

TSC Auto ID Technology Co., Ltd.

Procedures for Prevention of Insider Trading and Handling Material Inside

Article 1 These Procedures are specially adopted to establish sound mechanisms for the handling and disclosure of material inside information by the Company, in order to: prevent improper information disclosures, ensure the consistency and accuracy of information released by this Corporation to the public; prevent the Company or any of its personnel from violating the insider trading-related laws and regulations, negligently or intentionally, thereby causing the Company or its insiders to be entangled in litigation that impairs the Company's goodwill; and prevent insider trading and protect the insiders' and the Company's rights and interests.

Article 2 The Company shall implement its handling and disclosure of material inside information and prevention of insider trading in accordance with applicable laws and regulations, the regulations of the TWSE or TPEX, and these Procedures.

Article 3 These Procedures are applicable to the following subjects:

I. Definitions of an insider:

- (1) The Company's directors, managers, and shareholders who hold more than 10% of the Company's shares, including their spouses and underage children, and those holding shares in the name of a third party.
- (2) Representatives of juristic directors, their spouses and underage children, and those holding shares in the name of a third party.

II. Regulated insider trading subjects

In addition to the persons referred to in the subparagraphs of Article 157-1, and Article 22-2, of the Securities and Exchange Act, the Company shall also ensure that any other person who acquires knowledge of material inside information of the Company's due to their position, profession, or relationship of control shall comply with the applicable provisions of these Procedures.

III. Mechanisms for material information management are applicable to the Company's directors, managers and employees.

Article 4 For the purposes of these Procedures, the term "material inside information" refers to the material news or information defined under the Securities and Exchange Act, other applicable laws and regulations, and the related regulations of TWSE or TPEX.

I. The Company shall disclose material inside information to the public in the following manners:

- (1) The information disclosure shall be accurate, complete and timely.
- (2) The information disclosure shall be grounded.
- (3) The information shall be disclosed fairly.

II. According to Article 157-1 of the Securities and Exchange Act, upon actual knowledge of any information that will have a material impact on the price of securities or its solvency, the Company's insiders, after ensuring the information is precise and prior to the public disclosure of such information, or within 18 hours after its public disclosure, shall not purchase or sell shares of the Company that are listed on an exchange or an over-the-counter market, or any other equity-type or non-equity-type security of the Company.

III. The phrase “information that will have a material impact on the price of the securities” shall mean information relating to the finances or businesses of the Company, or the supply and demand of such securities on the market, or tender offer of such securities, the specific contents of which will have a material impact on the price of the securities, or will have a material impact on the investment decision of a reasonably prudent investor. The regulations governing the scope of the information, the means of its disclosure and related matters shall be prescribed by the Competent Authority.

Article 5 The Company’s unit dedicated to processing material inside information is the Finance Department, which is responsible for formulating and amending these Procedures, evaluation, reexamination, submission and release of the material inside information, and other business related to these Procedures.

Article 6 The Company’s directors, managers and employees shall exercise the due care of good administrators, faithfully perform their duties, and conduct business in good faith, while abiding by the non-disclosure agreement.

Directors, managers and employees who are aware of material internal information of the Company shall not divulge knowledge of the information of the Company to a third party.

The Company's directors, managers and employees shall not inquire or collect undisclosed material inside information of the Company outside of their job scope from other employees of the Company who may possess material internal information, nor may they disclose to others any non-public material inside information of the Company of which they become aware.

Article 7 The Company's material inside information files and documents shall be properly protected when communicated in writing. When transmitting the information by email or other electronic means, the Company shall use appropriate security technology such as encryption or electronic signature.

The files and documents of the Company's material inside information shall be backed up and kept in a safe place.

Article 8 The Company shall ensure the establishment of the firewall referred to in the preceding two articles and take the following measures:

I. Appropriate firewall control measures are adopted and tested regularly.

II. Strengthen the custody and confidentiality measures for non-public internal and material information files of the Company.

Article 9 Any organization or person outside of the Company that is involved in any corporate action of the Company relating to a merger or acquisition, major memorandum of understanding, strategic alliance, other business partnership plans, or the execution of a major contract shall be required to sign a confidentiality agreement, and may not disclose to another party any material inside information of the Company thus acquired.

Article 10 The Company’s material inside information disclosure procedures are stated as following:

I. Evaluation on material inside information

If any major decision is made by the Company or any major event that falls within the scope covered by the material inside information referred to in Article 2 herein, Or if further assessment determines that the significance meets the following criteria, Related

documents shall be attached in accordance with Paragraph 2 of this provision. After the same are duly approved internally, important news may be released within the time limit prescribed by laws and regulations.

- (1) Transactions or events where the impact amount reaches 5% or more of the company's most recent consolidated revenue according to the audited or reviewed financial statements.
- (2) Litigation, non-litigation matters, administrative penalties, administrative disputes, provisional seizure, provisional disposition, or compulsory enforcement events in which the impact amount reaches the above standard, or that may have a significant impact on the company's finances, business, business operations, management stability, shareholder rights, or securities prices.
- (3) Situations such as production reduction, work stoppage, plant or asset leasing, or pledging, where the impact amount reaches the above standard.
- (4) Disclosure of major information is deemed necessary due to the company's or other companies' handling of similar cases and their impact.
- (5) Other matters that may have a significant impact on shareholder rights or securities prices, or that the company considers necessary to disclose as major information.

II. Level of authority for material inside information disclosure

Before the material inside information is disclosed, the responsible unit shall complete the “Application Form for Disclosure of Material Inside Information” (Table 1) and “Material Information Evaluation Checklist” (Table 2). After these documents are approved and signed by the unit supervisor, they shall be submitted to the dedicated department for material information for review and approval, and then to the Company’s spokesperson for review and approval. Before the release time limit as required by laws and regulations, important news may be released upon the General Manager’s approval.

The Company’s “Application Form for Disclosure of Material Inside Information” (Table 1) and “Material Information Evaluation Checklist” (Table 2) shall be submitted to the General Manager, in writing or in an electronic form, for resolution.

Article 11 Unless otherwise required by law or regulation, the disclosure of the Company's material inside information shall be handled by the Company's spokesperson or deputy spokesperson. If necessary, the disclosure may be made directly by the responsible person or General Manager of the Company.

The Company's spokesperson and deputy spokesperson shall only speak within the scope of the Company's authorization, and the Company's personnel, except for the Company's responsible person, General Manager, spokesperson and deputy spokesperson, shall not disclose material inside information without authorization.

Article 12 The Company shall keep records of the following in respect of any disclosure of information to outside parties:

- I. Assessment details
- II. Signature or seal of the evaluation, review and decision-making personnel, and date and time.
- III. The contents of the material information and the applicable legal basis.
- IV. Other related information.

Said evaluation records, documents and information shall be retained by the dedicated unit of material information for at least five years, unless otherwise provided in laws or regulations.

Article 13 If the content of media reports is inconsistent with the material information disclosed by the Company, the Company shall clarify on the Market Observation Post System or request corrections from the media.

Article 14 Any director, managerial officer, or employee of the Company that becomes aware of any unauthorized disclosure of the Company's material inside information shall report to the responsible unit and the internal audit department of the Company as soon as practicable.

Upon receipt of a report made pursuant to the preceding paragraph, the responsible unit shall formulate corresponding measures and report the same to the General Manager and Chairman. When necessary, the General Manager shall call the dedicated team to deal with it, and may invite members from the internal audit and other departments to meet for discussion of the measures, and shall keep a record of the results of the measures for future reference. The internal auditors shall also perform such audits as their duties may require.

Article 15 The Company shall take measures to discover those responsible and take appropriate legal action against any personnel under either of the following circumstances which are considered material:

- I. Personnel of the Company disclose material inside information without authorization to any outside party, or otherwise violate the Procedures or any other applicable law or regulation.
- II. A spokesperson or deputy spokesperson of the Company communicates to any outside party any information beyond the scope authorized by the Company, or otherwise violates the Procedures or any other applicable law or regulation.

If any person outside the Company divulges any material inside information of the Company, thereby causing damage to any property or interest of the Company, the Company shall pursue appropriate measures to hold the person divulging the information legally liable.

Article 16 These Procedures shall be incorporated into the Company's internal control system. The internal auditors shall keep themselves regularly informed of the status of compliance with these Procedures and shall prepare related audit reports, so as to ensure full implementation of the Procedures for Prevention of Insider Trading and Handling of Material Internal Information.

Article 17 At least once per year, the Company shall conduct educational campaigns to promote awareness among all directors, managerial officers, and employees with respect to these Procedures and related laws and regulations.

The Company shall also provide educational campaigns to new directors, managerial officers, and employees in a timely manner.

Article 18 The Company's insiders, including the Company's directors, managers and shareholders who hold more than 10% of the Company's shares, and their related parties are strictly prohibited from engaging in insider trading, shall comply with relevant laws, and will report to the Company in the following instances.

- I. A change in the Company's directors, managers and shareholders holding more than 10% of the Company's shares, and their related parties (including the insiders' spouses, underage children, and those holding shares in the name of a third party), if any, shall be reported within two days upon occurrence of the fact (under "new employment and discharge real-time reporting system for insiders") and executed precisely.
- II. Directors and General Managers shall execute the statement of acknowledgement of internal related regulations within 5 days upon assumption of the position, which shall also be recorded by the Company for future reference. A copy of the statement of acknowledgement of each director shall be submitted to the competent authority for future reference within 10 days upon the director's assumption of the position.
- III. According to Paragraph 2, Article 25 of the Securities and Exchange Act, the Company's insiders shall file, by the fifth day of each month, a report with the Company of the changes in the number of shares they held during the preceding month. The Company shall record these reports and upload them into the "MOPS."

Article 19 These Procedures shall be enforced upon approval of the Board of Directors. The same shall apply where these Procedures are amended.