



October 12, 2020

Dr. Jay Lee
Vice Chairman
Foxconn Technology Group
617 E. Wisconsin Avenue
Milwaukee, WI 53202

TRANSMITTED VIA ELECTRONIC MAIL

Dear Dr. Lee:

Over the course of the last year, the Wisconsin Economic Development Corporation (WEDC) and I have worked with you and Foxconn with a goal of crafting a new agreement that aligns with your company's plans for development in Wisconsin, because Foxconn was not building a Gen 10.5 facility upon which the agreement with WEDC was predicated.

As you know, we have not reached such an agreement, and therefore the purpose of this letter is to inform you that Foxconn's activities and investments in Wisconsin to date are not eligible for credit under the Electronics and Information Technology Manufacturing Zone Tax Credit Agreement dated November 10, 2017. Enclosed please find WEDC's Verification Letter and Forms, and a thorough description of the basis of this determination, per the agreement.

As we have discussed numerous times, markets, opportunities and business plans can and often need to change. I have expressed to you my commitment to help negotiate fair terms to support Foxconn's new and substantially changed vision for the project. When we met in early June, you personally shared with me Foxconn's interest in a different type of incentive contract to support Foxconn's plans in Wisconsin. We have worked with your team to explore those opportunities, and while our efforts have been unsuccessful to date, I want to be clear that my commitment to find a path forward remains steadfast. You and Brand Cheng have asked for our help, and WEDC's door remains wide open to support your business expansion in Wisconsin.

Dr. Lee, there is a path open for incentivizing additional development in the Zone on a win/win basis. Once Foxconn is able to provide more accurate details of the proposed project, such as its size, scope, anticipated capital investment, and job creation, WEDC would be able to offer support for the project with tax incentives as it does for many large and small Wisconsin businesses. After touring the project two weeks ago, I can see that there are many avenues for Foxconn's future success in Wisconsin, and I look forward to partnering with you in that success.

Best regards,

Missy Hughes
Secretary & CEO

201 W. Washington Avenue
Madison, WI 53703
608.210.6700
855-INWIBIZ
InWisconsin.com

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