

TSRC Intellectual Property Management Plan

To strengthen our innovation capabilities and brand values, TSRC has established internal regulations and procedures to manage the intellectual properties (IPs) to meet our short, medium, and long-term goals. Meanwhile, through internal audits & assessments, TSRC will revise/upgrade accordingly the IP management system to safeguard our innovation outcomes and enhance our competitiveness and profitable growth.

1. Patent Management

Patent is an important indicator of a company's technological innovation capabilities. TSRC values the quality of patents and leverages it as a cornerstone to increase our competitive advantage. From our patent portfolio, customers can understand our R&D capability and innovation sustainability.

- 1.1 Patent Management Procedure has been established to provide guidelines for R&D staff to streamline the process from idea generation to patent filing.
- 1.2 IP Committee has been set up to review each invention record and patent application proposal to improve the patent quality and protect our unique technologies.
- 1.3 An award system is put in place to incentivize innovation and patent generation.
- 1.4 The patent portfolio has been constantly optimized through regular meetings of maintenance/abandonment evaluation.
- 1.5 Training courses are provided each year to enhance employees' IP awareness and skills.
- 1.6 Freedom-to-operate study is rigorously conducted to respect others' patent rights and avoid potential infringement.

2. Trade Secret Management

Trade secret is critical to sustain our technical competitiveness and build mutual trust with our customers. TSRC has established regulations and procedures to manage and protect our trade secrets effectively.

- 2.1 IP Committee determines keeping a trade secret vs. filing a patent application and leverages an award system to incentivize creation of trade secrets.
- 2.2 Measures such as data file encryption, centralization, access control, inventory check, and monitoring are taken to ensure our trade secrets and confidential information are strictly protected.
- 2.3 Through periodical trainings and communications, employees are required to strictly protect TSRC's trade secrets during and after the employment, and also required not to use, disclose, and infringe others' trade secrets.
- 2.4 Internal regulations and procedures have been established related to the

management and enforcement including recognitions for contributions and penalties for violations.

- 2.5 Suppliers and customers are required to sign a confidentiality agreement to safeguard TSRC's trade secrets and reduce the risk of leakage.

3. Trademark Management

To establish and maintain company's brand image, TSRC with help from external legal counsels applies for and maintains trademarks. We also file oppositions against other similar registered trademarks to prevent potential confusion with TSRC's trademarks and to protect the competitiveness and profitability of TSRC's products in the marketplace.

- 3.1 The status of registered trademarks is continuously examined on the necessity for maintenance.
- 3.2 An opposition to another similar registered trademark will be filed to avoid potential confusion in the market.
- 3.3 New trademark registration is applied for in advance to support Marketing and Sales departments. A thorough search to assess the relevant legal risks is conducted before each trademark application.

Implementation Status

IP related matters are reviewed and updated to the Board of Directors in the fourth quarter of each year. The most recent report-out was given on November 4, 2021.

1. The main executions in recent three years are summarized as follows:

- 1.1 2019: Patent Management Procedure improved; patent maintenance/abandonment evaluations conducted to optimize the patent portfolio; Document Management System (DMS) introduced to strengthen the trade secret management.
- 1.2 2020: Patent maintenance/abandonment evaluations conducted to optimize the patent portfolio; patent/trade secret protection training courses given to enhance patent awareness and skills and strengthen trade secret protection awareness and cognition.
- 1.3 2021: TSRC's IP management related procedure consolidated and streamlined; an IP management plan established and published TSRC's website; patent maintenance/abandonment evaluations conducted to optimize the patent portfolio.

2. Our IP portfolio is summarized as follows:

- 2.1 Patent: As of October 2021, TSRC has cumulative 519 patent applications and 422 granted patents worldwide.
- 2.2 Trademark: As of October 2021, TSRC has cumulative 125 trademarks registered worldwide.