

Deed of Donation with Order

concluded in accordance with the provisions of Section 2055 et seq. of Act No. 89/2012 Coll., the Civil Code, as amended.

1. PARTIES

Provider: TECO
Address: Evropská 2590/33C, Praha 6, 160 00
IDN: 72554932
Bank details: Raiffeisen bank a.s., Dejvická 11, 160 00 Praha 6
Account number: 8559830001/5500
Delegated: **Representative Liang-Ruey, Ke**

hereinafter referred to as the "donor"

and

Recipient: Univerzita Karlova
Residence: Ovocný trh 560/5, Praha 1, 116 36
IDN: 00216208
Bank details: Česká spořitelna, a.s., Olbrachtova 1929/62, 140 00 Praha 4
Account number: 2053370223/0800
IBAN: CZ60 0800 0000 0020 5337 0223
BIC: GIBACZPX
Delegated: **Prof. MUDr. Milena Králíčková, Ph.D.**

hereinafter referred to as the "donee"

enter into this **deed of donation with the order**

2. DECLARATION OF THE CONTRACTING PARTIES

2.1 The donor declares that he has a monetary sum of **USD 4,200,000** (four million two hundred thousand U.S. dollars).

2.2 Donee is a leading Czech public university. The donee has partnered with National Chengchi (NCCU), an institution organized under the laws of Taiwan (ROC), located at No. 64, Sec. 2, Zhinan Rd., Wenshan Dist., Taipei City 11605, Taiwan (R.O.C.) to establish the Supply Chain Resilience Center (hereinafter also referred to as "SCRC") to research and analyse supply chain resilience of semiconductors.

2.3 SCRC's mission is to contribute to the semiconductor supply chain ecosystem in the Czech Republic and connect basic research, education, application, and related industries. SCRC is a sub-project of the Supply-Chain Resilience and Capacity Building Cooperation Project aimed at cultivating talent in the field of semiconductors. Administrative seat of the SCRC will be at the Faculty of Social Sciences at Charles University.

3. SUBJECT OF THE DEED

3.1 With this Deed, the donor will donate a financial amount of USD 4,200,000 to the donee with an order for the implementation of the Supply Chain Resilience Center (SCRC).

3.2 The donation defined in paragraph 3.1 of this Article shall be transferred to the Donee's bank account no.: **2053370223/0800**, after the conclusion of this Deed on the annual basis. The payment will be transferred no later than by 30 days before the end of the actual calendar year given the Donee fulfils the obligations stated in Article 5 of this Deed (with the exception of the first payment which will be transferred without delays after this Deed comes into force). The annual payments will be done as indicated in the following Table.

In million (USD)

| Paid in year | CZ |
|------------------------------|------------|
| 2023 (for 2023, 2024) | 1.02 |
| 2024 (for 2025) | 1.06 |
| 2025 (for 2026) | 1.06 |
| 2026 (for 2027) | 1.06 |
| Total | 4.2 |

3.3 The Donee accepts the donation defined in par. 3.1 of this Article into his possession.

4. DETERMINATION OF THE ORDER

4.1 The Donor shall donate to the Donee free of charge the amount of money referred to in Article 3 (3.1) of this Deed (hereinafter referred to as the "Deed") under the condition that the Donee fulfils the order of the Donee that the Donee will use the donated funds for direct and indirect costs (overhead) related to preparation, establishment, and operations of the SCRC according to the Work plan of this Deed which is set out in Annex No. 1 and submitted annually as stated in paragraph 5.2 of this Deed. The parties understood that the owner of the SCRC is the Donee. Donation may not be used:

- a. to settle the debts of natural and legal persons;
- b. to mitigate economic risk or cover business losses related to the duty of care for the environment, cleanliness and order;
- c. for the organization of signature events and demonstrations, the participation of civic associations in administrative proceedings;
- d. the activities of political parties and movements;
- e. depreciation of assets;

- f. VAT, if the Donee can claim a VAT deduction against the tax authority or request a VAT refund in accordance with Act No. 235/2004 Coll., as amended;
 - g. taxes, fines and sanctions;
 - h. loan repayments, debt repayment; it may be used for lease payments only in case of lease of necessary SCRC equipment;
 - i. unspecified (ineligible) expenditure, i.e. expenditure that cannot be accounted for;
 - j. interests;
 - k. other expenses that are not recognized by Act No. 586/1992 Coll., on Income Taxes, as amended, as expenses to secure and maintain taxable income, if the Donee is an income tax payer.
- 4.2 The Donee undertakes to comply with the Donor's order set out in par. 4.1 of this article is duly and timely fulfilled and is aware of the Donor's right to request the return of the gift if the donee fails to comply with the order.
- 4.3 If the order is fulfilled only partially, the Donee undertakes to return to the Donor the part of the Donation that he or she does not use for the purpose within the agreed period in the order and does not prove its agreed use. The Donee undertakes to return the unused part of the Donation within 30 days of the donor's written request to return the part of the Donation.
- 4.4 The Donor is entitled to demand the fulfilment of the order if the Donor has already performed the order in respect of the Donee under this Deed.

5. OBLIGATIONS OF THE DONEE

- 5.1 The Donee will be working to fulfil the Working plan for the individual years of this Deed as set out in Annex No. 1 to this Deed and submitted annually as stated in paragraph 5.2 of this Article.
- 5.2 The Donee will annually 2024-2026 submit the Working plan for the coming year together with the report on project activities to the Supervisory Board. After its discussion at the Supervisory Board, the Donee will submit the budgetary request document to the Donor.
- 5.3 The Donee is obliged to submit the final report on project activities till the end of February 2028.
- 5.4 The Annex No. 2 to this Deed specifies the structure and roles of the Boards established in relation to the implementation of the SCRC.

6. FINAL PROVISIONS

- 6.1 The Deed shall come into force on the day of signature of the Contracting Party that signs it later. The Agreement becomes effective on the date of its publication in the Czech Contracts Register in accordance with Act No. 340/2015 Coll., on special conditions for the effect of some contracts, the publication of such contracts and the register of contracts (the Contracts Register Act), as amended. The contracting parties expressly stipulate that Charles University assumes responsibility for publication of this Agreement in the Contracts Register in line with Act No. 340/2015 Coll., as amended.
- 6.2 The Deed shall be valid until the end of the project implementation on December 31, 2027.
- 6.3 This Deed may only be amended by written amendments signed by both parties.
- 6.4 The rights and obligations not regulated herein are governed by the relevant provisions of Act No. 89/2012 Coll., the Civil Code.

6.5 Given that each pillar of the Taiwan-Czech Democratic Partners Supply Chain Resilience and Capacity Building Cooperation Plan, is involved with the two governments' cooperation with goodwill, the Deed may be based on good communication and mutual agreement. Should there be any dispute in the future, it is submitted to the Supervisory Board for negotiation and solution.

6.6 The Deed can be terminated:

- a. by agreement of the Contracting Parties,
- b. by termination of this Deed submitted by any party of this Deed to the other party ninety (90) days prior by written notice.

6.6 The Deed is made in two copies, one of which will be given to the Donee and one to the Donor. All copies of the Deed have the validity of the original.

6.7 The Contracting Parties declare that they have read this Deed before signing it, agree with its content and affix their signatures to prove it.

6.8 Annex No. 1 and Annex No. 2 are integral parts of this Deed.

On behalf of the donor:

In Prague of the day May 10, 2024



Liang-Ruey, Ke
Representative
TECO

On behalf of the donee:

In Prague of the day May 10, 2024



Prof. MUDr. Milena Králíčková, PhD.
Rector
Charles University

Annex 1.

Working plan for the Implementation of Supply Chain Resilience Centre (SCRC)

Preamble

As announced by the Ministry of Foreign Affairs, Republic of China (Taiwan) in a letter from H.E. Roy Chun Lee, Deputy Minister, to H.E. Jan Kozák, Deputy Minister at the Ministry of Foreign Affairs of the Czech Republic dated June 29, 2023, the government of Taiwan has approved the *2022-2026 Taiwan-Czech Democratic Partners Supply Chain Resilience and Capacity Building Cooperation Plan* (further referred to as *Plan*).

This plan has a structure of four pillars where Pillar 2 is the Supply Chain Resilience Center project (SCRC) with a total budget of USD 6 million. The SCRC project marks a milestone in bilateral cooperation in the high-tech context between Taiwan and the Czech Republic. Especially at the crucial time of the restructuring of the chip supply chain, the project is aimed not only to boost the Czech chip industry resilience but also position it in a more strategic place in Europe and globally. The project will be realized by Charles University in Prague in cooperation with local governmental and non-governmental actors. A Taiwanese partner (National Chengchi University) will provide necessary assistance such as planning, consultation, and partnership engaging in the form of assistance and promotion.

Within the project, there are 5 Work Packages established (WP1-WP5): Project Management (WP1), Geopolitics of Supply Chains (WP2); Resilience of Supply Chain Logistics (WP3); Education/talent capacities in Semiconductors (WP4) and Sustainability of Semiconductor environment (WP5). The mission and working content of each one will be described separately.

Work packages

WP1: Project Management

Aim: Project management and coordination of the SCRC

Tasks:

- Overall Management, making the SCRC work and fulfilling its goals and its purpose
- Communication and Reporting to the Board and elsewhere to authorities such as MOFA or Czech authorities

- Coordination with other pillars in the Plan, especially with the Advanced Chip Research and Design Center (hereafter referred to as “ACDRC”)
- Development of common research and educational topics together with ACDRC
- Financial management and budgeting
- Networking, community building
- PR, external communication
- Steering, coordination, and control of the project Work Packages

Goal for Year 2024:

- Center established, all relevant agreements signed
- Management of SCRC nominated and working
- Introducing a leading researcher from NCCU at SCRC
- SCRC Supervisory, Executive, and Advisory Boards nominated
- Appropriate PR done.

WP2: Geopolitics of supply chain

Aim: Identifying and analyzing possible geopolitical risks of disrupted supply chains

Tasks:

- Analyzing the effectiveness of reshoring, nearshoring, and friend-shoring
- Analyzing techno-nationalism and its impact on supply chain management
- Identifying opportunities and threats of changing political landscapes and emerging trade alliances
- Mapping legal environment in connection with building semiconductor capacities
- Special education events aimed at risks related to the semiconductor supply chain, such as (on-line or on-site) lectures and seminars, will be organized in coordination with the ACDRC.

Goal for Year 2024:

- Establishing of WP members' cooperation and WP kick-off meeting
- Seminars with stakeholders
- Gathering data for policy briefs and recommendations
- Cooperating with the ACDRC on the risk assessment of semiconductor supply chains
- Building a network with the existing Czech semiconductor environment.

WP3: Resilience of supply chain logistics

Aim: identifying both its strong and weak points

Tasks:

- Analyzing regionalisation, localization, and decentralization of supply chain logistics
- Identifying strong and weak points within the supply chain logistics (efficiency, speed, reliability, technology integration)
- Assessing dependency on single suppliers for critical components and coming up with policy recommendations how to mitigate it
- Overcoming lack of transparency and gaps in information flow in logistics by implementing data-sharing and real-time tracking solutions
- Evaluating supply chain's vulnerability to disruptions and putting up backup plans and alternative sourcing options
- Putting together strategies of transportation optimization in order to reduce deliveries delay and supply chain costs and make transportation more efficient
- Identifying areas of inefficient inventory management and improving it by proposing efficient inventory management techniques.

Goal for Year 2024:

- Establishing of WP members' cooperation and WP kick-off meeting
- Seminars with stakeholders
- Gathering data for possible solutions and recommendations
- Establishing supply chain logistics network with chip companies involved in the semiconductor environment.

WP4: Education/talent capacities in Semiconductors

Aim: Mapping workforce and potential talent capacities in the Czech Republic and beyond

Tasks:

- Mapping capacities of education system (high school, universities) with focus on technical programmes
- Investigating connections between research and education institutions and private companies in the field of semiconductors
- Investigating skills and workforce requirements for the semiconductor industry
- Preparing solutions for increasing training capacities in connection with growing demand for experts
- Enhancing semiconductor environment by preparing policy recommendations how to expand training programmes in the Czech Republic
- Closely collaborating with Taiwanese experts and bringing good practice in talent training from Taiwan to the Czech Republic
- Cooperating with the ACDRC on reinforcing the trainee programmes at Czech technical universities (recommendations and monitoring).

Goal for Year 2024:

- Establishing of WP members' cooperation and WP kick-off meeting
- Seminars with political stakeholders to discussing best practices in expanding trainee programs and technical education in connection with semiconductors
- Gathering data for comparative analyses of semiconductor environments in the Czech Republic and neighboring countries
- Starting the cooperation with the ACDRC on reinforcing the trainee programs at Czech technical universities.

WP5: Sustainability of semiconductor environment

Aim: environmental balance and responsible investments in semiconductors

Tasks:

- Investigating the European semiconductor manufacturing ecosystem (including government policies and incentives)
- Examining collaborative models involving partnerships between governments, research institutions, and private sector
- Exploring consumer preferences and market trends
- Conducting comprehensive life cycle assessment to analyze environmental impact of semiconductor products
- Researching green transportation solutions
- Exploring strategies for circular economy and recycling
- Assessing the sustainability of materials used in semiconductor production

Goal for Year 2024:

- Establishing of WP members' cooperation and WP kick-off meeting
- Seminars with stakeholders
- Gathering data for comparative analyses of the sustainability of different semiconductor environments in the Czech Republic and neighboring countries
- Conducting research and organize subsequent workshop on lowering carbon footprint in the field of semiconductor production

Budget

Due to the necessity to match the budget installments (payments) with the expenditure estimates, the table below has been updated in order to reflect that. The only possibility has been to adjust the payments, the expenditures need to correspond with the budgetary plans in the project connected with planned activities:

Payments in years

In million (USD)

| Paid in year | TW | CZ | Subtotal |
|------------------------------|-------|------|----------|
| 2023 (for 2023, 2024) | 0.525 | 1.02 | 1.545 |
| 2024 (for 2025) | 0.425 | 1.06 | 1.485 |
| 2025 (for 2026) | 0.425 | 1.06 | 1.485 |
| 2026 (for 2027) | 0.425 | 1.06 | 1.485 |
| Total | 1.8 | 4.2 | 6.0 |

CZ Budget Expenditures (Indicative)

In thousand (USD)

* the reimbursement of the costs of 2023 will be deducted from the budget for 2024

| | 2024 | 2025 | 2026 | 2027 | Subtotal |
|--|------|------|------|------|----------|
| WP1 Management and Administration | 450 | 450 | 450 | 450 | 1800 |
| WP2 Geopolitics | 80 | 90 | 90 | 90 | 350 |
| WP3 Logistics | 80 | 90 | 90 | 90 | 350 |
| WP4 Education | 80 | 90 | 90 | 90 | 350 |
| WP5 Sustainability | 80 | 90 | 90 | 90 | 350 |
| Dissemination activities | 250 | 250 | 250 | 250 | 1000 |
| Total | 1020 | 1060 | 1060 | 1060 | 4200 |

TW Budget Expenditures (Indicative)

In thousand (USD)

| | 2023 | 2024 | 2025 | 2026 | 2027 | Subtotal |
|---|-------------|-------------|-------------|-------------|-------------|-----------------|
| General Expenses | 19,4 | 56,4 | 56,4 | 56,4 | 56,4 | 245 |
| Personnel Expenditure | 23 | 238 | 238 | 238 | 238 | 975 |
| Expenses for International Traveling | 46,8 | 83,3 | 83,3 | 83,3 | 83,3 | 380 |
| Equipment Cost | 1,8 | 8,3 | 8,3 | 8,3 | 8,3 | 35 |
| Administration Cost | 9 | 39 | 39 | 39 | 39 | 165 |
| Total | 100 | 425 | 425 | 425 | 425 | 1800 |

Annex 2.

Steering, monitoring, and reporting

- A **Taiwan-Czech Supervisory Board** further referred to as *Supervisory Board* will be established by Taiwan and Czech authorities in charge of the Plan. The SCRC will submit annual reports and other reports as deemed necessary to this body to assess their success and the effectiveness of the funds spent. In the Board, it is envisaged that the Taiwan side will be the representative of MOFA or TECO and the Czech side will be the representatives of a government agency in charge of the Plan. The Supervisory Board meeting is held at least twice a year, in late Spring and in early October in principle. The exact composition of the Supervisory Board will be determined with mutual consent in writing as an addendum to this Deed of Donation with Order.
- An **SCRC Executive Board**, composed of National Chengchi University of Taiwan and Charles University of the Czech Republic, further referred to as the *Executive Board* should play a pivotal role in strategic management and coordination, taking on responsibility for oversight and reporting. Regular meetings of the Executive Board should be convened to ensure effective control and reporting.
- **Reporting:** the SCRC reports to the Supervisory Board in two phases:
 - Working plan for the next calendar year – three months ahead of the end of the current year (i.e., due to the end of September); subsequently this working plan will be submitted to the Donor;
 - Annual report after the accounting year is finished and its report is ready (in March).

In addition to submitting the working plan and annual report, the SCRC shall provide any supplementary reports as deemed necessary by the Supervisory Board for review and consideration. These reports should be submitted to the Supervisory Board in a timely manner.

- The exact form of reporting will be defined later.