

Intellectual Property Rights Management Plan and Its

Execution Status of TECO

TECO is dedicated to building up a macro-perspective and high-quality world-class brand, with the objective of "Energy Conservation, Emissions Reduction, Intelligence, and Automation." In order to continuously strengthen its leadership in the industry and maintain its advanced technical achievements, TECO has summed up past experience and formulated the intellectual property rights ("IPR") strategy closely aligned with its business objectives and R&D resources. By establishing a working model that promotes company values with IPR, TECO not only protects its business freedom but also strengthens its competitive advantages to further improve its profitability.

This IPR Plan and Its Execution Status has been duly reported to the board of directors of TECO dated as of November 11, 2022.

Policy of IPR Management

TECO's IPR management policy is as follows:

1. Promoting the upgrade of IPR management system as a whole.
2. Valuing IPR management and maintaining business freedom.
3. Strengthening the competitive advantages through corporate image built up and improved by IPR management.
4. Linking TECO's registered trademarks with TECO's objective of "Energy Conservation, Emissions Reduction, Intelligence, and Automation" to deepen its corporate image.
5. Valuing IPR management of suppliers to establish long-term relationship.

Management System

According to the policy listed above, TECO establishes the management system (e.g., rules and regulations) to facilitate and manage its IPR affairs, which comprises the following:

1. Patent Management Rules.
2. Trademark Management Rules.
3. Technology Licensing Handling Rules.
4. R&D Project and Achievement Management Rules.
5. Pioneering and Creative Technology R&D Case Management Rules.
6. Information Network Usage Regulations.
7. Patent KPI Goals of Every Business Units.
8. Establishment of digital platforms for application proposals and

query/management system of patent and trademark respectively.

9. Introduction and implementation of Taiwan Intellectual Property Management System (TIPS): Promulgation of Intellectual Property Management manual, setup of policy and objectives of IPR management based on the direction of operation and management as well as internal and external risks issues.

Objectives of IPR Management

Regarding the objectives of IPR management, different types of IPR come with different approaches as stipulated below:

1. Patent strategy

Since its inception, TECO has been continuously (i) developing a corporate culture that profoundly values technology and patents; (ii) promulgating rules and regulations like Technology Licensing Handling Rules, R&D Project and Achievement Management Rules, Pioneering and Creative Technology R&D Case Management Rules, Patent Management Rules, etc.; (iii) establishing suitable digital platforms and databases; and (iv) setting up Patent KPI Goals of Every Business Units in combination with training programs, cooperation projects, and/or comprehensive bonus & incentive scheme, all to encourage the participation of (R&D) staff in patent applications. With continuous steady growth of granted patents and patent applications, plus the enhanced internal review /examination standards of proposal to the patent applications, the high quality of current and future granted patents and patent applications is expected. To synchronize with business strategy and objectives of TECO and as a means of enhancing its patent quality for future bargain of cooperation, investment, and/or other profitable opportunities, TECO is keen to analyze the trend of technology development and construct patent map and complete portfolio. And whenever needed, TECO will utilize the results from above analysis and/or construction to invalidate patents of competitors and/or conduct design-around thereof for the purpose of increasing its competitiveness and/or protecting its IPR.

TECO will continue to follow up and update relevant laws and regulations, introduce and implement training programs held by internal or external instructors, join relevant national and/or international seminars and/or exhibitions, join National Invention and Creation Award and so on to increase the R&D capability of TECO R&D staff and/or the patent quality.

TECO fits its IPR management system to its current business strategy, and will make sure that such system continues to work in order to achieve the proper functions of obtainment, protection, maintenance and management of TECO's IPR. TECO will from time to time observe internal and external risks and/or opportunities and take proper measures accordingly, and will plan and implement continuous improvement

mechanism to ensure that the operations and outcomes of IPR management system meet its expectation.

2. Trademark protection

Upholding its CIS enterprise identification policy and bearing achieving sustainable operation and development in mind, TECO (i) promulgates Trademark Management Rules; (ii) designates budgeting of brand maintenance and protection; (iii) conducts pre-survey, retrieval and design-around of trademarks; (iv) builds up suitable digital platforms and databases; (v) co-works with each Business Unit to smoothly proceed with global commercial layout, including continuous maintenance of registered trademarks and/or applications for new additions of classification and/or designated goods or services, (vi) monitors and searches registering and/or registered trademarks and opposes or invalidates those in suspicion; (vii) solidifies distribution/license relationship with strict review and management standards in place, to protect TECO's own brands. TECO also values its relationship with its customers as well as their IPR, and through training programs aimed to arouse and deepen TECO staff's awareness and respect of IPR, TECO earns the trust of its customers. In 2021, TECO introduces and implements Taiwan Intellectual Property Management System (TIPS)(Trademark), which is a system based on a structure and morale embodying ISO 9001:2000 Quality Control Systems and PDCA Management Cycle (Plan-Do-Check-Action), at that moment, the last mile for a full set of standards and systems to comply with for the obtainment, protection, maintenance and management of IPR has finally been achieved. The objectives of trademark management and its execution status are as follows:

No.	Corporate objectives of trademark management	Current execution status
1	Every new employee shall attend the IPR training programs and pass the examinations.	As of the end of Q3 2022, every new employee has attended the IPR training programs and passed the examinations.
2	Conducting fundamental IPR trainings at least two (2) sessions	In 2022, on-line courses for "Copyright Infringement and the Trend of Copyright Act Amendment" and "Introduction to the Trademark Act" have been successfully conducted.
3	Certification that TECO's Intellectual Property Management	Certified on November 3, 2021

No.	Corporate objectives of trademark management	Current execution status
	System has been verified and fulfilled the requirements of TIPS	
4	To amend the Award Regulations on Anti-Counterfeiting and Trademark and Patent Infringement to (i) encourage reporting trademark infringement from internal staff and (ii) further institute new incentive program for outsider to report any suspicious trademark infringement, in order to strengthen the protection of TECO's trademarks.	Amendment has been duly made, approved, and published on June 30, 2022

3. Trade secret management

Trade secrets not only concern the protection of certain intellectual property but also are vital for any company to maintain its technology leadership, manufacturing excellence, and customer's trust. To ensure that TECO's internal information management meets the three (3) requirements of trade secrets, *i.e.*, "secrecy", "economic value", and "reasonable confidentiality," under the Trade Secret Act, and therefore will entitle TECO to enforce its civil and/or criminal rights thereof once trade secrets been misappropriated or a likelihood thereof occurred, TECO has stipulated a policy called "TECO Group Trade Secret Protection Policy" to protect TECO's essential secret information and assets. To properly manage TECO's trade secrets, TECO will conduct confidential information audit on every Business Unit once a year periodically, assign level of secrecy as well as confidential period thereto, including trade secrets owned by TECO itself and those owned by other companies and (subsequently) disclosed to TECO under an NDA which obligates TECO to keep confidential thereof. In the meanwhile, TECO will also review with each Business Unit whether any and all the above trade secrets are well protected and/or any improvement is needed.

Execution status & achievement of IPR Management

