

Taiwan Secom Co., Ltd.

Audit Committee Charter

Amendment by the Board of Directors on March 20, 2020

Article 1: The Charter is formulated in accordance with Article 3 of the "Regulations Governing the Exercise of Powers by Audit Committees of Public Companies."

Article 2: The number of Committee members, terms of office, powers, rules of procedure, and resources that the Company should provide when exercising the powers are in accordance with the provisions of the Charter.

Article 3: The main purpose of the operation of the Committee is to supervise the following matters:

- I. Fair representation of the company's financial statements.
- II. Selection (dismissal), independence, and performance of CPAs.
- III. Effective implementation of the Company's internal control.
- IV. The Company complies with relevant laws and regulations.
- V. Management and control of the Company's existing or potential risks.

Article 4: The Audit Committee shall be composed of the entire number of Independent Directors and shall not be less than three persons. One of them shall be the convener, and at least one of them shall have accounting or financial expertise. The Independent Directors of the Committee serve a three-year term and may be re-elected. If the members fall short of the number required in the preceding paragraph or the Articles of Incorporation due to dismissal, a by-election should be held in the upcoming shareholders' meeting to fill the open position. However, in the event that Independent Directors are entirely dismissed from duty, an extraordinary shareholders' meeting shall be convened within 60 days from the date of occurrence to host a by-election and fill the open positions.

Article 5: The functions and powers of supervisors stipulated by the Securities and Exchange Act, the Company Act, and other laws shall be exercised by the Committee, except for the functions and powers described in Paragraph, Article 14-4, of the Securities and Exchange Act.

Paragraph 4, Article 14-4 of the Securities and Exchange Act on the provisions of the Company Act involving supervisors' conduct or acting as the Company's representatives shall apply to the Independent Director members of the Committee.

Article 6: Duties of the Audit Committee are as follows:

- I. Establish or amend the internal control protocols in accordance with Article 14-1 of the Securities and Exchange Act.
- II. Evaluation of the effectiveness of the internal control protocols.
- III. Establish or amend procedures for major financial or operational actions, such

as acquisition or disposal of assets, engaging in derivatives trading, lending funds to others, endorsements or guarantees to others, in accordance with Article 36-1 of the Securities and Exchange Act.

- IV. A matter bearing on the personal interest of a Director.
- V. A material asset or derivatives transaction.
- VI. A material monetary loan, endorsement, or provision of a guarantee.
- VII. The offering, issuance, or private placement of any equity-type securities.
- VIII. The hiring or dismissal of an attesting CPA, or the compensation given thereto.
- IX. The appointment or discharge of a financial, accounting, or internal audit officer.
- X. Annual financial report signed or stamped by the chairman, executive, and accounting supervisor, and the Q2 financial report to be audited and certified by the accountant.
- XI. Any other material matter so required by the company or the Competent Authority.

The matters under the preceding paragraph shall be subject to the approval of half or more of the Audit Committee members and proposed for resolution by the Board of Directors.

Except for Subparagraph 10, those that are not approved by the consent of more than half of all members of the Audit Committee will then require the approval of more than two-thirds of all Directors.

All members of the Audit Committee referred to in the Charter are those who are incumbent.

The convener of the Committee represents the Committee as a whole.

Article 7: The Audit Committee meets at least once a quarter and the meeting may be held at any time as needed.

Reasons shall be specified and every Independent Director member of the Committee shall be notified at least seven days before the convening of Committee meetings.

An exception can be made if there is an emergency.

The meetings of the Committee shall be convened and chaired by a member recommended by all members of the Committee. When the convener of the Committee takes a leave or is unable to convene a meeting for some reason, he or she shall designate one Independent Director Committee member to act as the proxy. If the convener does not designate a proxy, the other Independent Director members of the Committee shall recommend one person among themselves to act

as the convener's proxy.

The Committee may invite relevant department managers, internal auditors, accountants, legal counsels or other personnel of the Company to attend the meetings and provide the necessary information. However, they shall leave the meeting when deliberation or voting takes place. Relevant information should be prepared for the Committee members at any time during the Committee meetings.

Article 8: When holding a Committee meeting, the Company shall have an attendance book for the attending Independent Director members to sign in for future review.

The Independent Director members of the Committee should attend the meetings in person. If they cannot attend in person, they may entrust other Independent Director members to attend the meetings on their behalf. If they participate in the meetings by teleconferencing, they are considered to have attended the meetings in person.

A Committee member who entrusts another member who is an Independent Director to attend a meeting shall in each instance issue a proxy form stating the scope of authorization with respect to the reasons for convening the meeting. The resolution of the Committee meetings shall be carried out with the consent of more than half of the Committee members. Voting results shall be made known on-site immediately and recorded in writing.

If the Committee meetings cannot be convened due to legitimate reasons, resolutions shall be made with the consent of more than two-thirds of all Directors of the Board of Directors. However, matters referred to in Subparagraph 10, Paragraph 1 of Article 6 shall still be subject to the approval of the members of Independent Directors.

The proxy referred to in the abovementioned Paragraph 2 may be the appointed proxy of only one person.

Article 9: Discussions at a Committee meeting shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below:

- I. The meeting session and the time and place of the meeting.
- II. The name of the chairperson.
- III. The Independent Director members' attendance at the meeting, including the names and the number of members in attendance, excused, and absent.
- IV. The names and titles of those attending the meeting as non-voting participants.
- V. The name of the minute taker.
- VI. The matters reported at the meeting.
- VII. Discussions: The method of resolution and the result for each proposal; a summary of the comments made by Independent Director members, experts,

or other persons; the name of any Director that is an interested party as referred to in Article 11, an explanation of the important aspects of the relationship of interest, the reasons why the Director was required or not required to enter recusal, and the status of their recusal; and their objections or reservations.

VIII. Extraordinary motions: Name of the proposers; the method of resolution and the result for each proposal; a summary of the comments made by Independent Director members, experts, or other persons; the name of any Director that is an interested party as referred to in Article 11, an explanation of the important aspects of the relationship of interest, the reasons why the Director was required or not required to enter recusal, and the status of their recusal; and their objections or reservations.

IX. Other matters required to be recorded.

The attendance book constitutes part of the minutes for each Committee meeting and shall be retained for the duration of the existence of the Company.

The minutes of a Committee meeting shall bear the signature or seal of both the chair and the minute taker, and a copy of the minutes shall be distributed to each Independent Director member within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of the Company.

The meeting minutes of Paragraph 1 may be produced and distributed electronically.

Article 10: The agenda of the Committee meeting is set by the convener, and other members may also submit proposals for discussion by the Committee.

Article 11: If any Independent Director member of the Audit Committee is an interested party, the member shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the Company, the member may not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item and may not act as another Independent Director member's proxy to exercise voting rights on that matter.

Where the spouse, a blood relative within the second degree of kinship of an Independent Director, or who has interests in the matters under discussion in the meeting of the preceding paragraph, such Independent Director shall be deemed to have a personal interest in the matter.

If the Committee cannot reach a resolution due to the provisions of Paragraph 1, it shall report to the Board, and the Board shall come to a resolution.

Article 11-1: Proceedings of a Committee meeting shall be recorded in their entirety in audio

or video, and the recording shall be retained for a minimum of 5 years. The record may be retained in electronic format.

If any litigation arises with respect to a resolution of a Committee meeting before the end of the retention period of the preceding paragraph, the relevant records and evidence of audio or video recordings shall be retained until the conclusion of the litigation.

Where a Committee meeting is held by teleconferencing, the audio or video documentation of the meeting constitutes part of the meeting minutes and shall be retained for the duration of the existence of the Company.

Article 12: The Committee may, by resolution, appoint attorneys, accountants or other professionals to conduct necessary inspections or provide consultation on matters related to Article 6, and the expenses incurred shall be borne by the Company.

Article 13: The Committee members shall exercise the care of a good administrator to faithfully perform the duties specified by the Charter and present their recommendations to the Board of Directors for resolution.

Article 14: The Committee shall regularly review the matters related to the organizational charter and provide amendments to the Board of Directors for review.
The convener or the other members of the Committee may be authorized to carry out the works relevant to the resolutions of the Committee, and then provide reports to the Committee in writing or orally during the implementation period. If necessary, the convener or the Committee members may report to the Committee for ratification in the next meeting.

Article 15: The Charter is to be implemented after being approved by the Board of Directors, and likewise for revision.