

Compal Electronics, Inc.

Intellectual Property Rights Management Plan and Implementation Status for the year 2022

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

Intellectual Property Management System

1. Measures of Patent Management

Under the Company's current 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 electronic system. With the rational review process and incentive mechanism, the application process is simplified and the quantity and quality for patent applications are well controlled. The patent department takes measure such as creating "Patent Map" to guide and assist the relevant R&D departments to determine the R&D direction and helps to gain better understanding of the technical development profile of our 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 and announcements 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, whether owned by the Company or by the customer(s) or the vendor(s), learned or acknowledged from their duties. All employees have the obligation not to reveal. In no circumstances shall our employees use confidential information of a third party without authorization or infringe third parties' intellectual property rights. In addition to the above-mentioned dissemination, the Company has taken the following specific measures to ensure no leakage of confidential information: Access control is implemented in important areas within the Company; all departments are required to

take protective measures for confidential information based on levels of sensitivity and launch relevant trainings; every employee is required to sign an employee confidentiality agreement at the time of employment and for employees involved in projects with a higher level of confidentiality, sign an additional non-disclosure undertaking on a case-by-case basis; and non-disclosure agreements are executed respectively with our vendors and customers.

3. Measures of Trademark Management

Except for a small amount of fledgling own brand products, our main businesses still remain OEM and ODM businesses. Therefore, the number of trademark applications is far different from the number of patent applications. 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 Countermeasures

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 software used by us or 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 attempts by NPEs to claim royalties or settlements against the Company by means of patent licenses, patent litigation or threatened litigation in the future. 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 2022

The Company periodically report the relevant information regarding Management Plan for Intellectual Property Rights to Board of Directors every year. The implementation status in 2022 will be reported to the Board meeting to be held on March 15, 2023. As of December 31, 2022, the achievements of intellectual property rights are as follow:

1. Patents: We have 3,259 registered patents around the world. In 2022, 246 patent applications were filed and 271 patents were granted.
2. Trademarks: We have 179 trademarks around the world. In 2022, 30 trademark applications were filed and 13 trademarks were granted.