

**AGREEMENT TO PROTECT CONFIDENTIAL SETTLEMENT COMMUNICATIONS**  
**(Pursuant to Wisconsin Rule of Evidence 904.08 and Federal Rule of Evidence 408)**

**I. The Parties:** This Agreement To Protect Confidential Settlement Communications ("Agreement") is entered into by and between the Wisconsin Economic Development Corporation ("WEDC"), a Wisconsin public body corporate authorized to certify businesses for tax credits under chapter 238 of the Wisconsin Statutes, on the one hand, and SIO International Wisconsin Inc., a Wisconsin corporation, FEWI Development Corporation, a Wisconsin corporation and AFE, Inc., a Wisconsin Corporation (collectively the "Foxconn Affiliates"), on the other hand. WEDC and the Foxconn Affiliates together are hereinafter referred to as the "Parties" to this Agreement.

**II. Effective Date and Term:** This Agreement is entered into by and between the Parties, and shall be deemed effective and binding on all the Parties as of the last date by which all the Parties have signed below. Absent an agreed written extension of the term signed by all the Parties, this Agreement shall automatically expire at midnight forty-five (45) calendar days after the date on which it first became effective. Either the Foxconn Affiliates or WEDC may terminate this Agreement at any time and for any reason whatsoever by serving the other side with written notice of termination, but the status of settlement communications under this Agreement made prior to the service of any such notice of termination shall not be affected thereby.

All written and oral communications protected by this Agreement that are exchanged between the Parties during the term of the Agreement shall remain protected according to the terms herein, but all communications exchanged before or after the term of this agreement shall not be subject to its terms or protections.

Nothing in this Agreement is intended to amend, supersede, or alter the terms of the Tax Credit Contract (defined below).

**III. Recitals:**

**WHEREAS**, the Parties to this Agreement are also the parties to that certain "Electronics And Information Technology Manufacturing Zone Tax Credit Agreement" entered into as of November 10, 2017 (the "Tax-Credit Contract" or "Contract");

**WHEREAS**, the Tax-Credit Contract calls for the Foxconn Affiliates and WEDC to perform certain actions pursuant to the terms and conditions set forth therein;

**WHEREAS**, a dispute has arisen between WEDC and the Foxconn Affiliates about each side's performance under the Tax-Credit Contract, with each side asserting conflicting positions about the Foxconn Affiliates' eligibility under the Tax-Credit Contract to receive tax credits for the activities Foxconn Affiliates have performed in the "Zone" (as that term is defined in the Contract), and each side has alleged that the other side's actions or omissions may constitute a breach, or is threatening to take actions that would constitute a breach or a response to an alleged breach, under the Tax-Credit Contract (collectively the "Disputes");

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WHEREAS, the Parties wish to engage in settlement negotiations and potentially exchange offers in compromise in order to resolve the Disputes without having to resort to litigation in either of the Wisconsin or Federal Courts specified at section 17 of the Tax-Credit Contract;

WHEREAS, absent the protections afforded by this Agreement, the Parties are unwilling to engage in open oral and/or written communications and negotiations about their legal and/or contractual positions in an effort to settle the Disputes;

WHEREAS, the Parties expect that their written and oral communications about settlement and compromise with respect to the Disputes will take various forms, including, but not limited to, discussions about structuring possible terms for resolving the Disputes through amendment or restructuring of the Tax-Credit Contract or replacement of that Contract with a new agreement;

WHEREAS, although not a direct party to the Tax Credit Contract, Fii USA Inc., an affiliate of the Foxconn Affiliates, has been involved in dialogues with WEDC and the Foxconn Affiliates regarding the Tax Credit Contract;

WHEREAS, it is in the public interest for the Parties to confer and attempt to negotiate a resolution of their Disputes through compromise and settlement negotiations rather than to resort to litigation and the attendant costs, uncertainties of outcome and delays involved in litigation; and

WHEREAS, The public interest would be best served if the Parties were able to resolve their Disputes through candid, confidential settlement communications and negotiations because resolution of the Disputes is essential in order for the subject matter of the Tax-Credit Contract--an historically large, high profile, business development project--to promote its potential for creating jobs for State residents, increase commercial property values in the Zone through investments and improvements to Wisconsin real property, and generally contributing in a positive way to the future economic vitality of the area and the State; while, conversely, the inability to resolve the Disputes could have adverse effects to the public interests of the State.

#### IV. TERMS:

NOW, THEREFORE, unless otherwise prohibited by law, it is hereby understood and agreed by the Parties as follows:

1. The Parties shall clearly label any written communications or documents they exchange which they intend to protect from disclosure pursuant to this Agreement as a "Protected Settlement Communication." If a Party fails to label any written communication or document at the time it is produced by that Party, that Party may subsequently identify the written communication or document in writing to the other Parties and request that it be labeled as a "Protected Settlement Communication" at any time prior to the expiration of this Agreement.

The label shall be prominently placed at the top of the first page of the document, and may be by stamp, type or handwriting. Any such document transmitted electronically shall state that it is

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intended to be a "Protected Settlement Communication" in the subject/"Re" line. However, the failure to initially mark documents with such label shall not be deemed as a position of either party that such communication is not, or was not intended to be, a confidential communication under this Agreement. If a party receives a communication during the term of this Agreement that is not marked with said label and the contents thereof are related to this Agreement, the receiving Party shall inquire with the delivering party as to the confidential nature of such communication and if such communication is intended to be confidential shall promptly label the document as a "Protected Settlement Communication."

2. Should the Parties engage in oral settlement communications which they intend to be subject to this Agreement, which communications may be by telephone or in person, they shall preface the communication by a clear recital of their intent and understanding that the oral communication will be about settlement of the Disputes and engaged in subject to this Agreement. Notwithstanding, the presumption shall be that any communication concerning this Agreement and/or the Disputes during the term of this Agreement is confidential in nature and such communication shall be treated as such unless there is express confirmation from both Parties that the communication was not confidential.

3. The Parties agree that, should they reach a final resolution of the Disputes, any final, signed written agreement that memorializes the terms of the resolution of the Disputes shall be a public document not subject to protection from disclosure by the terms of this Agreement. However, even if the parties reach a final settlement of the Disputes pursuant to a final signed agreement that shall thereupon be a public document, prior settlement communications subject to this Agreement shall remain protected as set forth herein.

4. The terms of this Agreement and the protections afforded herein shall extend both to written and oral communications directly by and between the Parties and their respective agents, advisors, officers and senior employees, but also to any such settlement communications by and between the Parties' authorized legal representatives. Communications by the Parties covered by this Agreement may be shared with the Parties' respective boards of directors and legal representatives, agents, advisors, officers and senior employees with a need to know such information without waiving the protections afforded herein. Because WEDC is part of Wisconsin state government, it is understood and permitted by this Agreement for WEDC to share settlement communications that are subject to this Agreement with senior officials and legal counsel at the office of the Wisconsin Governor and Department of Administration. Because Foxconn Affiliates have entered into agreements with municipalities containing provisions that may be materially impacted by the settlement communications and outcomes related thereto, it is understood and permitted by this Agreement that, upon mutual written consent by the parties, which consent will not be unreasonable withheld, Foxconn Affiliates may share settlement communications that are subject to this Agreement with senior officials and legal counsel for such local municipalities. Doing so shall not constitute a waiver of the protections herein and shall be made in connection with, and in furtherance of WEDC's role in attempting to settle the Disputes. Similarly, because Fii USA Inc. is an affiliate to the Foxconn Affiliates and interested in operations within the Zone, it is understood and permitted by this Agreement for the Foxconn Affiliates to share settlement communications that are subject to this Agreement with agents, advisors, officers, senior employees and legal counsel of Fii USA Inc. and doing so shall not constitute a waiver of the

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protections herein and shall be made in connection with, and in furtherance of, the Foxconn Affiliates' role in attempting to settle the Disputes. The Parties shall not share settlement communications made pursuant to this Agreement with any unpermitted third parties, and will avoid doing anything which would constitute a waiver of the protections afforded herein. Each Party shall be responsible for any disclosure in violation of this Agreement by any party with whom a Party has shared information with as permitted by this Agreement.

5. This Agreement shall afford two types of protections from disclosure as to the settlement communications described herein:

First, the Parties intend that their settlement communications under this Agreement shall be inadmissible into evidence in a state or federal court of law or administrative agency legal proceeding in any action pertaining to the merits of the Disputes. The Parties intend that such settlement communications be protected consistent with Wisconsin Rule of Evidence 904.08 and Federal Rule of Evidence 408 to the full extent permitted by law. Each of the Parties covenants and warrants that it shall not seek to introduce evidence of, or about, such settlement communications in any legal proceeding pertaining to the Disputes and shall not pursue discovery about such communications in any such legal proceeding. The Parties agree that evidence of, or about, the settlement communications shall have no probative value as to the merits of any legal proceeding pertaining to the Disputes because the Parties' settlement communications were for the purpose of compromise and settlement rather than reflections on the merits of their respective legal positions regarding the Disputes.

Second, the Parties also intend that their settlement communications under this Agreement shall not be produced by WEDC or any affiliated state of Wisconsin entity in response to any public records request pursuant to chapter 19 of the Wisconsin Statutes, and WEDC agrees to assert that the settlement communications covered by this Agreement should be redacted from production in response to a public records request under the balancing test codified at Wis. Stat. 19.35(1)(a). WEDC hereby asserts its position that there is a strong and compelling state interest in maintaining the confidentiality of settlement communications and negotiations that weighs heavily in favor of nondisclosure under the balancing test governing public records issues. See, also, Wisconsin Rule of Evidence 904.085 ("To encourage the candor and cooperation of disputing parties, to the end that disputes may be quickly, fairly and voluntarily settled," communications during mediation generally are not admissible in evidence or subject to discovery or compulsory process and therefore not in response to a public records request.) This protection as to communications subject to this Agreement shall continue regardless of whether the Parties successfully settle the Disputes.

6. As detailed above, the Parties intend this Agreement to pertain to written and oral communications and negotiations about compromise and settlement of the Disputes. As also stated above, the Parties recognize that one of the forms by which the Parties may try to settle and compromise the Disputes is through negotiating either amendments to the present terms of the Tax-Credit Contract or possibly supplanting it entirely with a new agreement concerning investment activities in the Zone. Should that approach to settling the Disputes be taken, the Foxconn Affiliates may be required to submit factual business information pertaining to their present and prospective business activities, operations and plans in the Zone, including related

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investment and employment projections and details. Any such factual information submitted by the Foxconn Affiliates, its affiliates, or other third parties shall not be a settlement communication within the meaning of this Agreement and shall be labeled as a "Non-Settlement Communication", but the Foxconn Affiliates or appropriate party may seek to protect its disclosure as a public record pursuant to a separate non-disclosure agreement substantially in the form of WEDC's standard such agreement, a copy in draft form of which is attached hereto.

7. This Agreement reflects the full and complete understanding of the Parties. It should be interpreted according to its plain language without resort to extrinsic evidence.

8. The Parties agree that any future disagreement between them about the scope, terms or protections of this Agreement shall be subject to the same mandatory choice of law, venue and jurisdiction provisions specified in the Tax-Credit Agreement, and incorporate those terms to here as if fully set forth herein.

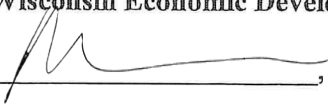
9. If any provision of this Agreement or the application of any such provision to any such person or any circumstance shall be determined to be invalid or unenforceable, then such determination shall not affect any other provision of this Agreement or the application of such provision to any other person or circumstance, all of which other provisions shall remain in full force and effect.

*[signature page follows]*


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IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives.


**The Wisconsin Economic Development Corporation**

By: , its authorized representative. Signed: July 20, 2020.


**SIO International Wisconsin, Inc.**

By:   
Jay Lee (Jul 18, 2020 07:11 GMT+8), its authorized representative. Signed: July 18, 2020.  
Dr. Jay Lee

**FEWI Development Corporation**

By: , its authorized representative. Signed: July 20, 2020.  
Ralio Sung

**AFE, Inc.**

By:   
高照洋 GM-GM, CN+高照洋  
E=CY.Kao@foxco, its authorized representative. Signed: July 20, 2020.  
CY Kao