

Intellectual Property Rights Management Plan and Implementation Status

■ Intellectual Property Rights Management Plan

As a product manufacturing industry of innovative research and development, we encourage our employees to engage in the activities of research, development and innovation related to our products so as to enhance the results of technical research and development and to improve the quality and functions of our products. Not only do we value our intellectual property rights, we also respect third parties' intellectual property rights. One of our priorities for technology developed or introduced is not to infringe third parties' intellectual property rights. With the Management Plan for Intellectual Property Rights, it will strengthen our competitiveness and open up opportunities for future development

■ Measures of Intellectual Property Rights Management Plan

1. Measures of Patent Management

With the established working guideline for patent, we encourage our employees to engage in research, development and innovation related to our products. In terms of patent application process, online application, sign off, examination and review meeting are carried out through the system. With the review process and incentive mechanism, the application process not only simplified but also elevate the quantity and quality for patent application. The patent department takes measure to guide and assist the R&D direction and helps to gain better understanding of the technical development profile of competitors or potential customers. By educational trainings, improve the understanding of patent among colleagues and strengthen our competitiveness.

2. Measures of Trade Secret Management

In addition to a course to learn about trade secrets delivered by the Company while providing new employees with onboarding training program, we regularly and irregularly educate our employees via emails on the importance of information security and confidentiality as well. We remind our employees from time to time about their non-disclosure obligations in connection with any items and/or confidential information learned or acknowledged from their duties. In no circumstances shall our employees use confidential information of a third party without authorization or infringe third parties' intellectual property rights. Access control is implemented in important areas within the Company, and all departments are required to take protective measures for confidential information based on levels of sensitivity and launch relevant trainings. In addition, non-disclosure agreements are executed with our employees, suppliers and customers.

3. Measures of Trademark Management

We applied for trademark application and registration with intellectual offices in various countries for our major trademarks and will file applications based on market expansion plans in the countries where we operate and where our products are sold.

4. Measures of Copyright Management

We are in agreement with our employees that any and all work completed by employees within the scope of employment, the author of such work shall be the Company. Employees are required to make records of activity logs to determine the timing of completion of the work to ensure the Company enjoys all copyrights of the works completed by employees within the scope of employment.

■ Risks Associated with Intellectual Property Rights and Response Measures

1. Risks Associated with Intellectual Property Rights

Not only do we value our intellectual property rights, we also respect third parties' intellectual property rights. But while developing technologies, patents, trade secrets or know-how necessary to engage in business, we may unknowingly infringe third parties' intellectual property rights. With our business model, from time to time, we may receive third parties' notice, claiming the products manufactured by us infringe their patent and other intellectual property rights and such claims may result in litigation. Due to the nature of the industry and the rise of Non-Practicing Entity ("NPE"), we expect to continue receiving notices asserting infringements or facing patent litigation threats from NPE for royalties or settlement payments. To effectively defend such claims, whether the claims are valid or not, may incur significant costs and management resources and increase our operation costs.

2. Response Measures

- (1) When we directly or indirectly receive notice of product infringement or when we become aware of a lawsuit, the Legal Affairs Office will deal with the matter.
- (2) Upon receiving such notice, Legal Affairs Office will confirm the status and relevant patent/technology with relevant departments to develop strategic and action plans
- (3) With the progress of the case, Legal Affairs Office or relevant departments would respond at the proper time.

■ Implementation Status for 2021

The Company periodically report the relevant information regarding Management Plan for Intellectual Property Rights to Board of Directors every year. We plan to report the Board of Directors the implement results on March 15, 2022. As of December 31, 2021, the achievements of intellectual property rights are as follow:

1. Patents: We have 2,916 registered patents around the world. In 2021, 222 patent applications were filed and 301 patents were granted.
2. Trademarks: We have 194 trademarks around the world (116 Taiwan trademarks and 78 foreign trademarks). In 2021, 24 trademark applications were filed and 48 trademarks were granted.