

**DECLARATION OF CHAO (GEORGE) SHAN IN SUPPORT OF
DEFENDANTS' MOTION TO DISMISS**

I, Chao (George) Shan, declare as follows:

1. I am over the age of eighteen years, I have personal knowledge of the facts contained in this declaration, and could and would testify competently to these facts if called upon to do so.

2. I have been employed at ZTE (TX) Inc., ("ZTX") for approximately 3 years. I hold the Vice President of Human Resources and Administration. As such, I have personal knowledge of ZTX's operations and locations worldwide, including within the United States.

3. ZTX is a wholly owned subsidiary of ZTE Hong Kong Ltd., which is in turn a wholly owned subsidiary of ZTE Corporation, an entity incorporated under the laws of the People's Republic of China. ZTX and ZTE Corporation are separate companies and maintain all corporate formalities, maintaining separate books and records, separate bank accounts, and separate assets.

4. ZTX conducts research and development activities and provides technical marketing support for ZTE Corporation. Research and development activities include designing telecommunications devices and developing telecom technology standards, solutions, and applications for the next generation of telecommunications technology. ZTX operates in technical areas of wireline technology, wireless technology, microwave technology, and handset technology.

5. ZTE Corporation is the only customer of ZTX.

6. ZTX does not provide any services to third parties other than ZTE Corporation.

7. ZTX does not provide any services to ZTE (USA) Inc.
8. I understand that ZTX has been accused of infringing one or more U.S. Patents by manufacturing, using, selling, offering for sale, and/or importing into the United States particular items of consumer wireless equipment described in their complaints (collectively "Accused Devices").
9. ZTX does not manufacture or make any products in the Eastern District of Texas at all, including without limitation any "Accused Devices."
10. ZTX does not sell or offer to sell any products in the Eastern District of Texas at all, including without limitation any "Accused Devices."
11. ZTX does not import any products in the Eastern District of Texas at all, including without limitation any "Accused Devices" for third-party demonstrations, sales, offers for sale, qualification testing, or other commercial purposes.
12. ZTX does not use any products in the Eastern District of Texas at all, including without limitation any "Accused Devices" other than as an end-user of consumer wireless equipment similar to any other US consumer or company which conducts business by phone.
13. ZTX's principal place of business is located in Milpitas, California. ZTX also maintains offices in:
 - a. Durham, North Carolina,
 - b. Morristown, New Jersey,
 - c. San Diego, California, and
 - d. Austin, Texas.

14. ZTX is incorporated in Texas in 2013, but lacks a physical place of business in the Eastern District of Texas. The ZTX office in Austin, Texas, is the only physical place of business maintained by ZTX in Texas. ZTX lacks offices, warehouses, stores, facilities, and bank accounts in the Eastern District of Texas. ZTX's registered agent, who filed ZTX's incorporation papers, is located at 2500 Dallas Parkway, Plano, Texas 75093, but the agent's office is not a ZTX place of business. ZTX has fourteen employees living in the Eastern District of Texas and working remotely from home. Eleven of those employees live in Plano, Texas, and three live in Allen, Texas. However, ZTX does not own, lease, or otherwise exercise possession or control over the homes of these employees. Furthermore, these employees are free to live wherever they choose, as far as ZTX is concerned. As such, ZTX has not conditioned the employment of any ZTX employee upon continued residence in the Eastern District of Texas or upon continued performance of ZTX business from his or her home in the Eastern District of Texas. ZTX does not advertise or represent that it has a place of business in the Eastern District of Texas.

15. ZTX operations in Texas principally concern technical marketing support and research and development activities concerning microelectronics. None of ZTX's employees in Texas are expected to have unique knowledge relevant to this case.

16. ZTX maintains a server for storing technical documents and agreements for ZTX in San Diego, California, outside the Eastern District of Texas. ZTX operations concerning handsets are located at ZTX's San Diego, California, office. ZTX stores documents relevant to the research agreements between ZTX and ZTE Corporation at ZTX's principal place of business in Milpitas, California.

17. It would be much more convenient for the expected witnesses from ZTX's principal office in Milpitas, California to attend trial for these matters in the Western District of Texas, where ZTX has an office, than it would be for them to travel to Marshall, Texas. Convenient, non-stop air service exists between San Jose, California, near ZTX's headquarters in Milpitas, California, and Austin, Texas. To my knowledge, travel time from San Jose, California to Marshall, Texas is nearly twice the travel time as compared to travel time from San Jose, California to Austin, Texas. Likewise, it would also be more convenient for the ZTX employees who live in Plano and Allen to attend trial in Sherman, Texas, than in Marshall, Texas, as Sherman is much closer to their residences.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 25th day of September 2017 in Milpitas, California.



Chao (George) Shan