TSC Auto ID Technology Co., Ltd.

Procedures for Lending Funds to Other Parties

I. The Company's loaning of funds to others shall be handled in accordance with the Procedures. The Procedures are enacted in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies," unless otherwise provided in laws and regulations.

II. Counterparty of loaning of funds (hereinafter referred to as the "borrower")

The Company's funds may not be loaned to any shareholder or any other person except in the following circumstances:

(1) Involved in business transactions with the Company.

(2) Short-term financing facility from the Company is necessary, provided that the amount of such financing facility shall not exceed 40% of the Company's net worth.

The term "short-term" as used in the preceding paragraph means one year, or where the Company's operating cycle exceeds one year, one operating cycle. The term "financing amount" as used herein means the cumulative balance of the Company's short-term financing.

III. The necessity and reasonableness of extending loans to others

Where funds are loaned with the stated reason being the business dealings between the Company and borrower, the business dealings constitute the relationship of purchase and sale. The loaning of funds is required to satisfy the need for short-term financing only under the following circumstances:

(1) 1. The borrower is a company in which the Company directly and indirectly owns over 50% of the voting shares.

2. Company who directly and indirectly owns at over 50% of the Company's voting shares.

(2) Another company or firm needs the short-term financing in order to satisfy the needs for working capital.

(3) Other loans approved by the Company's Board of Directors.

IV. The total amount of loans and the maximum amount for each borrower

The limit of loans by the Company to others shall be no more than 40% of the Company's net worth. The maximum amount for each borrower is specified as following:

(1) For those that have business transactions with the Company, the individual loan amount is limited to 100% of the sales or purchase value throughout the year.

(2) For those with short-term financing needs, the individual loan amount shall be no

more than 20% of the Company's net worth.

The lending of funds between overseas companies that hold, directly or indirectly, 100% of the voting shares in the Company, or the lending of funds between the Company and an overseas company in which the Company holds, directly or indirectly, 100% of the voting shares, may be free from the restrictions referred to in the preceding paragraph, provided that the total limit, individual counterparty limit and duration of the loans to others may be determined as following:

(1) The total limit shall be no more than 60% of the lending Company's net worth.

(2) The limit of individual counterparty shall be no more than 40% of the lending Company's net worth

(3) The time limit shall be no more than 5 years.

The net worth referred to herein shall mean the most recent balance sheet equity attributable to the owners of the parent company according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

V. Term of loan and calculation of interest

(1) The term of each loan by the Company shall be no more than one year, or where the Company's operating cycle exceeds one year, one operating cycle.

(2) The interest rate for the Company's loans to others shall be no lower than the average interest rate for short-term borrowings from financial institutions. If the loan interest is calculated on a monthly basis, the borrower shall pay the interest within five days from the interest payment date as agreed; otherwise, a 10% penalty shall be charged based on the agreed interest rate.

VI. Procedures for loaning of fund

(1) Application:

Before making a loan of funds to others, the Company shall carefully evaluate whether the loan is in compliance with these Procedures. The Company shall verify the purpose of the loan and conduct a review of the business and finances. Upon confirmation of the necessity and reasons, the Company shall prepare a report which shall be subject to approval of a majority of the Audit Committee and then submitted to the Board of Directors for resolution. The Company shall not empower any other person to make such decision.

Loans of funds between the Company and its parent company or subsidiaries, or between subsidiaries of the Company, shall be submitted for a resolution by the Board of Directors pursuant to the preceding paragraph, and the Chairman may be authorized, for a specific borrowing counterparty, within a certain monetary limit resolved by the Board of Directors, and within a period not to exceed one year, to give loans in installments or to make a revolving credit line available for the counterparty to draw down.

The "certain monetary limit" mentioned in the preceding paragraph on

authorization for loans extended by the Company or any of its subsidiaries to any single entity shall not exceed 10% of the net worth on the most recent financial statements of the lending company, except in cases of companies in compliance with Paragraph 2, Article 4 herein.

(2) Credit investigation:

1. For the initial borrowing, the borrower shall provide the profile and financial information available for the most recent three years, in order to facilitate the credit investigation.
2. If the loan is left open to the borrower, the credit investigation shall be conducted once per year, in principle.
3. If the borrower's financial position is sound, and the annual financial statements have been certified by an external auditor as the financing certificate, a credit investigation report that is completed for more than one year but less than two years may be used. Please also refer to the loan application approved in the external auditor's report.

(3) Execution of contract and counter-guarantee

1. Applicable objects: Borrowers other than affiliates.
2. For the proposed loaning of funds, the handling personnel shall draft the contractual terms and conditions, and have the same commented by the Company's legal counsel before execution of the contract.
3. The contract shall be identical with the authorized loan terms and conditions. The borrower and joint guarantor shall be asked to execute the contract, and then the case handler shall complete the counter-guarantee.

(4) Creation of the mortgage against collateral:

If the Board of Directors deems it necessary, the borrower shall provide collateral equivalent to the financing amount and ensure the completeness of its rights. If the debtor provides a competent and creditworthy individual or company as the guarantee in lieu of providing the collateral, the Board of Directors may refer to the credit report prepared by the case handler.

(5) Arrangement and custody of case files

The Company shall prepare a memorandum book for its fund-loaning activities and truthfully record the following information: borrower, amount, date of approval by the Board of Directors, date of allocation of the loan, and matters to be carefully evaluated under Point 1 of this provision herein.

(6) Where as a result of changes in condition the counterparty of a loan no longer meets the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies," or the balance of the loan exceeds the limit, it is necessary to prepare a corrective action plan to be submitted to the Audit Committee, and complete the corrective actions in adherence to the schedule set out within the plan.

VII. Subsequent measures for control and management of loans

Upon allocation of the loan, it is necessary to keep watching the borrower's and guarantor's finances and credit conditions. If certain collateral is furnished, it is also necessary to note whether there is any variance in its value. The borrower shall be notified to settle the principal and interest, or apply for renewal of the loan, within two months prior to expiration of the loan.

VIII. Repayment of loan

(1) When the borrower repays the loan when the loan is due, the payable interest shall be accrued at first and settled together with the principal, and then the certificates of creditor's right may be canceled and returned to the borrower.

(2) Where the borrower applies for cancelation of the loan, there must be no outstanding amount owing before termination of the loan shall be agreed.

IX. Procedures for Handling Overdue Creditors' Rights

The borrower shall repay the principal plus interest immediately upon maturity. If the loan is not repaid prior to the maturity date and an extension is required, the Company may directly dispose of, and pursue repayment based on, the collateral provided by the Company or the guarantor.

X. Penalty to be imposed on the management and organizers violating the operating procedures

Any of the Company's employees who undertakes the loaning of fund to others in violation of the Procedures shall be subject to periodical performance assessment in accordance with the Company's personnel management regulations and employee handbook, and disciplined subject to the materiality of the case.

XI. Internal control.

The Company's internal auditors shall audit the Procedures for Lending Funds to Other Parties and the implementation thereof no less frequently than quarterly and prepare written records accordingly. If any material violation is discovered, the management and organizers shall be disciplined, if necessary, and the Audit Committee shall be notified in writing immediately.

XII. Information disclosure

(1) The Company shall announce and report the balance of loans of the Company and its subsidiaries of the previous month by 10th day of each month.

(2) If the balance of the funds loaned by the Company reaches one of the following levels, the Company shall announce and report such event within two days from the date of occurrence. The "date of occurrence" referred to herein shall mean the earliest date of contract signing, date of payment, dates of the Board of Directors' resolutions, or any other date which verifies the counterparty and monetary amount.

1. If the balance of the amount of funds loaned by the Company and its subsidiaries to others reaches 20% or more of the Company's net worth in the most recent financial statements.
2. If the balance of the amount of funds loaned by the Company and its subsidiaries to a single enterprise reaches more than 10% of the Company's net worth in its latest financial statements.
3. If the amount of new funds loaned by the Company or its subsidiaries reaches NT$10 million or more, and reaches 2% or more of the Company's net worth in its latest financial statements.

The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to the subparagraph 3 of the preceding paragraph.

The ratio of a subsidiary's loan balance to net worth, as referred to in the preceding paragraph, shall be calculated based on the ratio of the subsidiary's loan balance to the net worth of the Company.

(3) The Company shall evaluate the status of loaned funds and provide adequate allowance for bad debt, and also adequately disclose related information in its financial statements and provide the external auditors with relevant information for implementation of necessary audit procedures.

XIII. Procedures for Controlling the Loaning of Funds to Others by Subsidiaries

Where a subsidiary of the Company intends to loan funds to others, the Company shall order the subsidiary to formulate its own "Procedures for Lending Funds to Other Parties" in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies," and follow such procedures. The Company may complete the announcement and filing on behalf of it pursuant to Article 12 herein.

XIV. In any of the following circumstances, the Company will judge whether it shall be considered as a loan in nature pursuant to the "FAQ about the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" of the Securities and Futures Bureau, FSC:

(1) If the Company's accounts receivable from related parties are overdue for 3 months beyond the normal credit period and the unrecoverable amount exceeds 5% of the Company's net worth, or if the Company's accounts receivable from non-related parties are overdue for 3 months beyond the normal credit period and the unrecoverable amount exceeds 2% of the Company's net worth, it is necessary to report such situation to the Audit Committee and Board of Directors for resolution on whether it shall still be considered a loan in nature. Unless the Company can prove that it has no intention to loan funds (e.g. initiation of a legal action and proposal of specific control measures), it shall be considered a loan in

nature.

(2) Where the Company has reported overdue accounts to the Audit Committee and Board of Directors and the overdue accounts were resolved to not be considered a loan in nature, it is not necessary to report the same transaction to the Audit Committee and Board of Directors for resolution. Notwithstanding, if it is impossible for the Company to execute the control measures or legal actions set forth initially due to changes in circumstances, the transaction shall be still submitted to the Audit Committee and Board of Directors for resolution on whether it shall be considered a loan in nature.

(3) If accounts other than the Company's accounts receivable, such as "other receivables," "prepayments" and "refundable deposits," which are of a significant amount or special nature, are still overdue for more than three months under the circumstances that the paid amount is not subject to contractual terms and conditions, the paid amount is not commensurate with the obligation set forth in the contract, or the causes of payment extinguish, said requirements shall apply.

(4) Where said accounts are considered as loans in nature, they shall be announced as required from the date of resolution rendered by the Board of Directors. Meanwhile, as the nature of the accounts is not consistent with the definitions of the original accounting title, the accounts shall be restated into another appropriate accounting title (e.g. other receivables).

(5) The Company shall formulate rectification plans if the loan balance exceeds the limit due to changes in circumstances, complete the rectification according to the planned schedule and send the relevant rectification plans to each member of the Audit Committee.

XV. The Procedures shall be subject to approval of a majority of the Audit Committee and submitted to the Board of Directors for acknowledgement and then to the shareholders' meeting for approval. Where any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the dissenting opinion to the Audit Committee and for discussion at the shareholders' meeting. The same shall apply to any amendments to the Procedures.

If the approval of a majority of all Audit Committee members is not obtained for the matter referred to in the preceding paragraph, the same may be implemented only if approved by two-thirds of all directors. The Audit Committee's resolution shall be recorded in the Board of Directors' meeting minute.

The terms "all Audit Committee members" and "all directors" referred to herein shall be counted as the actual number of persons currently holding those positions.

Date of establishment: April 26, 2007

The first amendment was made on August 9, 2007.

The second amendment was made on June 16, 2009.
The third amendment was made on June 18, 2010.
The fourth amendment was made on June 13, 2013.
The fifth amendment was made on June 8, 2018.
The sixth amendment was made on June 13, 2019.
The seventh amendment was made on June 17, 2025.
The eighth amendment was made on June 16, 2026.