

TSC Auto ID Technology Co., Ltd.

Board diversity policy and independence

(1) Board diversity policy and goals:

Pursuant to the Company's "Corporate Governance Best Practice Principles", the composition of the Board of Directors shall take factors such as the development of the Company, its major shareholder status and actual operational needs into consideration and the Company has deemed that the Board ought to have no fewer than 5 members. In addition, composition of the Board shall be diverse in nature, with suitable diversification guidelines formulated base on factors such as the Company's nature of operation and management and its developmental needs. Board members include (but are not limited to) gender, age, professional background, professional skills and industry experience, etc., and should generally have the knowledge, skills and literacy necessary to perform their duties to achieve the ideal goals of corporate governance.

1. The board of directors shall be capable of:

- A. Operational judgment
- B. Accounting and financial analysis
- C. Business management ability
- D. Crisis management
- E. Industry knowledge
- F. International market view
- G. Leadership
- H. Decision making

2. The number of directors who also serve as managers of the Company shall not exceed 1/2 (50%) of the directors.

3. In line with the diversity policy, aim to have at least one F board member (14.29%)

(2) Implementation of the diversity policy of the Board of Directors:

All seven incumbent directors of the Company are native citizens of the ROC and they possess all the aforementioned requirements of knowledge, skills, and training (refer to the previous sections on directors' academic credentials and experiences), and each brings profound expertise in accounting, finance, business, commerce, engineering, and technology. Among which, by accommodating the diversity policy goals, it has been achieved to have at least one F director (14.3%, Luo Yue

Gui). Directors with employee identity account for 3 director seats (42.9%, Wang Shiu Ting, Wang Hsing Lei, Chen Ming Yi); independent directors account for 3 seats (42.9%, Ma Chia Ying, Li Chun Chi, and Lin Tuo Zhi). In terms of directors' age groups, one director falls in the 71-80 year-old group (14.3%, Wang Shiu Ting), two in the 61-70 year-old group (28.6%, Ma Chia Ying and Li Chun Chi), two in the 51-60 year-old group (28.6%, Luo Yue Gui and Chen Ming Yi), and two in the 41-50 year-old group (28.6%, Wang Hsing Lei and Lin Tuo Zhi).

The following table shows the implementation of the Company's policy of diversity of board members:

Name of Director	Gender	Age	Term of independent director		Required competency items							
					Operational judgment	Accounting and financial analysis	Business administration	Crisis management	Industry knowledge	International market view	Leadership	Decision making
			Less than 3 terms	More than 3 terms								
Wang Shiu Ting	M	71~80	NA		✓	✓	✓	✓	✓	✓	✓	✓
Wang Hsing Lei	M	41~50		✓	✓	✓	✓	✓	✓	✓	✓	✓
Taiwan Semiconductor Co., Ltd. Representative : Luo Yue Gui	F	51~60				✓		✓			✓	✓
Chen Ming Yi	M	51~60		✓	✓	✓	✓	✓	✓	✓	✓	✓
Ma Chia Ying	M	61~70		✓	✓	✓	✓			✓		
Li Chun Chi	M	61~70		✓	✓		✓		✓			
Lin Tuo Zhi	M	41~50	✓		✓	✓	✓	✓		✓	✓	✓

(3) Board Independence:

The Company's current Board of Directors consists of 7 directors (including 3 independent directors), with independent directors accounting for 42.9%. The independence of the Board of Directors is as follows:

Name	Compliance of independence (Note 1)											
	1	2	3	4	5	6	7	8	9	10	11	12
Wang Shiu Ting						✓	✓		✓		✓	✓
Wang Hsing Lei					✓	✓	✓	✓	✓		✓	✓
Taiwan Semiconductor Co., Ltd. Representative : Luo Yue Gui				✓		✓	✓		✓	✓	✓	
Chen Ming Yi			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Independent Director: Ma Chia Ying	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Independent Director: Li Chun Chi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Independent Director: Lin Tuo Zhi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Note 1: Please place a “✓” in the box if the director or supervisor met the following conditions during active duty and two years prior to the date elected.

- (1) Not employed by the Company or any of its affiliated companies.
- (2) Not a director or supervisor of the Company or any of its affiliated companies (this restriction does not apply to concurrent independent director positions in the Company, its parent company, subsidiaries, or other subsidiaries of the parent that are compliant with the Act or local laws).
- (3) Does not aggregately hold more than 1% of the Company’s outstanding shares in their own names or under the name of a spouse, underage children, or proxy shareholder; nor is a top-ten natural-person shareholder of the Company.
- (4) Not a manager listed in (1), or a spouse, second-degree relative or closer or third-degree direct relative or closer to any personnel listed in (2) or (3).
- (5) Not a director, supervisor, or employee of any corporate shareholder that: 1. holds 5% or more of the Company’s outstanding shares; 2. is a top-five shareholder; or 3. appoints a director/supervisor representative in the Company according to Paragraph 1 or 2, Article 27 of the Company Act (this restriction does not apply to concurrent independent director positions in the Company, its parent company, subsidiaries, or other subsidiaries of the parent that are compliant with the Act or local laws).
- (6) Not a director, supervisor or employee of any other company that controls directorship in the company or where more than half of the total voting rights are controlled by a single party (this restriction does not apply to concurrent independent director positions in the Company,

its parent company, subsidiaries, or other subsidiaries of the parent that are compliant with the Act or local laws).

- (7) Does not assume concurrent duty as Chairman, General Manager or equivalent role, and is not a director, supervisor, or employee of another company or institution owned by a spouse (this restriction does not apply to concurrent independent director positions in the Company, its parent company, subsidiaries, or other subsidiaries of the parent that are compliant with the Act or local laws).
- (8) Not a director, supervisor, manager, or shareholder with more than 5% ownership interest in any company or institution that has a financial or business relationship with the Company (however, this restriction does not apply to concurrent independent director positions held within companies or institutions that hold more than 20% but less than 50% outstanding shares of the Company, its parent company, subsidiaries, or other subsidiaries of the parent that are compliant with the Act or local laws).
- (9) Non-professionals, sole proprietorships, partnerships, companies, or institutions that provide auditing services to the Company or its affiliates, or have received accumulative commercial, legal, financial, or accounting services of less than NT\$500,000 in the most recent two years. A member of the remuneration committee, public acquisition review committee, or special committee for mergers and acquisitions that is performed by the proprietor, partner, director, supervisor, manager, or spouse in accordance with the Securities and Exchange Act or the Business Mergers And Acquisitions Act; Not subject to this restriction.
- (10) Not a spouse or relative of second degree or closer to any other directors.
- (11) Does not meet any of the conditions stated in Article 30 of the Company Act.
- (12) Not elected as a government, corporate or other representative according to Article 27 of the Company Act.

None of the three independent directors have violated Clauses 3 and 4 of Article 26-3 of the Securities and Exchange Act, which require that no directors or supervisors share spousal or familiar relationship within the second the degree of kinship.