

Employee Benefit & Retirement

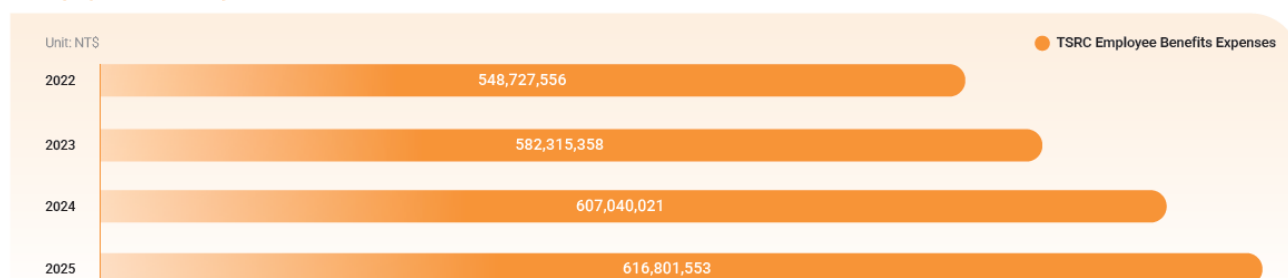
TSRC provides comprehensive employee benefits and insurance after considering its business performance and market performance, and in compliance with local laws and regulations to provide a variety of benefits. Please refer to the following content about employee benefits, employee training, agreement between labor and employer and various measures to protect employees' rights and interests, and retirement plan.

1. Employee Benefit

1. Through the operation of the company's employee welfare committee, in addition to providing employees with gifts for the three festivals (Dragon Boat Festival, Mid-Autumn Festival, Spring Festival), birthdays, Labor Day, etc., we also implement employee "self-selected welfare measures" to fully allow employees to combine "welfare points" Welfare items that meet your own needs include travel and leisure activities, children's education subsidies, free group purchases of daily necessities for employee welfare societies, etc., truly realizing the essence of employee welfare.
2. Held large-scale activities such as year-end dinners and factory celebrations activity to enhance communication among employees.
3. Set up a staff canteen and employee meals allowance.
4. Provide employees with gifts for marriage, childbirth, illness, funeral etc.
5. In addition to providing labor and health insurance in accordance with the law, we also provide employee group insurance fully paid by the company and covering employees' family dependents.
6. The medical room is equipped with a dedicated nurse and provides medical consultation services.



● Employee Benefits Expenses



● TSRC Employee Benefits Expenses (by Subsidiary)

	TSRC Corporation (Global Business Headquarters, Gangshan Factory, and Kaohsiung Factory)	Shen Hua Chemical	Nantong Industries	TSRC-UBE	Shanghai Industries	TSRC (Vietnam)	TSRC Specialty Materials	TSRC (USA)	Polybus	TSRC(Lux.)	TSRC Group Total
2022	179,880,832	117,431,497	111,366,012	42,904,477	26,643,185	4,791,076	54,852,400	297,979	611,817	9,948,281	548,727,556
2023	177,090,570	134,395,311	122,907,723	47,747,693	28,103,661	3,692,955	58,649,866	169,939	703,886	8,853,754	582,315,358
2024	177,090,570	134,395,311	130,170,750	50,322,299	29,727,095	3,527,633	59,241,155	264,302	748,221	9,019,556	607,040,021
2025	180,167,098	152,663,842	128,863,947	49,833,653	29,963,483	1,795,212	62,845,819	620,527	793,906	9,254,066	616,801,553

Note 1: Benefits include insurance, holiday bonuses, meal and transportation allowances, pension, housing allowances, sickness and injury allowances, and other employee benefits.

Note 2: Average exchange rate in 2025 was 31.19912:1 for TWD against USD; TWD to RMB 4.33673:1; TWD to EUR 35.18273:1; TWD to SGD 23.85329:1; TWD to CHF 37.55348:1.

2. Agreement between labor and employer and various measures to protect employees' rights and interest

TSRC value employees' opinions and rights and we strive to establish a complete and smooth channel for employee feedback and labor communication. Some TSRC factories have a labor union and regularly hold labor/management meetings. Labor rights and interests are communicated and coordinated through formal meetings. In the meetings, specific topics are discussed to reach a consensus. The coverage rate of collective bargaining agreements is 100% for the TSRC Corporation (Taiwan), TSRC's subsidiaries in China, and the subsidiary in Vietnam. For employees who are not required to sign an agreement, TSRC has an employee work manual that details the working conditions and regulations. If an employee needs to file a complaint, he or she can do so through reporting to line manager, the Human Resource Department, and the employee grievance mechanism.

● Number and Percentage of Employees Covered by the Collective Bargaining Agreement at TSRC Group (by Subsidiary)

Unit: persons; %

		TSRC Corporation (Global Business Headquarters, Gangshan Factory, and Kaohsiung Factory)	Shen Hua Chemical	Nantong Industries	TSRC-UBE	Shanghai Industries	TSRC (Vietnam)	TSRC Specialty Materials	Polybus	TSRC(Lux.)
2022	Number of Permanent Full-Time Employees Covered by Collective Bargaining Agreements	481	0	0	0	76	24	N/A	N/A	N/A
	Percentage of Employees Covered by Collective Bargaining Agreements	72.22%	0.00%	0.00%	0.00%	100.00%	80.00%	N/A	N/A	N/A
2023	Number of Permanent Full-Time Employees Covered by Collective Bargaining Agreements	477	0	0	0	77	25	N/A	N/A	N/A
	Percentage of Employees Covered by Collective Bargaining Agreements	72.71%	0.00%	0.00%	0.00%	100.00%	96.15%	N/A	N/A	N/A
2024	Number of Permanent Full-Time Employees Covered by Collective Bargaining Agreements	476	0	0	0	79	23	N/A	N/A	N/A
	Percentage of Employees Covered by Collective Bargaining Agreements	72.56%	0.00%	0.00%	0.00%	100.00%	92.00%	N/A	N/A	N/A
2025	Number of Permanent Full-Time Employees Covered by Collective Bargaining Agreements	466	0	0	0	79	7	N/A	N/A	N/A
	Percentage of Employees Covered by Collective Bargaining Agreements	72.02%	0.00%	0.00%	0.00%	100.00%	100.00%	N/A	N/A	N/A

Note 1: Percentage of total employees covered by collective bargaining agreements = Number of employees covered by collective bargaining agreements / total number of employees. The calculation is rounded to the second decimal place. Employee data are calculated based on permanent full-time employees.

Note 2: TSRC Specialty Materials, Polybus, and TSRC(Lux.) do not have labor unions, so the data is marked as N/A.

Note 3: Shen Hua Chemical, Nantong Industries, and TSRC-UBE all have labor unions. While no collective bargaining agreement has been signed due to the actual operating needs at each location, these unions regularly convene labor-management meetings to facilitate discussion and communication on various important topics including amendments to the labor contract, labor conditions, and benefits.

Note 4: TSRC (Vietnam) suspended operations and ceased production at the end of December 2024. In 2025, it maintained only a minimal staff to handle basic maintenance and management tasks.

3. Retirement Plan

TSRC provides employees with insurance and pension in accordance with relevant laws and regulations. In accordance with the provisions specified in the Labor Standards Act, the Labor Pension Act and its Enforcement Rules, and the Pension Fund Accounting Guidelines, the Company allocates pension every month to staffs' accounts set in the Taiwan Bank and the account set in the

Labor Insurance Bureau. The Labor Pension Reserve Supervisory Board holds regular meetings to review the pension fund status to protect employees' retirement benefits.

For subsidiaries in China, per relevant provisions of China's Social Security Act, both the Company and employees put a certain percentage to retirement insurance, medical insurance, work injury insurance, unemployment insurance, maternity insurance, and the housing fund. When retiring, the employee shall receive the pension from the National Labor and Social Security Departments in accordance with the laws and regulations.

The subsidiary in the USA provides insurance in accordance with the local Social Security Act and 401(k) Retirement Savings Plan. For subsidiaries in The Vietnam, Singapore, and European factories also follow local laws and regulations to ensure the welfare of employees.

Implementation of Taiwan TSRC's retirement system

Item	Old System	New System
Legal Foundation	Labor Standards Act	Labor Pension Act
Allocation Ratio and Status of Retirement Funds	For employees eligible for retirement under the Labor Standards Act, 2% of their total monthly salary is deducted and deposited monthly into the Taiwan Bank's labor retirement reserve account. Every year, Yuetian Actuarial Consultants is commissioned to conduct actuarial calculations for retirement pensions. At the end of each year, the amount in the labor retirement reserve account is reviewed to determine if it is sufficient to cover the retirement pensions estimated to be required by employees who meet the retirement criteria for that year. If there is an insufficiency, the required retirement contributions will be topped up by the end of March of the following year in accordance with the law. As of the end of December 2025, there were 76 employees subject to the old retirement system, while there were 78 employees subject to both the new and old retirement systems simultaneously.	For employees covered by the Labor Pension Act, the company contributes a percentage ranging from 6% of each employee's monthly total salary according to the Salary Grading Table for Monthly Contributions to the Employee's Individual Pension Account to the individual pension accounts at the Bureau of Labor Insurance. Since the implementation of the Labor Pension Act on July 1, 2005, the proportion of new employees covered by the new retirement pension system among regular employees has been 100%. As of the end of December 2025, a total of 505 employees were covered by the new retirement system.
Qualifications for Retirement Application	Voluntary Retirement: a. Employees with 25 years of service in the Company	As Left

	b. Employees aged 55 or above with 15 years of service in the Company c. Employees aged 60 or above with 10 years of service in the Company Mandatory Retirement: a. Employees aged 65 or above · However, this does not apply to employees whom the company requires to stay. b. Employees who are physically or mentally incapable of performing their duties	
Retirement Application Procedure	Employees eligible for retirement should complete the retirement application form. Upon approval, the retirement procedures will be carried out.	As Left
Retirement Pension Payment Standards	For employees covered by the "Labor Standards Act" and eligible for retirement based on their years of service, the retirement pension is calculated as follows: For each year of service, 2 times the basic wage is provided; After completing 15 years of service, an additional 1 times the basic wage is provided for each year beyond 15 years; The total number of basic wages provided is capped at 45; For periods of less than half a year, it is counted as half a year, and for periods exceeding half a year, it is counted as one year. The Company should provide the retirement pension to employees within 30 days from the date of their retirement.	When reaching the age of 60, individuals may apply to the Bureau of Labor Insurance to withdraw the accumulated funds from their personal accounts.