

# TSC Auto ID Technology Co., Ltd.

## Audit Committee Charter

Article 1. This Charter is adopted pursuant to Article 3 of the “Regulations Governing the Exercise of Powers by Audit Committees of Public Companies.”

Article 2. Matters concerning the number of Audit Committee members, the term of office, powers, rules of procedure for meetings, and resources to be provided by the Company to the Audit Committee (the “Committee”) shall be handled in accordance with this Charter.

Article 3. The main function of the Committee is to supervise the following matters:

- I. Fair presentation of the Company’s financial statements.
- II. Selection, termination, independence, and performance of the CPAs.
- III. Effective implementation of the Company’s internal control.
- IV. The Company’s compliance with relevant laws and regulations.
- V. Control of existing or potential risks of the Company.

Article 4. All independent directors shall serve as members of the Committee. The Committee shall not have fewer than three members; one of whom shall act as convener and at least one shall have accounting or financial expertise.

The independent director members of the Committee shall serve a three-year term, and may be re-elected to further terms. When the number of the independent director members on the Committee falls below the amount prescribed in the preceding paragraph or in the Articles of Incorporation due to an independent director's dismissal, a by-election shall be held at the next shareholders’ meeting to fill the vacancy. When the independent directors are dismissed en masse, the Company shall call a special shareholders’ meeting within 60 days from the date of the occurrence to hold a by-election to fill the vacancies.

Article 5. The provisions of the Securities and Exchange Act (hereinafter referred to as the “Act”), Company Act and other laws and regulations concerning the powers of supervisors, apply mutatis mutandis to the Committee.

The provisions of Article 14-4, Paragraph 4, of the Securities and Exchange Act concerning provisions of the Company Act related to the roles of supervisors shall apply mutatis mutandis to the independent director members on the Audit Committee.

A resolution of the Committee shall require the consent of at least one-half of all members of the Committee. The convener of the Committee shall be the public representative of the Audit Committee.

Representatives shall be elected by the Committee pursuant to Article 213, Article 214, and Article 223 of the Company Act. The Committee members shall be elected pursuant to the procedures referred to in the preceding paragraph. The Committee may resolve to have the members represent the Company individually or jointly. If a representative is not elected in accordance with the procedure referred to in the preceding paragraph, the Company shall be jointly represented by all the members.

Article 6. The functions and powers of the Committee are as follows:

- I. Adoption of or amendments to the internal control system of the Company pursuant to Article 14-1 of the Act.
- II. Assessment on the effectiveness of the internal control system.
- III. Establishment or amendment of the Procedures for the Acquisition or Disposal of Assets, Engagement in Derivative Transactions, Loaning of Funds to Others, Endorsement or Guarantee for Others, and Procedures for Significant Financial Business Acts in accordance with Article 36-1 of the Securities and Exchange Act.
- IV. Matters in which a director or a supervisor is an interested party.
- V. Asset transactions or derivatives trading of a material nature.
- VI. Loans of funds, endorsements, or provision of guarantees of a material nature.
- VII. Offering, issuance or private placement of equity-type securities.
- VIII. The hiring or dismissal of a certified public accountant and their compensation.
- IX. Appointment and dismissal of financial, accounting or internal auditing officers.
- X. Annual financial reports signed or sealed by the Chairman, a manager or an accounting supervisor, and financial reports for the second quarter audited and attested by a certified public accountant (CPA).
- XI. Other important matters regulated by the Company or the competent authority.

Any matter in the preceding paragraph approved by at least half of all Committee members and submitted to the Board of Directors for resolution.

Matters falling under all subparagraphs of Paragraph 1, except for subparagraph 10, that are not approved by more than one-half of the members of the Committee may be adopted with the consent of more than two-thirds of all directors.

In addition to the matters to be submitted to the Committee for resolution referred to in Paragraph 1, in order to help the Committee maintain effective oversight of all Company operation and discover possible shortcomings in a timely manner, the following matters shall also be reported to the Committee:

1. Important business and financial reports containing endorsements/guarantees, loaning of funds to others, financial derivatives trading and financial statements, etc.
2. Quarterly internal audit reports.
3. Reports on important changes relating to independent directors, general managers, finance, accounting and R&D officers, chief internal auditor officers and other important managers or external auditors.
4. Other important matters

All members referred to herein shall be counted as actual incumbents.

The convener of the Committee shall represent the Committee externally.

Article 7. The Committee shall convene a meeting at least once per quarter, but may also convene a meeting at any time as needed.

A notice that includes the reasons for convening shall be given to each independent director member at least seven days before the meeting. Unless in emergency circumstances. The meeting notice may be delivered by email or fax.

The Committee shall convene at the business place of the Company during regular business hours, or at a place and time convenient for all Committee members.

The Committee shall have one person elected from among it to act as the convener and chair of the meeting. However, the first meeting of the Committee immediately following an

independent director election shall be convened by the independent director receiving the largest portion of voting rights in that election.

When the convener is on leave or for any reason unable to convene a meeting, they shall designate another independent director to serve in their place. If the convener does not make such an appointment, one independent director member of the Committee shall be elected by and from the other independent directors to serve as convener.

A meeting of the Audit Committee shall be convened when the convener receives a request to do so from at least half of all independent directors that includes the matters for proposal and their reasons. If the convener fails to convene the meeting of the Audit Committee within 15 days after receiving such a request, a group of independent directors comprising at least half of the members of the Committee may convene the meeting on their own initiative.

The Committee may resolve to invite managers from relevant departments, internal auditors, CPAs, legal advisors, or other personnel of the Company to attend meetings and provide necessary information. However, they shall leave the meeting during the discussion and voting.

When convening the Committee meeting, the Committee shall prepare relevant information for the review of participating Committee members at any time.

Article 8. At any Committee meeting, the Company shall provide an attendance book for the attending independent director members to sign and for reference.

The Committee's independent director members shall attend all meetings of the Committee in person. If a specific member cannot attend a session in person, he/she may appoint another independent director to attend the meeting on their behalf. Members participating through video link shall be deemed attending the meeting in person.

Committee members appointing another independent director member to attend a meeting on their behalf shall issue a written proxy statement that includes the scope of authority.

A resolution of the Committee shall require the consent of at least one-half of all the members. The voting results of the Committee shall be announced on the spot and recorded.

If the Committee is unable to convene for legitimate reasons, the meeting may be convened with the consent of two-thirds of the Board of Directors. However, for the matters referred to in subparagraph 10, Paragraph 1 of Article 6, independent director members shall issue a written statement on the decision to convene.

A proxy shall accept the authorization of only one other member.

Article 8-1. If, at the meeting start time, the number of members present is less than half of all members, the chair may announce that the meeting will be postponed, provided that no more than two postponements are made. If the quorum is still insufficient after two postponements, the chair may re-convene in accordance with the procedures specified in Article 7, Paragraph 2.

Article 8-2. The Committee shall proceed in accordance with the agenda of the meeting notice. However, a change may be made with the consent of one-half or more of all the members of the Committee.

The chair shall not declare the meeting adjourned without the consent of more than one-half of all the members of the Committee.

If, at any time during proceedings, the members present do not constitute more than half of all members of the Committee, upon motion by the independent directors present, the chairperson shall declare a suspension of the meeting, in which case Article 8-1 shall apply *mutatis mutandis*.

During the proceedings of the Committee meeting, if the convener is unable to chair the meeting or fails to declare the meeting closed as provided in Paragraph 2, the provisions of Paragraph 5, Article 7 shall apply *mutatis mutandis* to the proxy acting on the convener's behalf or any other member required to act on the convener's behalf.

Article 9. Meeting minutes shall be kept and they shall state accurately record:

- I. The session and the term, and the place and time of the meeting.
- II. Name of the chairperson.
- III. The attendance of independent directors at the meeting, specifying the names of those present, excused, and absent.
- IV. Names and titles of those attending the meeting as nonvoting participants.
- V. Name of minutes taker.
- VI. Report Items.
- VII. Discussions: The method of resolution and the result for each proposal; a summary of the comments made by independent director members of the Committee, experts, or other persons; the name of any independent director that is an interested party as referred to in Paragraph 1, Article 11, an explanation of the important aspects of the relationship of interest, the reasons why the independent directors were required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting.
- VIII. Extemporaneous motions: The name of the mover; the method of resolution and the result for each motion; a summary of the comments made by independent director Committee members, experts, or other persons; the name of any independent director member that is an interested party as referred to in Paragraph 1, Article 11, an explanation of the important aspects of the relationship of interest, the reasons why the independent director is required or not required to enter recusal, the status of their recusal, and opinions expressing objections or reservations.
- IX. Other mandatory disclosures.

The attendance book forms a part of the minutes for each meeting of the Committee and shall be well preserved during the existence of the Company.

The meeting minutes shall be signed or sealed by the meeting chair and minutes taker, and distributed to each independent director member of the Committee within 20 days after the meeting. They shall be properly maintained and retained permanently throughout the existence of the Company.

The production and distribution of the meeting minutes referred to in Paragraph 1 may be done in electronic form.

Article 10. The convener shall set forth the agenda of the Committee. The other Committee members may also submit proposals for discussion by the Committee.

- Article 11. Independent director members of the Committee shall explain the scope of any interest they may have in an item on the meeting agenda. If the interest conflicts with that of the Company, they shall not participate in the discussion or voting, and shall recuse themselves during the discussion and voting. They are also not allowed to exercise voting rights on behalf of others
- Where the spouse or a relative by blood within the second degree of kinship of an independent director member is an interested party with respect to an agenda item referred to in the preceding paragraph, such member shall be deemed to be an interested party and recuse themselves from all discussions and voting on that matter.
- If the Committee is unable to make decisions due to Paragraph 1, the Committee shall report it to the Board of Directors for resolution.
- Article 11-1. The Company shall record, by way of audio and/or video, the entire proceedings of the Committee meeting, and preserve the recordings for at least five years.
- If, before the end of the preservation period referred to in the preceding paragraph, any litigation arises in connection with a resolution, the relevant audio or video recordings shall continue to be preserved until the litigation is concluded.
- If a video conference is convened, the video recording shall be an integral part of the meeting minutes and shall be properly kept by the Company for the duration of its existence.
- Article 12. The Committee may, by resolution, appoint attorneys-at-law, CPAs or other professionals to conduct necessary audits or provide consultations on the matters related to exercise of authority, and the expenses incurred therefor shall be borne by the Company.
- Article 13. The Committee members shall exercise the due care of a good administrator, faithfully perform their duties under the Charter, be accountable to the Board of Directors, and submit proposals to the Board of Directors for resolution.
- Article 14. The Committee shall periodically review matters related to the Charter and submit them to the Board of Directors for amendment.
- For matters resolved by the Committee, the convener or other members of the Committee may be authorized to implement and manage. A written or oral report shall be reported to the Committee during the implementation period, and if necessary, it shall be submitted to the Committee at the next meeting for ratification or report.
- Article 15. The Charter, and any amendments hereto, shall be implemented after resolution by the Board of Directors.
- Article 16. The Charter was formulated on March 25, 2010.  
First amendment made on November 10, 2017.  
Second amendment made on December 27, 2019.  
Third amendment made on March 22, 2021.  
Fourth amendment made on November 8, 2024.