

Intellectual Property Management Program: Strengthening Corporate Governance and Achieving Diversified Operational Goals

I. Introduction and Goals:

1. The Company's Intellectual Property Management Program will be closely aligned with the Company's operational goals and technological protection needs, with the aim of ensuring that innovations are adequately protected by law, while at the same time enhancing competitive advantages and promoting the Company's continued operation and growth. Through appropriate protection of intellectual property rights, companies can obtain a competitive advantage in terms of technology introduction, cooperation, and innovation, and at the same time ensure the continuous innovation and growth of the companies in the high-tech industry.
 - i. **Internationalization Market Strategy and Intellectual Property Protection:**

The Company is aggressively expanding its business from a base in Taiwan to major markets in Asia, with the aim of enhancing its competitiveness and meeting the needs of its customers, and realizing its goal of internationalization and sustainable operation. In expanding into international markets, we are aware of the differences in intellectual property laws in different countries and have developed intellectual property protection strategies based on local laws. We ensure that intellectual property rights are properly protected in each market, not only to prevent infringement, but also to strengthen our competitive advantage in the international market, which is of strategic significance for international market development.
 - ii. **Technology Integration and Innovation Protection:**

By enhancing our electrical and mechanical engineering and whole plant design capabilities, we are committed to integrating multiple technologies to create more valuable solutions. We ensure that the intellectual property rights of in-house innovations are appropriately protected, motivate our employees to engage in innovation, and turn new technologies into business value. We ensure the confidentiality of technical details through non-disclosure agreements, personnel training, access control, etc., in order to strengthen the trust of our customers and build a long-lasting and stable customer relationship.
 - iii. **Strategic Partnership and Intellectual Property Agreements:**

Through close cooperation with international manufacturers, the Company leverages on advanced technology and expertise. The distribution and use of intellectual property rights are clearly defined in the cooperation agreements to ensure fair sharing of technology exchanges between the two parties and to avoid potential intellectual property disputes. This cooperation not only accelerates the enhancement of local technological capabilities, but also generates new technological innovations, enhances competitiveness and reputation, and in turn, strengthens the Company's ability to achieve profitability. Failure to obtain or maintain a license for a particular technology or intellectual property may result in infringement lawsuits, limiting the manufacturing of products, the sale of services and the application of technology, and weakening our competitiveness against our competitors. Therefore, we take appropriate measures, including license and contract management, patent protection, non-disclosure agreements, technology review and monitoring, etc., as well as proactively responding to unfounded patent litigation.
 - iv. **Innovation Driven and Intellectual Property Protection:**

Based on our core belief of "Innovation, Execution, and Evaluation", we encourage our employees to develop innovative ideas by establishing efficient internal processes. This spirit of innovation is not only in technology, but also in intellectual property

protection. We understand that securing the intellectual property rights of innovations through patent applications, trademark registration, and trade secret protection not only helps protect the Company's technological achievements, but also strengthens the Company's leadership position and market share in the technological field.

Patent protection is particularly critical in new applications such as the Internet of Things, big data and artificial intelligence. We recognize that effective patent protection can prevent competitors from copying or using our technology without authorization, while attracting potential partners. This strategy not only promotes the widespread use of new applications in the marketplace and enhances our competitive advantage in emerging markets, but also strengthens legal compliance through appropriate intellectual property strategies, thereby reducing the risk of litigation and ensuring the stability of corporate profitability and reputation.

II. Patent Rights:

1. Intellectual Property Rights Management Committee: A cross-functional team is set up to be responsible for patent application, management, maintenance, and evaluation to ensure the maximization of the value of intellectual property.
2. Legal Compliance and Risk Management:
Patent Compliance: To ensure that the application and use of patents follow the relevant laws and regulations and to avoid possible legal risks and disputes.
3. Patent Evaluation: To periodically evaluate the value of the existing patent portfolio in order to support business decisions.
4. Technology Transfer, Cooperation and Internationalization:
 - i. Technology Transfer Strategy: To promote internal technology transfer between different businesses to achieve the goal of product line expansion.
 - ii. Partnerships: To establish partnerships with major international manufacturers to promote the improvement of technological capabilities and the development of technical capabilities of domestic production process equipment.
5. Product and Service Quality Improvement:
 - i. Equipment Installation and Maintenance: To establish a high-quality equipment installation and maintenance team to ensure excellent customer experience and stable operation of equipment.
 - ii. Depth and Breadth of Customer Service: To expand the scope of customer service and provide more comprehensive solutions to meet the needs of different customers.
6. Emerging Technology Application:
 - i. Technology introduction strategy: To focus on emerging technologies such as Internet of Things, Big Data, Artificial Intelligence, 5G, AR/VR, etc., to ensure that the Company is able to capitalize on new technology opportunities in a timely manner.
 - ii. Research and Development: To invest in the R&D area to develop products and services related to emerging technologies.
7. Internationalized Professional Services:
 - i. Talent Training and Recruitment: To provide staff training to strengthen the capability of internationalized professional services.
 - ii. Market Research: To actively analyze the market demand in different countries and regions to adjust the professional service strategy.
8. Monitoring and Evaluation
 - i. Performance Evaluation: To regularly evaluate the implementation of the intellectual property management program to ensure consistency with the goals.

- ii. Risk Evaluation: To monitor market, legal, and technological changes and make timely adjustments to strategies to minimize risks.

III. Trademark Rights

1. Trademark Management Process:

- i. Trademark Registration: To ensure that all key trademarks are registered, reviewed and applications are submitted in major markets, ensuring that documentation is complete and in compliance with regulations.
- ii. Trademark Audit: To regularly review the trademark portfolio to ensure that it remains in line with the brand strategy and market trends, making necessary adjustments and updates.
- iii. Trademark Usage Guidelines: To establish clear guidelines on trademark usage to ensure that internal teams follow consistent brand standards and regulations, thereby maintaining a coherent identity image.
- iv. Infringement Monitoring: To introduce a trademark monitoring model to monitor the market on a regular basis to detect possible infringement and take early action.
- v. Legal Enforcement: To immediately carry out legal enforcement against any infringement behaviors, including issuing warning letters and suing the infringer.

2. Internal Training and Education

- i. Trademark Value Education: To organize internal training on a regular basis to educate employees on the value of trademarks, methods of protection, and identification of infringement.
- ii. Training on Usage Guidelines: To provide internal teams with training on trademark usage guidelines to ensure that all team members understand how to use trademarks properly.

3. Monitoring and Reporting

- i. Regular Audit: To perform a comprehensive audit of trademark strategy and usage annually to ensure that it is in line with the Company's goals and market changes.
- ii. Infringement Reports: To generate infringement monitoring reports on a regular basis to assess potential risks and formulate strategies to address them.

4. Staged Goals and Evaluation

- i. Short-term Goal: To complete the registration of all core trademarks within 6 months to ensure the establishment of a basic framework for trademark protection.
- ii. Medium-term Goal: To reduce the incidence of infringement and improve the effectiveness of trademark protection through training and monitoring.
- iii. Long-term Goal: Through continuous auditing and implementation, to continually improve the value of trademarks and ensure the maximum utilization of trademark assets.

IV. Protection of Trade Secrets

1. Trade Secrets Management Process

- i. Identification and Categorization: To carefully identify and categorize all trade secrets to determine their sensitivity and value.
- ii. Storage and Access Control: To establish storage and access control measures to ensure that only authorized personnel can access trade secrets. Encryption technology is used to ensure secure transmission and storage of data.

- iii. Internal Training: To provide internal training to educate employees on best practices for trade secret protection and to emphasize its importance.
 - iv. Contracts and Non-Disclosure Agreements: To sign non-disclosure agreements with employees, suppliers and partners to clearly define the obligations and legal liabilities for the protection of trade secrets.
 - v. Monitoring and Auditing: To regularly monitor the use of trade secrets and audit the records of interviews to ensure that only necessary personnel have access to sensitive information.
2. Internal Training and Education
 - i. Confidentiality Training: To provide comprehensive confidentiality training to educate employees on the importance, methods and consequences of trade secret protection.
 - ii. Risk Education: To recognize typical internal and external risks and educate employees to identify and report potential threats.
 3. Monitoring and Reporting
 - i. Internal Audit: To regularly review internal systems to ensure the effectiveness of trade secret protection measures and to correct possible vulnerabilities in a timely manner.
 - ii. Abnormal Activity Detection: To equip security tools to monitor abnormal system and user activities in order to detect potential external threats.
 4. Risk Evaluation and Management
 - i. Regular Evaluation: To evaluate the risks of trade secrets on a regular basis, and to analyze and evaluate possible risks.
 - ii. Risk Reduction Measures: To formulate and implement risk reduction measures based on the results of risk evaluation, e.g., strengthening technological protection, enhancing staff training, etc.
 5. Confidentiality Legal Compliance: To ensure that trade secret protection measures comply with local and international confidentiality legal requirements.

Implementation (proposed)

- I. The Company has submitted a report on matters related to intellectual property to the thirteenth meeting of the ninth session of the Board of Directors (October 04, 2023), and has proposed improvement measures in response to the recommendations of the directors.
- II. Since 2002, the Company has been actively promoting its intellectual property management program, and the main implementation details in recent years are as follows:
 1. In 2002, the Company formulated and implemented the Patent Management Regulations to improve the SOPs for patent research and development, application, and management.
 2. Since 2002, the Strategy Execution Office has regularly conducted monthly inventories of the Company's intellectual property rights, established an intellectual property rights database, and reported on the status of implementation at the monthly supervisors' meeting, in order to control and track the rights and interests of the Company's intellectual property rights.
 3. In 2014, we formulated and implemented the Customer Confidentiality Compliance Management Regulations to assist the Company in implementing the trade secret management and control process.

4. From 2019 to 2022, internal and external education and training courses have been organized, with 151 participants covering the R&D and manufacturing business group, system application business group and other departments.
5. Starting from 2022, we have started evaluating the implementation of the Taiwan Intellectual Property Standards (TIPS) management system, and we expect to obtain the certification in 2025.

III. The current list and achievements of the intellectual property obtained are as follows:

1. As of September 6, 2023, the total number of patents licensed to the Company globally amounted to 227, of which 150 were licensed in Taiwan (58 inventions and 92 new types), 59 were licensed in China (28 inventions and 31 new types), and 18 were licensed in the United States of America.
2. As of August 30, 2023, the total number of trademarks licensed to the Company globally reached 84, of which 53 were licensed in Taiwan, 26 in Mainland China, and 5 in other countries (1 application in progress).

Area		Domestic				United States of America				China				Others			
		Total	2023	2022	2021	Total	2023	2022	2021	Total	2023	2022	2021	Total	2023	2022	2021
Invention Patent	Licensed	58	58(0)	58(3)	55	18	0	18(2)	16	28	28(0)	28(2)	26	0	0	0	0
	Application in progress		2	1	1		0	0	0		0	0	0		0	0	0
New Type Patent	Licensed	92	92(2)	90(0)	90	NA	NA	NA	NA	31	31(0)	31(0)	31	0	0	0	0
	Application in progress		0	0	0	NA	NA	NA	NA		1	0	0		0	0	0
Design Patent	Licensed	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Application in progress	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Trademark Right	Licensed	53	0	2	51	0	0	0	0	26	0	0	26	5	0	5	0
	Application in progress	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1	0

Note 1: There is no new patent system in the U.S., so it is indicated by NA.

Note 2: The cases of the current year are shown in parentheses. For example, the number of domestic inventions licensed in 2022 is 58(3), which means that as of December 31, 2022, 58 domestic inventions have been licensed, and during the period from January 1, 2022 to December 31, 2022, 3 domestic inventions have been licensed.