

Hon Hai Technology Group Intellectual Property Management Blueprint

As a primary patent owner and a business partner of other patent owners worldwide, the Group is committed to investing in R&D and innovation and actively protecting the Group's innovative technologies and intellectual properties worldwide. The Group's patent strategy of "quality, quantity, and wide applicability" emphasizes not only the quality and quantity but also the "usefulness" that can contribute to human society by giving full play to the influence of key technologies and "multiple uses" can be widely applied. We expect to use patents as a channel for sharing human knowledge and technology, avoiding the waste of time and resources caused by repeated R&D, promoting technological evolution through benign competition, enhancing technological power, and bringing more innovative technologies to human society.

Intellectual Property Strategy

Intellectual Property Management Strategy

With the information systems and the assistance of professional offices, we have improved the information system functions on a rolling basis, and merged different intellectual property management functions such as innovation proposal, patent application, patent maintenance, trademark application, and trademark maintenance, etc., to enhance the efficiency of data analysis and intellectual property management through digitalization, and reduce the risk of intellectual property management errors.

Intellectual Property Developing Strategy

We encourage our R&D colleagues to solve problems and propose more effective solutions; cooperate with the Hon Hai Research Institute to produce both papers and patents; improve the incentive system to stimulate innovative proposals; and establish a creative sharing mechanism to encourage colleagues to brainstorm and perfect their creativities.

Maintenance and Application Strategies

Each business group analyzes the patent applicability based on their respective products and technology fields and formulates application strategies to increase the value of the Group's patents and know-how from self-use, licensing to applying for

government subsidies. We hold the activity of supporting start-ups through the mechanism of free licensing for a certain period to encourage start-ups to adopt our patents, which can not only support start-ups for the benefit of the society based on the spirit of sharing technology but also increase the applicability of the existing patents through the creativity of the start-ups.

Intellectual Property Management System

Responsible Organization

Starting from 2021, based on the principle of "Strengthen the central units to achieve wealthy local units," the Intellectual Property Division was established to horizontally coordinate the intellectual property resources of all business groups of the Group, and to consolidate the needs of each unit to provide intellectual property services to each business group and other central units in a professional manner.

Employee Education

All new employees are required to sign a confidentiality agreement and an intellectual property covenant to ensure that employees have sufficient knowledge of their responsibility to protect the confidential information they produce or handle during their employment; and that the ownership of the intellectual property rights of the employee's inventions during their employment are clearly stated. When an employee leaves the company, the resignation procedures include the handover and confirmation of intellectual property-related procedures and a reminder of confidentiality responsibilities for R&D personnel. In addition to the intellectual property training for new employees, we also hold training activities from time to time every year to promote the understanding of intellectual property among R&D colleagues at all levels.

Patent Proposal Review

The Group has a wide range of R&D fields and products and is divided into different levels of R&D units. Prior to filing a patent application, the competent personnel in intellectual property, the R&D director, and the legal department will conduct a substantive examination of the content of each patent proposal to establish a proper portfolio yet discourage designing around. In addition to ensuring the quality of the patent, these mechanisms can also ensure that the content of the proposal does not violate the agreement of the R&D project. A proper system enables each patent proposal

to have higher patentability.

Incentive Measures

To reward and encourage employees to innovate, to expand rewards for core industries and technology fields, and to actively deploy in key core industries and technology fields, the Group currently has certain rewards at both proposal and issuance stages for invention patents, utility model patents, integrated circuit designs, trade secrets, and software copyrights. Besides, we select each year the outstanding patents among the granted patents and offer higher awards to the inventors. Through this incentive mechanism, we encourage our R&D colleagues to be active in innovation.

Patent Review

The Group owns more than 10,000 granted and in-force patents. With the innovation of technology and the change of product generation, it is necessary to make an appropriate evaluation of the patents under maintenance, to eliminate the weak and retain the strong, to reduce unnecessary maintenance costs, and to consider whether there are new fields of application for the patents under maintenance. During the evaluation, each unit will consider the technology proposed in the patent, the status of uses of the same, the potential for future use or license, etc. However, to make a more detailed assessment, the Intellectual Property Division will re-evaluate the patents that are abandoned by each unit and conduct an overall consideration from the viewpoint and needs of the whole group.

Trade Secret Management

The Group has established a trade secret management system, implemented a confidential document classification system, strengthened the management of trade secrets, and established the Information security Committee to ensure that the Group's information security management system can continue to operate steadily. The Group has also introduced the ISO 27001 Information Security Management System to implement the Group's information security policy, protect customers' data and our intellectual properties, strengthen information security incident response capability, and achieve metrics of information security policy.

Trademark Management

A trademark is a symbol of an enterprise's external operation, and only through reasonable portfolio-establishing and proper management can a trademark be fully utilized to build a corporate image and be free from malicious infringement. The Group now manages all trademarks through the Intellectual Property Division, keeping

records from application to usage and establishing a database of trademark usage records to actively maintain the validity of trademarks.

Implementation Outcomes in 2021

- 1 Responsible Organization
 - 1.1 The Group established the Intellectual Property Division in August 2021 with a whole new structure to provide professional services to meet the needs of all aspects of the Group's intellectual property. The Intellectual Property Division also serves as a window for the Group's intellectual property and coordinate related requirements.
- 2 Improving the reward mechanism
 - 2.1 The new version of the intellectual property reward policy was implemented on June 1, 2021.
- 3 Trademark Management
 - 3.1 We revised the trademark usages rules of the Foxconn Technology Group and added new combinations of trademark usages.
- 4 Outcomes
 - 4.1 The number of patent proposals in 2021 is 1,710, including 221 patent proposals in the 3+3 fields.
 - 4.2 The number of patents granted in 2021 is 614.
 - 4.3 The number of trade secrets registered in the past years is 1,294.