



## HTC announces organization optimization plan

July 3, 2018

- 1.Date of occurrence of the event:2018/07/02
- 2.Company name:HTC Corporation
- 3.Relationship to the Company (please enter "head office" or "subsidiaries"):head office
- 4.Reciprocal shareholding ratios:N/A
- 5.Cause of occurrence:

HTC has implemented regions organization alignment since early 2018, and brought the smartphone and VR businesses under common leadership in each region. Today HTC announces plan to optimize the manufacturing organizations in Taiwan, including a reduction of 1,500 employees in manufacturing department. This plan will allow more effective and flexible resource management going forward. The plan will be completed by the end of September. The company will make the most of corporate social responsibility to offer resources to those employees affected by the plan.

The proposed optimization plan has been submitted to Department of Labor, Taoyuan City Government today in accordance with Labor Standards Act (LSA), the plan will comply with all relevant regulations and procedures of LSA. To protect local workers' rights, those employees affected by the plan will be offered with resources necessary to continue their careers elsewhere. Today the company and labor unions representatives have reached a mutual agreement after the process of collective bargaining. At the same time, the company will review foreign workers resource management.

The company has been constantly reviewing human resources allocation to ensure the production resources align with the seasonal market demand. This is a very important process to the company, ensuring we keep operational efficiency and competitive advantage, and to provide our consumers the most advanced innovative products. After a variety of measures and critically examined, realigning human resources against key strategic initiatives will help us achieves the long term enterprise goals, this is a necessary step to drive ongoing innovation and ensure the core competence of innovation. In the meantime, we also actively implementing innovative production system; this plan will also involve a streamlining of operations and strengthen our future competitiveness.

As of June 2018, HTC employs around 6,450 people globally.

- 6.Countermeasures:N/A
- 7.Any other matters that need to be specified:N/A