

# TSC Auto ID Technology Co., Ltd.

## Sustainable Development Committee Charter

### Article 1. Basis

In order to fulfil the Company's sustainable development goal and improve the sustainable development, the Company establishes the Sustainable Development Committee (hereinafter referred to as the "Committee") and formulates the Committee Charter (hereinafter referred to as the "Charter"), in accordance with Paragraph 3, Article 27 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and Paragraph 1, Article 9 of the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies."

### Article 2. Scope of Application

Matters concerning the number of Committee members, term of office, powers, rules of procedure for meetings, and resources to be provided by the Company when the Committee exercises its powers shall be prescribed separately in the Charter.

### Article 3. Announcement for future reference

The Company shall post the contents of the Charter on the Company's website and MOPS for inquiry.

### Article 4. Composition of the Committee

The Company's Committee consists of no less than 3 members who are appointed per resolution by the Board of Directors. The Committee members shall have expertise and ability in sustainability and consist of the Company's directors, provided that a majority of them shall be independent directors.

The Company may establish a unit dedicated to (concurrently engaged in) sustainable development, namely the General Manager's Office, subject to the Company's scale, industrial nature or other circumstances, in order to ensure the promotion of the Company's sustainable development operations.

Subject to various departments' sustainable development business needs, the General Manager or equivalent may form a cross-departmental group to execute sustainable development matters.

### Article 5. Term of Office and By-election of members

The Committee members shall hold the term of office in response to the term of office of the Board of Directors, and may be re-elected to further terms.

When the number of the Committee members falls below three members due to a member's dismissal for any reason, a by-election shall be held at the next Board of Directors' meeting.

### Article 6. Authority of the Committee and promotion and execution units

The Committee members shall exercise the due care of a good administrator, faithfully perform the following duties and be accountable to the Board of Directors:

- I. Formulation, promotion and improvement of the Company's sustainable development policy, annual plan and strategies, etc..
- II. Review on sustainable development policies and implementation and reporting to the Board of Directors (at least once per year).
- III. Supervision of sustainable information disclosure and review of the sustainability report.

- IV. Supervision of business under the Company's Sustainable Development Best Practice Principles and other sustainable development duties resolved by the Board of Directors.

The Company's unit dedicated to (concurrently engaged in) sustainable development is the General Manager's Office, which assists the Committee in promotion of various plans covering the following organizational mission, and reports the sustainable development implementation status to the Committee:

- I. Corporate Governance Group: Responsible for the corporate governance compliance and stakeholder communication mechanisms to fulfill the Company's sustainable development goals.
- II. Environmental Sustainability Group: Responsible for formulating environmental management systems, complying with environmental laws and regulations and international standards, evaluating sustainable transformation, and improving resource utilization rates and climate change response mechanisms to achieve the environmental sustainability goal.
- III. Social Responsibility Group: Responsible for human rights management policies and procedures, compliance with human rights-related laws and international standards and assessment on human rights-related risks and management mechanisms, and also for the promotion of the Company's social welfare activities and community development to achieve the goal of cultivating a mutually beneficial relationship between the Company and society.
- IV. Risk Management Group: Responsible for formulating risk management policies and procedures, analyzing and identifying the sources and categories of the Company's risks, setting forth the risk appetite (risk tolerance), establishing measurement standards, and supervising various departments' execution of risk management activities to improve the overall risk response ability.

The cross-departmental group executes the business of the organization referred to in the preceding paragraph, compiles the execution plans or other sustainability-related affairs, and reports the execution results to the General Manager's Office, the unit dedicated to (concurrently engaged in) the sustainable development, or the Committee.

#### Article 7. Convening meetings

The Committee shall meet at least once per year, and may convene meetings, if necessary, at any time. A notice of the reasons for convening the Committee meeting shall be given to each member within seven days prior to the meeting, unless in emergency circumstances. The notice may be made in writing or via fax or email. The Committee members shall elect one among them to serve as the convener. The convener shall act as the chairperson of the meeting. When the convener is on leave or for any reason unable to convene a meeting, the convener shall designate another member of the Committee to serve as the deputy. If the convener does not make such an appointment, one member of the Committee shall be elected from among the other members of the Committee to serve as convener.

The Committee may invite managers from relevant departments, internal auditors, CPAs, legal advisors, or other professional personnel of the Company specialized in sustainability to attend meetings and provide necessary information, provided that they shall leave the meeting when deliberation or voting takes place. When convening the Committee meeting, the Committee shall prepare relevant information for the review of participating Committee members at any time.

Article 8. Agenda and attendance

The Committee meeting agenda shall be set forth by the convener. The other members may also submit motions to the Committee meeting for discussion. The meeting agenda shall be provided to the Committee members in advance.

At the meeting of the Committee, the Company shall provide an attendance book for the attending members to sign and for reference.

The Committee 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 member to attend the meeting on behalf of him/her. Members participating in a video conference shall be deemed attending the meeting in person.

In case a member of the Committee appoints another member to attend the Committee meeting on behalf of him/her, he/she shall, in each case, issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting.

The proxy as referred to in Paragraph 3 shall accept the authorization of only one other member.

Article 9. Resolution

A resolution of the Committee shall require the consent of at least one-half of all the members, unless otherwise provided in laws, the Company's Articles of Incorporation or regulations. During voting, if the chairperson solicits and receives no dissents, the proposal is deemed passed, with equivalent force as a resolution by vote.

The results of the voting by the Committee shall be announced on the spot and recorded.

Article 10. Recusal

Members of the Committee who have any interest in an agenda item shall explain such interest. If it is harmful to the interest of the Company, they shall not participate in the discussion and voting, and shall recuse themselves during the discussion and voting. They are not allowed to exercise voting rights on behalf of the other members. Where the spouse or a relative by blood within the second degree of kinship of a member is an interested party with respect to an agenda item, such member shall be deemed to be an interested party with respect to that agenda item.

If the Committee is unable to make decisions due to Paragraph 1, the Committee shall report it to the Board of Directors for the resolutions.

Article 11. Meeting minutes

Minutes shall be prepared on the discussions at the meeting. The meeting minutes shall state the following honestly:

- I. The session (or year) and the term, and the place and time of the meeting.
- II. Name of the chairperson.
- III. Attendance of members at the meeting, specifying the names and number of members 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. Matters for discussion: the method of resolution and the result for each proposal; the name of any member that is an interested party as referred to in the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the member was required or not required to enter recusal, and the status of his/her recusal; the Committee members' opinions expressing objections or reservations.

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 the Committee members, experts, or other persons; the name of any member that is an interested party as referred to in the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the member was required or not required to enter recusal, and the status of his/her recusal; the Committee members' opinions expressing objections or reservations.

IX. Other mandatory disclosures.

The attendance book forms a part of the minutes for each meeting. If a video conference is convened, the video and audio data shall be a part of the minutes of the meeting.

The minutes of a meeting shall bear the signature or seal of both the chairperson and the minutes taker. A copy of the minutes shall be distributed to each member within 20 days after the meeting and reported to the Board of Directors and be preserved in the Company's records for five years. The meeting minutes may be produced and distributed in an electronic form.

In the event of a suit in respect to the Committee's resolutions before the retention period referred to in the preceding paragraph expires, the relevant information shall continue to be retained until the conclusion of the litigation.

#### Article 12. Response to the resolutions

For matters resolved by the Committee with its authority under Article 6 herein, or resolved by the Committee to be delegated to professional personnel pursuant to Article 13 herein, the convener or other members of the Committee may be authorized to continue the work related to the implementation of the matters. 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 13. Resources for exercise of authority

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 14. Implementation

The Charter shall be enforced upon approval of the Board of Directors. The same shall apply where the Charter is amended.