**Job Title:** FLA Benchmark Employment Terms

**Employment terms shall be those to which the worker has voluntarily agreed.**

**All employees will be paid on a weekly basis.**

**Health & safety regulation #74.**

The factory will inspect all machinery and equipment to ensure they are properly maintained and guarded, and operated in a safe manner. All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner.

**Ventilation**

It is not necessary to exchange air at a rate of at least 10 times the volume of the space per hour. There shall be ventilation by natural means where practicable or by mechanical means, if required, to provide an adequate exchange of air and to remove vapors, smoke, dust, and other hazardous substances.

**Document Maintenance/3.**

The factory will review and update as necessary, all written policies and procedures that are in place to ensure the safety and health of all employees in the facility.

**Machinery Maintenance**

All machinery and equipment must be connected safely. All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner.

- Electrical work shall be performed by a qualified electrician. Electrical work performed by unqualified persons may be unsafe.
- Visual inspection of all electrical wires and junction boxes was properly joined and available and posted in the storage and use locations.
- Visual inspection of all electrical wires and junction boxes was properly labeled with the local language and MSDS for all solvents.
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Article 72 of the PRC Labor Code states that temporary regulations for wage payment should be established in accordance with the relevant provisions of this Article. The labor union and the employer shall consult with each other to establish temporary regulations for wage payment. The temporary wage regulations shall be publicized to employees.

According to Article 4 of the Wage Regulation Law, the payment of termination compensation should be in accordance with the provisions of the social insurance act. The payment of termination compensation should be timely and in full. If the payment is not timely or not in full, the employee has the right to complain to the local labor administration department or the labor arbitration committee. If the complaint is not handled in a timely manner, the employee has the right to file a lawsuit.

The government has implemented new regulations that mandate the full coverage of social insurance by July 1, 2014. The government has agreed to boost workers' insurance for retirement, illness, unemployment, work-related injury, and childbearing. This will be reflected beginning January 2011. The government has also agreed to begin a three-year program to achieve full compliance with legal requirements.

The ILO standards on the right to organize and bargain collectively are fully recognized and respected. The provisions of the Trade Union Act are contrary to the fundamental principles of freedom of association, including the non-recognition of the Trade Union Act prevents the establishment of an independent trade union. However, the Trade Union Act provides for the establishment of a union at the workplace.

Workers are not allowed to withdraw their decisions. Workers employed under a collective contract and workers who have applied for social insurance before January 1, 2003, will receive pay for all days worked. Workers who have applied for social insurance after January 1, 2003, will receive a half pay until the end of the first month after the application. Workers who have applied for social insurance after January 1, 2003, will receive a half pay until the end of the second month after the application.
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<td>According to Article 41 PRC Labor Code,</td>
<td>The employing unit may extend working hours as necessitated by its production or business operation after consultation with the trade union and labourers, but the extended working hours per day shall generally not exceed one hour; if such extension is needed for special reasons, under the condition that the health of labourers is guaranteed, the extended working hours shall not exceed three hours per day. However, the total extension in a month shall not exceed 36 hours.</td>
<td>According to Regulations about Employee Work Time by the State Government - May 1, 1997, Article#3 Employees shall work 40 hours per week, overtime is not to exceed 36 hours per month.</td>
<td>Contract Article 3.1. The factory adopts a system of working time which is not in compliance with the China law, the contract states that workers can work up to 60 hours a week including OT (this is CoC not China Law).</td>
<td>Records review</td>
<td>The factory is reviewing China law which states &quot;All employees work 8 hours per day and generally no more than 44 hours per week. Going forward, they will adhere to the Law. They have implemented that all employees will not work more than 44 hours per week. They also had the local government review records and approve that the working time (including OT) each week was less than 60 hours.</td>
<td>6/15/2007</td>
<td>Ongoing: Through review of the barcode attendance records from July 2009 to July 2010 and based on management &amp; worker interviews, workers had worked a maximum of 80 overtime hours in June 2010. Workers worked for 0-3 hours per day on 0-4 days each week. Around 98% workers had worked overtime hours in excess of 36 hours per month.</td>
<td>Factory to provide list of steps taken to make changes in scheduling and hiring in order to control hours or work in excess of legal requirements:</td>
<td>Note that a 60-hour workweek is in excess of requirement of applicable law that limits monthly overtime hours to 36 hours.</td>
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<tr>
<td>Miscellaneous</td>
<td>10. Overtime Compensation</td>
<td>Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period.</td>
<td>In addition to their compensation for regular hours of work, employees will be compensated for overtime hours at such premium rate as is legally required in the country of manufacture or, in those countries where such rates will not exist, at a rate at least equal to their regular hourly compensation.</td>
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