



Lesson One of Business Resumption Legal Guidance on Novel Coronavirus Prevention

ZHONGLUN W&D LAW FIRM

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**If any information involving medical knowledge,
please consult a medical professional institution!**

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01 | Basic information of 2019-nCov outbreak



Latest Figures Until Feb. 09 2020 :

Confirmed Cases	Suspected Cases	Deaths	Recovered/Discharged
40235	23589	909	3288
New cases+3073	New cases+4008	New cases+97	New cases+632

02

Enterprise working mechanism during epidemic prevention



Working mechanism during epidemic prevention:

According to the introduction on the outbreak, the number of confirmed, suspected and deaths cases are still growing. The situation is very much likely to deteriorate. In order to prevent disease cluster, the company hereby enacts *Anti-Epidemic Working Mechanism* to protect the health and safety of our employees and to ensure the normal operation of business during the emergency period.

The anti-epidemic working mechanism mainly includes forming anti-epidemic leading group and setting specific requirements etc.

Forming Anti-Epidemic Leading Group

Group leader: General Manager

Vice group leader: Vice General Manager of business operation, Engineer Manager, Security and Technology Manager

Membership: human resource department, security officers and technicians etc.

The company office is responsible for daily organization and coordination.

Specific requirements during anti-epidemic period

1. The responsible person for each department shall have conclusive responsibility. The emergency shall be found early, reported early and settled early. If any serious consequence occurred, the person in charge shall be called to account.
2. 24 hours on call is required to ensure the information transparency between personnel and high efficiency of operation.
3. Strictly supervise and report the health condition of employees. If an employee is found to have symptoms such as fever and cough, he/she should be urged to seek medical treatment immediately, fill in the daily report of sick employee's health status, and report the hospital diagnosis results to the company at any time. Employees with suspected symptoms are not allowed to work. The quarantine measure shall be taken when necessary.

Specific requirements during anti-epidemic period

4. Report the daily route of employees. Each department should report employees' routine to the company every day. It is necessary to strengthen monitoring feedback and make prudent ratification on the application and cancellation for leave.
5. It is not allowed to travel on holidays other than staying at home.
6. It is forbidden to have any guest in the dormitory. Serious restrictions shall be applied on employees residing outside the dormitory. Employees from other companies shall not have meals in the company canteen.

Specific requirements during anti-epidemic period

7. Publicize the knowledge of new coronavirus pneumonia prevention, guide the employees to treat the disease objectively and correctly. Do not believe the rumor and do not spread the rumor.
8. Before fully controlling the outbreak, It is not allowed to hold large-scaled meetings and activities. Arranged meetings and activities shall be cancelled or postponed. Any necessary business activities outside the company must be reported for approval.
9. Optimize the sanity and ventilation condition of offices and dormitories. Reasonably arrange the working hours. Masks and other medical supplies shall be distributed. Urge all the employees to develop good personal hygiene habits such as wash hands.
10. Increase the hygiene standards of office and service areas and establish a cleaning service record book.

Specific requirements during anti-epidemic period

11. Explain relevant laws and regulations enacted by social insurance institutions and hospitals during emergency period, in order to eliminate employees' worries about medical costs and salaries.
12. Improve infection report system and reinforcing the contact with local Center for Disease and Prevention (CDC). The suspected patient shall be separated and the residence needs to be sterilized. The situation must be explained properly to the residents around.
13. The company office is responsible for collecting daily information, irregularly organizing people to check the epidemic prevention work in all the other departments. The result will be inspected and reported to the directors.

03 | Procedure guidelines for enterprise resumption



01. The general requirements of enterprise resumption

1.1 Implement the spirit of General Secretary Xi Jinping's important instructions, fulfill the requirements of the Party Central Committee and the State Council, taking epidemic prevention and control as the most important task at present, grasp the "four pairs of relationships", focus on "five more," and implementing the "ten strict" measures in accordance with the requirements of "three have" – have preparation before return, have order during return, and have institutions after return, and "avoiding proliferation" as well as “preventing input” requirements, adhering to "orderly release control” . We should stick to Zhejiang Province’ s “Notice on Enterprise Resumption and Epidemic Prevention and Control Work” and do a good job to guarantee the orderly resumption of business and epidemic prevention and control in order to ensure a smooth transition of the business, and gradually restore normal production and operation order.

01.The general requirements of enterprise resumption

1.2 Steadily progress the resumption of enterprises, which should be done in accordance with the principle of "prioritizing important export enterprises, listed companies, key manufacturing enterprises and enterprises with high average benefits per mu", the prevention and control of enterprise epidemics is in place, the number of returning workers is clear, production materials are sufficient, overhauled equipment are fixed, protection supplies are guaranteed, standardized quarantine zones are established. Enterprises with large proportion of local employees will be given priority to resume work. Establish a list for resumed enterprises and conduct relative approval and inspection works.

02. Time of Resumption

2.1 Enterprises that are necessary for epidemic prevention and control in the administrative region of the whole province (production, transportation, sales and other industries of pharmaceuticals, protective supplies, medical equipment and related raw and auxiliary materials), necessary for ensuring urban operation and production of enterprises (water supply, power supply, oil and gas, communication, municipal, public transportation and other industries in the city), people's daily supplies (supermarkets, food production and supply, logistics and distribution, real estate and other industries), construction and construction of key projects, and other related enterprises that involve important national economy and people's livelihood (determined by each county and city government) should be ensured the normal start of business from February 3, and at the same time epidemic prevention and control of returning workers should be guaranteed. Continuous production enterprises should ensure stable production.

2.2 In addition to the above-mentioned enterprises, the resumption time of enterprises in the administrative region of the province shall not resume earlier than 24:00 on February 9. Any enterprise must not resume without the approval and consent of the people's government of the counties (cities, districts).

03. Enterprise resumption order

3.1 Establish an anti-epidemic and control leading group, and forming a special sector to be responsible for epidemic prevention and control.

3.2 Form the company's epidemic prevention and control plan, detail the implementation of workshop and teams, and clarifying the specific personal responsibility. The specific content includes:

3.2.1 Leadership

3.2.2 Division of responsibilities

3.2.3 Inspection system

3.2.4 Daily control

3.2.5 Logistics support

3.2.6 Emergency treatment, etc.

03. Enterprise resumption order

3.3 Formulate the enterprise resumption plan.

3.4 Strengthen risk management and control, and signing a commitment to work safety in epidemic prevention and control.

3.4.1 Enterprise needs to make a written promise to the local government.

3.4.2 Employees need to make a written promise to the company.

3.5 Make a record to the local government : submitting the enterprise prevention and control leading group plan, enterprise epidemic prevention and control plan, resumption operation plan, commitment letter and other related materials to the local (city and district) industry department that in charge of record, and then report to the local epidemic prevention and control official group.

3.6 For those without work plan for epidemic prevention, without inspection of personnel before the start of work, lacking organization of disinfection and safety inspection, and enterprises that have not filed for audit, it should be strictly prohibited to resume production.

04. Personnel management before resumption

4.1 Establish “one person, one file” system. Obtain the information of returning workers in advance, and inspect the employees’ physical conditions, returning time, and transportation they may take.

4.2 Establish an active health declaration system. Before returning to Zhejiang, employees need to fill out a health declaration form, which includes their epidemiological history such as going out activities, contacting with patients, physical health status, and health status of co-residents 14 days before returning to Zhejiang.

4.3 Make reasonable arrangements for employees' return, provide convenience to employees, and promote self-driving when returning to Zhejiang. Enterprises can charter a shuttle bus to pick up employees from a relatively concentrated area if it is affordable. The company should strictly screen the health status of the passengers in the chartered shuttle bus in order to prevent and control it at the source.

04. Personnel management before resumption

4.4 Reasonable arrangement for special employees.

4.4.1 Employees returned regions with major cases during Spring Festival should be discouraged from return.

4.4.2 If the employee has an epidemiological history within 14 days, it shall be settled based on the different cases:

4.4.2.1 Those with fever, cough and other symptoms shall be isolated in designated place and sent to a local outpatient clinic by ambulance;

4.4.2.2 Those who are asymptomatic shall notify the local government where they are living and carry out medical observation for no less than 14 days.

4.5 Those without epidemiological history and related symptoms can be arranged to work normally.

4.6 Employees who work normally shall sign a commitment letter for epidemic prevention and control and keep it on file.

05. Epidemic prevention after resumption

5.1 Do a good job of epidemic prevention and control and designate special staff in charge of epidemic prevention according to the requirements of the health department.

5.2 Equipping epidemic prevention facilities and supplies. mainly include.

5.2.1 Setting up enterprise temperature measurement points.

5.2.2 Setting up temporary isolation rooms for enterprises.

5.2.3 Equipping protective masks.

5.2.4 Equipping disinfectant.

5.2.5 Equipping infrared thermometer.

05. Epidemic prevention after resumption

5.3 Establishing a health inspection system for all employees.

5.3.1 Every morning (if necessary, increase once at noon), take the temperature of all employees and make health inquiries.

5.3.2 As soon as symptoms such as fever or cough are found, employees should be immediately prevented from entering the workplace and transferred to a temporary isolation room.

5.3.3 Inspection personnel must take necessary protective measures.

05. Epidemic prevention after resumption

5.4 Implement regular infectious disease prevention measures and strengthen health education on infectious disease knowledge. Train all staff on infectious disease knowledge.

5.5 Strengthen the sanitary management of staff canteens.

5.5.1 Ventilate and disinfect the canteen.

5.5.2 Focus on the staff of the cafeteria to ensure that they are healthy.

5.5.3 Avoid having meals together, promote meal sharing, box lunch, and meal deliver, and dining in different time periods, with dining staff separated by more than 1 meter.

05. Epidemic prevention after resumption

5.6 Improve working environment

5.6.1 The working environment should maintain indoor air circulation, keep clean, and be disinfected regularly.

5.6.2 Suspend the use of central air conditioning. Individual air conditioners are supposed to be cleaned frequently. It is not recommended to use air conditioning.

5.6.3 Regularly disinfect public facilities, such as door handles, elevators, buttons, sanitary facilities, etc.

5.6.4 Encourage employees to wash hands frequently.

06. Establishing emergency plan for epidemic prevention and control

When suspected patients are found in the workplace, the following measures should be taken immediately:

- 6.1 Transfer suspected patients immediately to the company's temporary isolation room.
- 6.2 Contact the local CDC for guidance.
- 6.3 Assist in conducting relevant investigations.
- 6.4 If a suspected patient is confirmed to catch novel coronavirus, his/her close contacts must receive 14 days of quarantine observation.

07. Establishing online Recruiting system

7.1 Enterprises lacking workforce should communicate with the destination in a planned way. In principle, online recruitment should be adopted to ensure the sufficient labor force when resuming production.

7.2 Before the provincial-level epidemic response is lifted, enterprises is not allowed to recruit labors in or from the severely infectious regions, and they may not arrange employees to travel to areas with severe epidemics.

7.3 For the newly recruited personnel, the enterprise shall strictly check and record the routine within the past 14 days, and start physical examination, and handle the entry process while ensuring safety.

08. Establishing online Recruiting system

- 8.1 Establish an epidemic prevention leading group with the person in charge of the enterprise as the team leader.
- 8.2 Supervise and inspect the epidemic prevention and control of the enterprise daily.
- 8.3 Daily and truthful reporting corporate epidemic prevention and control information to the government

09. Undertaking social responsibilities and properly handling labor relations during epidemic prevention and control

9.1 For those who cannot work appropriately due to quarantine, medical observation, or emergency measures taken by the government, the enterprise shall not arbitrarily change or terminate the labor contract, nor shall it return the dispatched workers.

9.2 When conditions permit, arranging employees to work from home through flexible means such as using telephone or Internet to complete the corresponding work.

9.3 For enterprises that do not have the conditions to arrange employees to work from home, it is supposed to arrange employees to carry out work by adjusting the time of work with flexibility.

Procedure guidelines of resumption

Report Health Condition

Discourage those who are still in Hubei and those had close contact within 14 days from returning

Other returnees

Inspection record

No epidemiological history within 14 days

Have epidemiological history within 14 days

Check body temperature

Check body temperature

Normal body temperature

Abnormal body temperature

Abnormal body temperature

Normal body temperature

Person living in the dormitory:
Transported to a centralized observation point by a dedicated vehicle

No suspected symptoms

Go to work

Go to work

Go to the hospital

Call 120

Consult local CDC

Person living in the own house:
observed at home

Fever, cough or other suspected symptoms

Call 120

Procedure guidelines of resumption

Prevention measures after resumption

Morning inspection: The body temperature should be checked by designated staff. No person shall enter the work area without wearing a mask.

Offices and washrooms should be equipped with absorption facilities and disinfection supplies. The public area must be disinfected regularly.

Develop good hygiene habits. Remind of washing hands.

Develop a healthy lifestyle and try not to work overtime.

Keep clean

Keep ventilated

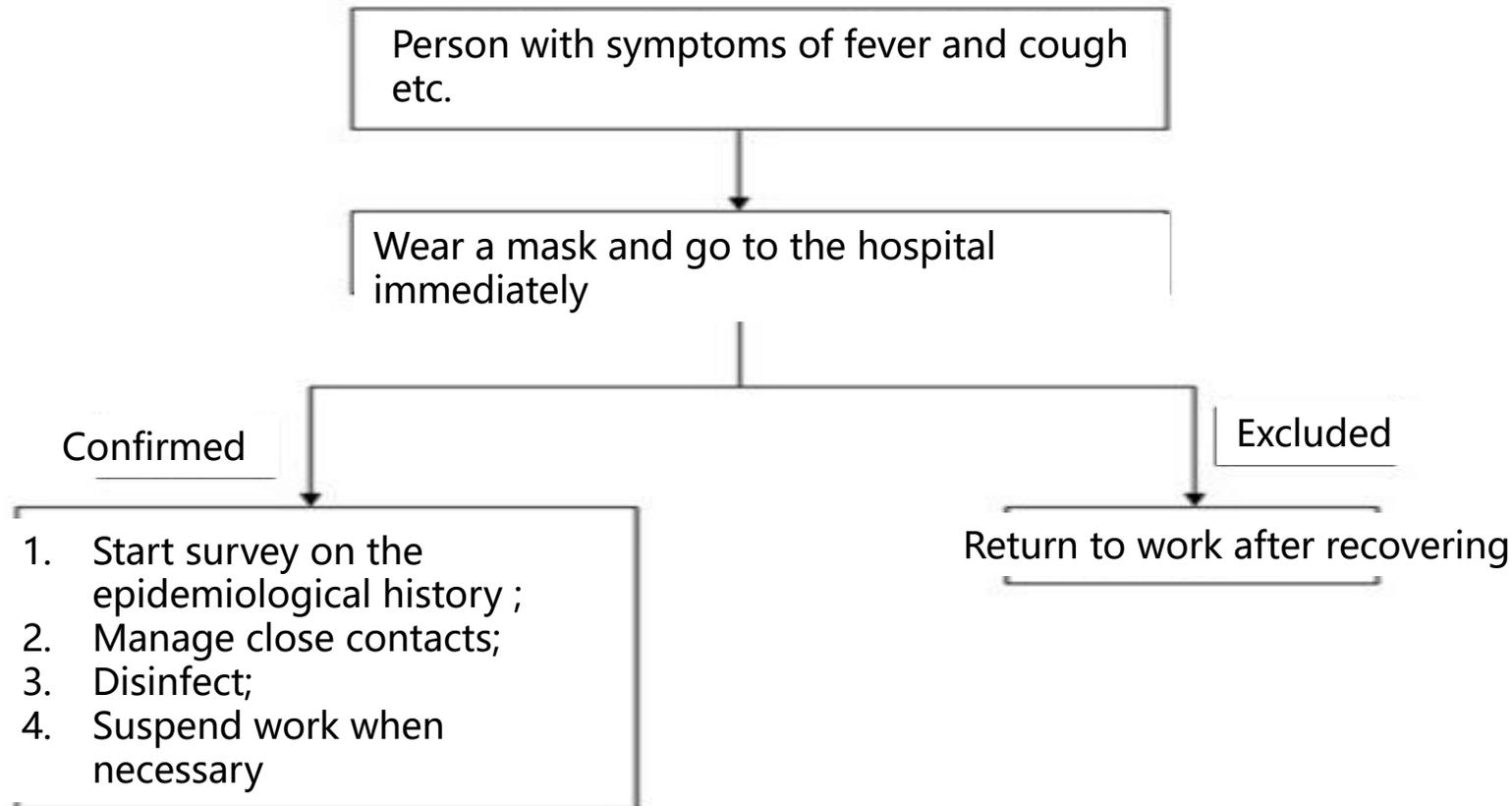
Avoid gathering in the room and reduce unnecessary business trip.

Pay attention to diet safety. Avoid gathering together to eat food.

Establish health record system

Register the outsider

What to do if a company finds a suspected case



04 | Employee quarantine



Employee self-quarantine

For those who have recently visited, or passed by way of the epidemic area of Hubei; those who have contacted people from the epidemic area and have not went through the observation and quarantine period; or those who themselves have symptoms of fever, please comply with local government's quarantine policies, and take the following measures:

1. Please take initiative to quarantine yourself at home for **14 days**, do not visit relatives and friends, and do not contact anyone else. After 14 days, quarantine could be terminated under the condition that no symptom is shown.
2. When symptoms of fever and cough appear, please directly go to the fever clinic of the designated hospital as soon as possible, and do not forget to wear a mask. During the consultation, please inform the doctor of your past travel history.
3. Please protect your family members. They should not be engaged into any social activities, or host guests at home. It should be noted that indoor ventilation is important, and housewares should be cleaned daily and disinfected regularly.

Medical Quarantine

During work period, employees who have suspected symptoms such as fever, fatigue, dry cough, and chest tightness should seek medical treatment immediately, and follow the recommendations of the doctors strictly. If necessary, medical quarantine should be adopted.

05

Procurement and usage of anti-epidemic supplies



Anti-epidemic supplies procurement

The anti-epidemic leading team designates special personnel to be responsible for the procurement and distribution of anti-epidemic supplies. The procurement plan shall base on the company's actual situation is formulated.

The main supplies shall be procured include: surgical masks, N95 masks, medical disposable protective gloves, chlorine-containing disinfectants, medical alcohol, watering cans, thermometers, infrared thermometers, rescue tools such as stretchers, etc. Professional medical institutions should always be consulted before purchasing.

Usage of anti-epidemic supplies

First, daily cleaning should always be of priority, supplemented by preventive disinfection. Excessive disinfection should be avoided, and cleaning and disinfection should be performed whenever contamination occurs.

The disinfection method is as follows:

1. Surface: It can be wiped with a chlorine-containing disinfectant (effective chlorine concentration 250mg / L-500 mg / L) for 30 minutes, and then wiped with water.
2. Ground: It can be mopped with a chlorine-containing disinfectant (effective chlorine concentration 250mg / L-500 mg / L) wet mop for 30 minutes, and then wipe it with water.

Usage of anti-epidemic supplies

Second, common disinfectants and the preparation:

1. Preparation method of chlorine-containing disinfectant with 500 mg / L effective chlorine concentration

(1) “84 disinfectant” (effective chlorine content 5%): dilute according to the disinfectant / water ratio of 1/100;

(2) Disinfection powder (12-13% effective chlorine content, 20 g / pack): 1 pack of disinfectant powder plus 4.8 liters of water;

(3) Chlorine-containing effervescent tablet (available chlorine content 480 mg / tablet, 580mg / tablet): 1 tablet should be dissolved in 1 liter of water.

2. 75% ethanol disinfectant: used directly.

Precautions:

(1) Chlorine-containing disinfectant is irritating to the skin. It is recommended to wear masks and gloves during configuration and use, and children should not touch it;

(2) ethanol disinfectant should be kept away from fire sources

The usage of relative supplies shall consult professional medical institutions for advice.

06 | Precautions for public areas



Offices and workshops

1. Maintain air circulation in offices and production sites. Ensure that the air-conditioning system or ventilator operates normally, cleaning the air-conditioning filter and opening the window for ventilation immediately whenever is necessary.
2. Reduce the on-site business activities, try to use telecommunications equipment and visual board for business communication.
3. Establish information centers for each department and section; dispatch and transmit instructions and feedback in a unified manner.

Offices and workshops

4. Things should be allocated into fixed places according to the requirements of disinfection;
5. Disinfect landlines, computer keyboards, door handles, energy facilities startup switches, as well as areas where personnel face the danger of transmission via interaction timely;
6. Set the safe distance between personnel as 1.5 meters or above, and employees should avoid face-to-face interactions. The unavoidable face-to-face working positions shall be performed under conditions such as wearing protective masks, conforming operating standards, and following supervision and reminders;
7. Remove all temporary garbage bin in offices and workshops. Designate specific site for temporary garbage disposal, and cleaning them up timely.

Canteen and tea room

1. Extend the dining time of employees, ensure that employees eat in batches, and guarantee that the safe distance between people shall be no less than 1.5 meters;
2. Avoid dining on round table or in face-to-face manner;
3. All meals and drinks should be packaged separately, and self-service should be cancelled;
4. All tableware should be distributed by specific personnel, as self-retrieving will be cancelled;

Canteen and tea room

5. Tea room and cafeteria should be equipped with disinfection facilities, and public facilities such as water dispensers, coffee machines, induction cookers are required to be disinfected as soon as being used.
6. Companies may consider monitoring the public welfare facilities, or conducting registration to facilitate the investigation of hidden risks during emergencies;
7. There should be no temporary disposal of garbage in the tea room and food storage area, the food storage area must be separated from the garbage. Garbage in the canteen must be cleaned timely.

Dressing Room and Shower Room

1. Staff should change and shower in batches to avoid congestion;
2. No personal items shall be kept in the changing and shower rooms. the rooms should be disinfected and ventilated immediately after clothes changing or showering;
3. Employees need to clean up the locker to avoid mold and corrosion;
4. Staff uniforms should be stored in the box after disinfection measures are implemented;
5. Perishable items, such as food, should not be brought into the employee's dressing room;
6. The factory shall take other measures according to the actual situation of the factory, for example, the overalls are not allowed to be wore out of the factory building, and the daily clothing shall not enter the factory building.

Washroom and water room

1. Make sure that the washroom and water room facilities are intact, and check the facilities being repaired and the sewage channels linking to the outside, then take measures to seal them to avoid transmitting virus;
2. Prepare enough hand sanitizer, sanitary and disinfection supplies. Ensure the normal operation of water supply facilities such as faucets;
3. Keep the washroom ventilated, ensure that flushing facilities are intact, and toilet waste is cleaned in time. Increase the frequency of cleaning and disinfection.

Employee rest area

1. During the anti-epidemic period, employees' should avoid resting in one place. It is recommended to rest independently at their own table to prevent random walks and exchanges;
2. If conditions do not permit, employees can rest in batches to reduce the density of personnel in an area. Keep at least 1 meter of safe distance between employees. Avoid unnecessary etiquette contact, such as shaking hands, handing cigarettes, pouring water, etc.;
3. Ensure that the shared space such as the employee rest area is well ventilated, and employees are required not to leave personal belongings. Instant cleaning and regular disinfection should be performed timely;
4. It is strictly forbidden that corrosive and volatile materials entering the common space of employees.

Other employee gathering area

1. Employees are required to wear medical surgical masks or N95/KN95 standard masks during transportation;
2. Convenience store within the factory should sell products through windows, and employees are prohibited from purchasing on their own. At the same time, the standard of sanitation and disinfection measures in the convenience store should conform to relevant food epidemic prevention standards;
3. Disinfection preparations should be provided beside the vending machine and should be fully used by employees after touching the machine;

Other employee gathering area

4. Control the density of people in smoking areas. The smoking area in the factory must be delimited around the area, and be ready for disinfection. It is forbidden to bring flammable disinfectant into the smoking area; employees who enter and exit the smoking area must be disinfected;
5. Outsiders are prohibited from entering the employee gathering area during the epidemic prevention and control period.

07

**Precautions for
personnel contact
during the outbreak
of epidemic**



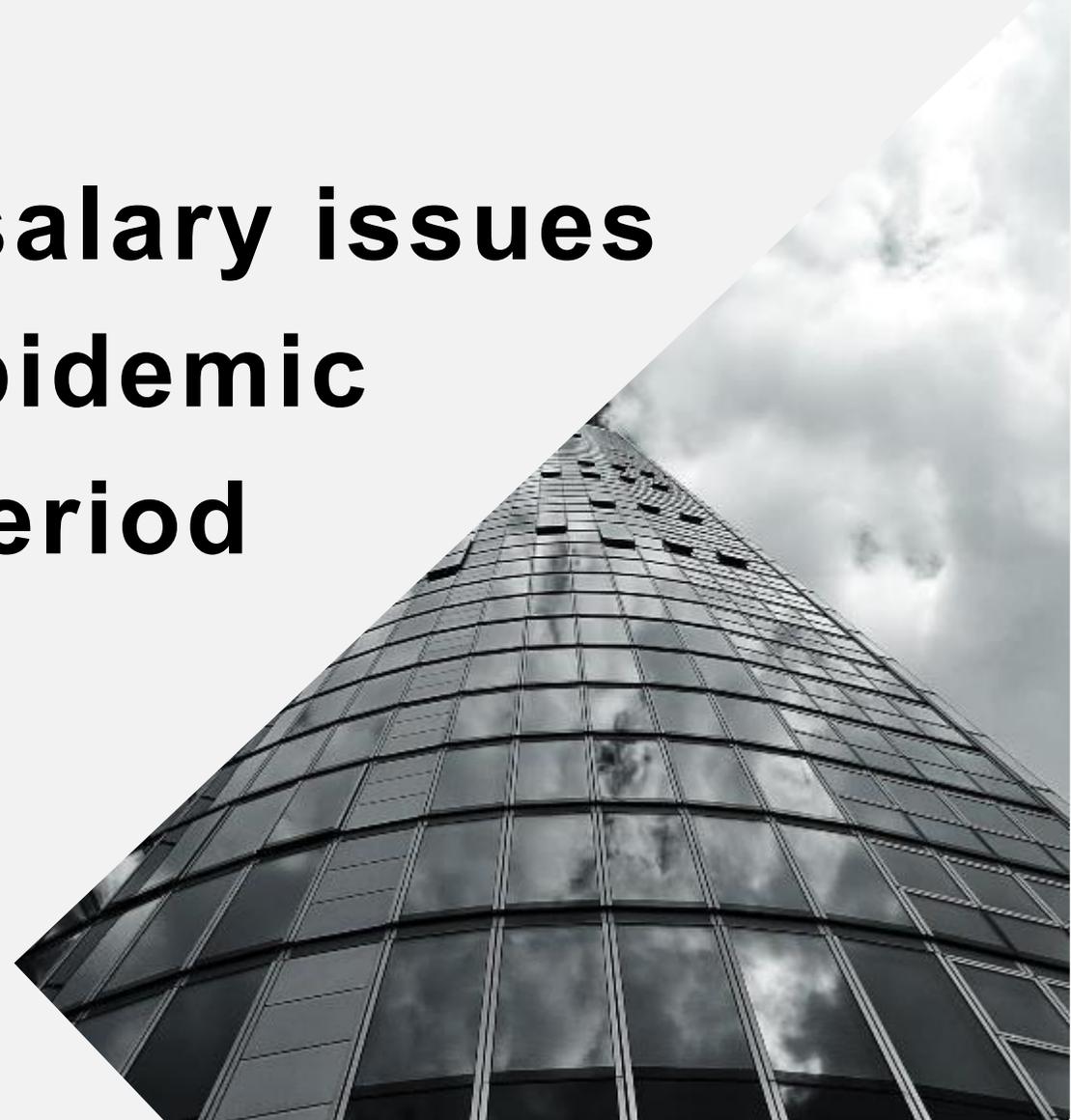
Precautions for business trips

1. Reduce employees' business trips during this period;
2. Employees who work in or may travel to severe epidemic areas should cancel business trips and use the remote office to prevent potential work injuries;
3. In case of finding physical discomfort or suspected symptoms during the business trip, employees must immediately notify the superior authority and inform the company of all the information obtained during the travel and hand over the matters that need to be continued. The company will then make unified arrangements according to the situation.

Precautions for contracting with customers

1. Choose video and telephone conferences or bulletin boards to report information instead of gathering meetings;
2. Designate stop lines for people coming from outside. After business communication with outsiders, perform corresponding disinfection in the stop lines or confirm their own safety before entering the office area or production site;
3. A document box needs to be fixedly placed for handover purpose, such as the placing and receiving of invoices and other hard copy documents.
4. Clean and disinfect the incoming mails and make sure they are safe before bringing into the office.

08 Employee's salary issues during the epidemic prevention period



01. Is the Chinese New Year holiday extended to February 2nd or February 9th?

On January 26th, 2020, the General Office of the State Council issued the "Notice on the Extension of the Spring Festival Holiday in 2020" (the extension notice), which explicitly extended the Spring Festival holiday in 2020 until February 2nd (the ninth day of the first month in the Lunar Calendar, Sunday), and regular work would start from February 3rd (Monday).

On January 27th, 2020, the General Office of the People's Government of Zhejiang Province issued the "Notice on Delayed Resumption of Work and School Starts" (the delay office), which stated that all the enterprises in the province, excepted some special industries, should not return to work earlier than 24:00 on February 9th.

01. Is the Chinese New Year holiday extended to February 2nd or February 9th?

Based on the above notice, enterprises in Zhejiang Province should resume work from February 10th, 2020 according to “the Provincial Office's Notice of Delayed Resumption of Work”, except the following enterprises:

1. Necessary to ensure the operation of public utilities (e.g. water supply, gas supply, power supply, communication and other industries);
2. Necessary to prevent and control the epidemic (e.g. the production and sales of industrial devices, pharmaceuticals, protective products);
3. Necessary to people's daily life (e.g. supermarket stores, food production and supply industries);
4. other important industries related to national economy and people's livelihood.

02. What is the nature of the delayed resumption period regulated in “the Provincial Office's Notice of Delayed Resumption of Work” (the notice of delayed resumption)?

According to the notice of delayed resumption, enterprises are not allowed to resume work from February 3rd to February 9th, 2020. According to Article 42 of the Law of the People's Republic of China on the Prevention and Control of Infectious Diseases, which states that:

When outbreaks and epidemics of infectious diseases occur, local governments at or above the county level shall be mobilized immediately to prevent and control the transmission of infectious diseases in accordance with preventive and control plans. When necessary, the government at a higher level must take the following emergency measures and notify the public:

- (1) restricting or stopping marketing, theater performances, or other crowd gathering activities;
- (2) suspension of work, business, and classes.

Therefore, the suspension of work from February 3rd to February 9th, 2020 is a “shutdown holiday” due to special reasons.

02. What is the nature of the delayed resumption period regulated in the notice of delayed resumption?

According to the nature of the delayed resumption, lawyers advise the enterprises in Zhejiang province to take measures as follows:

1. In the holiday from February 3rd 2020 to February 9th 2020, “according to the relevant regulations in enterprise wage payment management law of Zhejiang province”, if an enterprise has shut down, stopped production or suspended for one salary payment period, the enterprise shall pay the wages in accordance with the provisions of the labor contract and the relevant provisions of the state or province. Therefore, during the period mentioned above, the enterprise shall still pay wages normally.

If the period of shut down, cessation of production or suspension of business exceeds one salary payment cycle and the employee worked normally, the enterprise shall pay the wage no less than the minimum wage standard determined by the local people's government.

02. What is the nature of the delayed resumption period regulated in the notice of delayed resumption?

2. Because the period between February 3 and February 9 is a shut down holiday, it is not an added holiday, so the enterprise can arrange annual holidays or overtime holidays during this period.
3. As the provisions in the notice of delayed resumption, enterprises are allowed to resume work before February 9th 2020, which are referred to industries ensuring public services (water supply, gas supply, power supply, telecommunications and other industries), ensuring epidemic prevention (medical equipment, medicine, protection products production and sales industries), providing living supplies (supermarket stores, food production and supply industry) and other industries relating to the important national economy and people's livelihood.

02. What is the nature of the delayed resumption period regulated in the notice of delayed resumption?

4. For the enterprise of special industry mentioned above, if employees are arranged to work between February 3rd, 2020 and February 9th, 2020, they do not need to pay overtime wages, but just pay normal wages (overtime wages shall be paid for working on the weekend of February 8th and 9th).
5. If non-special enterprises arrange the employee return to work (not including under the premise of eliminating disease risk to arrange the employee to work at home (remote work), or scattered stay in office), employee is allowed to not obey the arrangement, the enterprise shall not punish the employee on the grounds of absenteeism or violation of discipline, nor shall they deduct wages and bonuses.

If the enterprise have other reasonable requirements carrying out duty, it shall not be considered as overtime, nor need to pay normal, but need to pay the corresponding duty fee.

02. What is the nature of the delayed resumption period regulated in the notice of delayed resumption?

6. Before February 9th, enterprises need not to pay overtime wages for those employees who went to work voluntarily, but need to pay normal wages. (Overtime wages shall be paid for working on the weekend of February 8th and 9th).
7. Non-special enterprises that illegally resumed work before February 9 may undertake the following legal liabilities:
 - (1) *Law of the People's Republic of China on Public Security Administration Punishments*, Article 50: Anyone who commits any of the following acts shall be given a warning or shall be fined no less than 200 yuan. If the circumstances are serious, he shall be detained for no less than 5 days but no more than 10 days, and may be concurrently fined 500 yuan: (1) Refusing to execute the decision or order lawfully issued by the people's government in an emergent situation;...

02. What is the nature of the delayed resumption period regulated in the notice of delayed resumption?

(2) *Law of the People's Republic of China on Prevention and Treatment of Infectious Diseases*, Article 77: Where a unit or individual violates the provisions of this Law, thus leading to the spread and prevalence of infectious diseases or causing harm or property losses to another person, the unit shall bear civil responsibility according to law.

(3) *Criminal Law of the People's Republic of China*, Article 330. Whoever violates the provisions of the *Law on Prevention and Treatment of Infectious Disease* causing the spread of A-category contagious diseases or causing a serious danger of the spreading A-category contagious diseases is to be sentenced for no more than three years of fixed-term imprisonment or criminal detention; when the consequences are particularly serious, the sentence will be no less than three years and not more than seven years of fixed-term imprisonment.

03 how to deal with conformed cases, suspected cases and close contacts among employees? What if the employee is unable to return to normal work because of the quarantine?

According to the “Notice on Labor Relations during the Prevention and Control of Novel Coronavirus Pneumonia” issued by the ministry of human resources and social security of Zhejiang province (no. 3 of Zhejiang people's association (2020))(hereinafter referred to as “Notice on Proper Handling of Labor Relations”), enterprises should pay attention to the following points:

1. **The enterprise is forbidden to lay off labors according to the article 40, article 41 of the labor law, in excuse of the vacation resulting from quarantine or other medical emergency measures taken by government. If the labor contract expires during the period of quarantine, medical observation, or other emergency measures taken by the government, the term of the labor contract shall be extended to the day after the expiration of the medical treatment, quarantine, medical observation or the emergency measures taken by the government.**

03 how to deal with conformed cases, suspected cases and close contacts among employees? What if the employee is unable to return to normal work because of the quarantine?

2. Earnestly protect employees' wages and benefits. For employees with pneumonia, suspected patients, and close contacts who cannot normally work due to the implementation of quarantine measures or other emergency measures by the government, the enterprise shall treat them as normal labors and pay them normal wages during working hours.

During the absence of work, the above-mentioned employees are deemed to be treated as normal employees. The wages shall be paid in accordance with the standard of work-related injury suspension, that is, based on the average salary of the employee in the previous twelve months (except for overtime pay), including hourly wages or piece-work wages, bonuses, allowances and subsidies, etc., but except for overtime pay.

04 how to deal with conformed cases, suspected cases and close contacts among employees? What if the employee is unable to return to normal work because of the quarantine?

3. In the period of prevention of novel coronavirus, employees who have infected with novel coronavirus or died due to new pneumonia due to performance of their duties shall be treated to be injured at work and shall enjoy the benefits of work-related injury insurance according to law. The enterprise is forbidden to rescind the labor contract with the labors according to the article 40, article 41 of the labor law, in excuse of the vacation resulting from quarantine or other medical emergency measures taken by government. If the labor contract expires during the period of quarantine, medical observation, or other emergency measures taken by the government, the term of the labor contract shall be extended to the day after the expiration of the medical treatment, quarantine, medical observation or the emergency measures taken by the government.

05 After resumption of work on February 10th, how to deal with the employee's absence caused by the outbreak?

According to the "Notice on Properly Handling Labor Relations", for employees who did not return to the enterprise to return to work due to the epidemic situation, after fully consultation with the employees, the enterprise may give priority to arranging paid annual leave for those employees. Among them, employees who have worked cumulatively for more than one year and less than 10 years are entitled to enjoying 5 days of annual leave, who have worked for more than 10 years but less than 20 years can have 10 days of annual leave, who worked over 20 years are entitled to 15 days of annual leave. Employees enjoy the same wages during paid annual leave as during normal work.

06. During the anti-epidemic period, if the enterprise falls into operational difficulties, can the enterprise reassign and reduce wages without consulting with employees?

No. Unless the enterprise has legal reason for reassigning and reducing wages.

According to the article 35 of labor contract law - An employer and an employee may modify the contents stipulated in the labor contract when they both agree upon negotiations. The modifications to the labor contract shall be made in writing.

Furthermore, according to the “Notice on Properly Handling Labor Relations” , if the enterprise suffers form operational difficulties caused by the epidemic, it may take measures, such as adjusting wages, working in shifts, shortening working hours or persuading employees waiting for operation, to stabilize the number of employees. The enterprise shall try its best not to laying off workforce. The eligible enterprise may enjoy the job stabilization subsidies stipulated by the regulations.

07. If the employee needs to rest at home after the quarantine, how to pay the wages during recuperation?

For the employee who still needs to rest at home after the isolation, medical observation or after the emergency measures implemented by government, if he/she can provide the proof of sickness, the rest shall be seen as sick leave. If the sick leave proof cannot be provided in accordance with the company 's reasonable requirements, employees may apply for other vacations, such as paid annual leave, company welfare leave, adjusted vacation, normal leave, etc. But all the adjustment and application should be made in compliance with company management.

09

**Tips on the exemption
of performance of the
commercial contract**



As the contractual party of business contract, the company will be more or less impacted by the epidemic on the performance of the contract. Due to the sudden outbreak of novel coronavirus and the compulsory regulation made by the government, the situation generally conforms to the requirements of “force majeure” stipulated in *General Provisions of the Civil Law of the People’s Republic of China and Contract Law of the People’s Republic of China* (hereinafter referred to as contract law). The company may raise claims of changing contract or exemption from the force majeure terms of the contract.

As the seller

1. As the seller, the company shall immediately check whether the provision of services/products can be performed based on the commercial contract and its own production and operation arrangements;
2. If the company has been affected by the epidemic and become unable to provide part of service/products, we hereby advise you promptly notify the other party by sending a written notice and inform customers of the situation of the epidemic, the impact of the epidemic on the production and business operation and the failure to fulfill the part of the contract. At the same time, argue for the settlement from obligations under the contract based on force majeure and attach the government regulations about extending the Spring Festival holiday and delaying the resumption of work as proof;
3. If the company has been affected by the epidemic and entirely fail to perform the contract, we hereby propose that you promptly send an exemption notice to the customer, explicit the impact of this epidemic and the failure to perform the contract and raise the claim of exemption according to the contract.

As the buyer

1. As the buyer, the company shall immediately check the needs and record the services/products needed in a short term. After the inventory check, it is recommended that the company should verify with the supplier whether its production and operation are affected by the outbreak and whether the performance of the contract will be impacted, so as to make preparations for purchasing from other channels or delaying its own production and operation;
2. If the supplier has been seriously impacted by the outbreak and its production cannot meet the needs of the buyer which may lead the failure to fulfil the contract, the buyer should send the notice of rescinding contract and clearly list the situation of force majeure, the terms of force majeure agreed in the contract and the claim of terminating the contract.

As the buyer

3. While checking the company's own needs, it is also suggested that the company should check whether it is affected by the epidemic and whether it can receive goods and pay on time as agreed.
4. If the company, as the party of buyer, cannot receive services/products or pay on time because of the outbreak, it should send notice to its suppliers and tell the situation and influence to suppliers. The company may also raise its claim of conducting terms of force majeure at the same time.

10 | **Tips on information disclosure**



January 28th 2020, “Notice on the Prevention and Control of Novel Coronavirus Pneumonia” was published by China Securities Regulatory Commission (CSRC).

January 31st 2020, “Notice on Strengthening Financial Support for the Prevention and Control of Novel Coronavirus Pneumonia” was jointly issued and published by five national departments including the People’s Bank of China (PBC), the Ministry of Finance, China Banking and Insurance Regulatory Commission, China Securities Regulatory Commission (CSRC), State Administration of Foreign Exchange (SAFE).

Whereafter , the Shenzhen Stock Exchange published “Notice on Fully Supporting Listed Companies and Other Market Entities to Win the Fight against the Outbreak of Novel Coronavirus Pneumonia” . Shanghai Stock Exchange released “Notice on Supervision and Regulatory Arrangement for Fully Supporting the Prevention and Control of Novel Coronavirus Pneumonia” . National Equities Exchange and Quotations (NEEQ) announced ‘Notice on operational arrangements for fully supporting the prevention and control of the outbreak of Novel Coronavirus Pneumonia’ .

These documents and notices have made relevant arrangements in respect of the business declaration inspection and information disclosure of listed companies and unlisted public companies during the epidemic period.

01. How to disclose information for listed company and unlisted public company during the outbreak period?

In the “Notice on Strengthening Financial Support for the Prevention and Control of Novel Coronavirus Pneumonia” jointly issued by five national departments, it is clearly stated that:

If a public listed company (hereafter refers to a company whose shares are traded on the stock market) or a listed company (refers to the domestic company listed in the equity transfer system) or a corporate bond issuer is affected by the outbreak and has difficulties in disclosing the 2019 annual report or the quarterly report of the first quarter of 2020 within the statutory time limit, CSRC, stock exchange and NEEQ shall settle the affair properly and legally. If a listed company is affected by the epidemic and has difficulties in disclosing performance estimation or performance preview, the company is allowed to apply for extension. If it is difficult to disclose the 2019 annual report on the scheduled date, the company may file an application to the stock exchange and extend to April 30, 2020.

Shanghai Stock Exchange

Establishing special channel for the public listed company and receiving consultation on the information disclosure and related business of the listed company influenced by this epidemic, in order to support the public listed company preventing the current epidemic and disclosing related information.

The public listed company may directly contact the regulatory department of the Shanghai stock exchange for business consultation or information disclosure;

If the company affected by the epidemic estimates that it will have difficulties in disclosing the 2019 annual report before the appoint, the company may apply to the regulatory department of the Shanghai Stock Exchange for the extension until 30 April 2020.

Shanghai Stock Exchange

If a public listed company affected by the epidemic estimates that it will have difficulties in disclosing the 2019 annual report or the quarterly report of the first quarter of 2020 in the statutory time limit (before 30 April 2020), the company shall report to the regulatory department of Shanghai Stock Exchange. Shanghai stock exchange will make integrate deploy under the arrangement of CSRC.

If the public listed company affected by the epidemic estimate it will be unable to disclose the performance preview before the end of January 2020 or the public listed company on the science and technology innovation board has difficulties in disclosing performance preview before the end of February 2020, it may may apply to the regulatory department of the Shanghai Stock Exchange for the extension.

Shenzhen Stock Exchange

Shenzhen stock exchange will receive the consultation about the information disclosure and corresponding service and support the the listed company preventing the current epidemic and disclosing related information.

The public listed company may directly contact the regulatory department of the Shenzhen stock exchange for business consultation or information disclosure. If a public listed company affected by the epidemic has difficulties in disclosing performance estimation or performance preview on time, the company may apply for extension. If the company has difficulties in disclosing the 2019 annual report before the appointment, it may apply to the Shenzhen stock exchange for the extension until 30 April 2020.

If the company affected by the epidemic estimates that it will have difficulties in disclosing the 2019 annual report or the quarterly report of the first quarter of 2020 in the statutory time limit, Shenzhen Stock exchange will make appropriate arrangement under the regulation of CSRC. The detailed arrangement will be informed later.

National Equities Exchange and Quotations (NEEQ)

About the information disclosure and relevant business consultation, NEEQ will give explanation and support the listed company in preventing the current epidemic and disclosing related information. The listed company may postpone the 2019 annual report and optimize the working schedule after full negotiation with the accounting firm, according to the severity of the epidemic in the region where it is located and the control measures of the local government.

NEEQ will provide convenience for the listed company to adjust the disclosure time of annual report, and supply guidance for the listed company to promote the disclosure of the annual report as soon as possible through online training.

National Equities Exchange and Quotations (NEEQ)

If the company affected by the epidemic estimates that it will have difficulties in disclosing the 2019 annual report or the quarterly report of the first quarter of 2020 in the statutory time limit, the company may release risk announcement under the assistance of the securities broker and disclose information depending on the circumstances. NEEQ will make integrate arrangement for that.

If the listed company is unable to timely disclose the provisional notice due to the impact of the epidemic, it shall inform the host securities broker, and suspend the stock business at the same time. The host securities broker shall timely disclose the risk announcement.

02. How to call shareholder meetings for listed/unlisted public companies during the outbreak?

Both the Shanghai Stock Exchange and the Shenzhen Stock Exchange explicitly support public listed companies in actively promoting and guiding shareholders to participate in the shareholders' meeting through online voting.

NEEQ clearly shows that it is allowed to suspend or cancel the shareholders meeting. If the listed company fails to hold the shareholders' meeting on time according to the notice of the disclosed shareholders' meeting due to the adjustment of the Spring Festival holiday or the prevention and control of the epidemic, it shall timely disclose the announcement of the postponement or cancellation of the shareholders' meeting.

02. How to call shareholder meetings for listed/unlisted public companies during the outbreak?

If the listed company intends to postpone the holding of the shareholders' meeting, the date of equity registration shall not be changed, and the period between the date of equity registration and the date of shareholders meeting shall not be more than 7 trading days.

If there are more than 7 trading days, the scheduled shareholders' meeting may be cancelled and the notice of the shareholders' meeting may be reissued. The date of shareholders' meeting can be reappointed in the new notice.

Organizing shareholders' meeting in a flexible way is recommended, which includes that encouraging the listed company flexibly arrange off-site shareholders meetings by online voting according to company rules and articles, as well as, encouraging the shareholder to participate in the meeting online. During the period of prevention, all the companies holding on-site meeting have responsibilities to make orderly organization and protect the health and safety of every attendee.

Thank You!

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If any information involving medical knowledge, please consult a medical professional institution!