Employee reports a grievance to Grievance Handling Members with a Form, Attachment 7, if he/she has a grievance.
2. When an Employee makes a grievance to the Grievance Handling Members, he/she shall be informed of the measures taken and results thereof within ten days by the Grievance Handling Members.
3. Matters which are considered too difficult to be handled by the Grievance Handling Members shall be brought before the next Council or the extraordinary Council.

Article 31 (Keeping minutes)

1. Grievance Handling Members shall draw up and keep minutes concerning grievances received and processed. Grievance Handling Form shall follow Attachment 8.
2. Form of Grievance Handling shall be preserved for one year.

(Attachment 1, Form – Certificate of Employee Member)

((Attachment 2, Form – Letter of Appointment)

(Attachment 3, Form – Request for calling of the Labor-Management Council meeting)

(Attachment 4, Form – Notification of Holding the Labor-Management Council meeting)

(Attachment 5, Form – (Regular, temporary) meeting minutes)

(Attachment 6, Form – Letter of Appointment for Grievance Handling)

(Attachment 7, Form – Report of Grievance)