

Taiflex Scientific Co., Ltd. (“Company”)

Audit Committee Charter

- Article 1: The Audit Committee Charter (hereinafter referred to as the “Charter”) is drawn up pursuant to Article 3 of the “Regulations Governing the Exercise of Powers by Audit Committees of Public Companies”.
- Article 2: Matters concerning the Audit Committee (hereinafter referred to as the “Committee”) members' number, tenure, powers, rules of procedure for meetings, and resources the Company shall provide for the Committee members to exercise their powers are all subject to the Charter's provisions.
- Article 3: The primary purpose of the Committee is to supervise the following matters:
- (1) Fair presentation of the Company's financial statements;
 - (2) Appointment, discharge, independence and performance of the Company's certified public accountants (hereinafter referred to as the “CPAs”);
 - (3) Effective implementation of the Company's internal control;
 - (4) Regulatory compliance; and
 - (5) Control over the Company's existing or potential risks.
- Article 4: The Committee is composed of all Independent Directors. The number of Committee members shall not be less than three and one of the members shall be the convener. Also, at least one member shall have accounting or financial expertise.
- The Committee's Independent Directors are to serve a term of three years and may be eligible for re-election. If they are discharged for any reason and the number of Independent Directors in the Committee fails to satisfy the number prescribed in the preceding paragraph or the Articles of Incorporation, new members shall be elected in the next shareholders' meeting to fill in the vacancies. When all Independent Directors are discharged, the Company shall, within sixty days from the date of occurrence, convene a special shareholders' meeting to hold a by-election.
- Article 5: Powers stipulated in the Securities and Exchange Act (hereinafter referred to as the “Act”), the Company Act, and other laws and regulations to be exercised by Supervisors, except for ones prescribed in Paragraph 4, Article 14-4 of the Act, are to be exercised by the Committee.

The Company Act's provisions associated with Supervisors' behaviors or Supervisors acting as corporate representatives under Paragraph 4, Article 14-4 of the Act shall apply mutatis mutandis to the Committee's Independent Directors.

Article 6: The Committee's powers are as follows:

- (1) To formulate or amend internal control system pursuant to Article 14-1 of the Act;
- (2) To assess the effectiveness of internal control system;
- (3) To formulate or amend procedures for significant financial or business activities pursuant to Article 36-1 of the Act; for example, acquisition or disposal of assets, derivative transactions, loans to other parties, and provision of endorsements or guarantees to other parties;
- (4) Matters involving Directors' personal interests;
- (5) Material asset or derivative transactions;
- (6) Material loans or provision of endorsement or guarantees to other parties;
- (7) Offering, issuance, or private placement of equity-type marketable securities;
- (8) Appointment, discharge or compensation of CPAs;
- (9) Appointment or discharge of a financial, accounting, or internal audit officer;
- (10) Annual and semi-annual financial reports; and
- (11) Other material matters governed by the Company or the competent authority.

Matters set forth in the preceding paragraph shall be approved by the majority of all Committee members and be submitted to the Board of Directors (hereinafter referred to as the "Board") for resolution.

Except for Subparagraph 10, matters set forth in Paragraph 1 shall be approved by two-thirds of all Directors if the majority of all Committee members does not approve.

The term "all Committee members" refers to the number of persons currently holding those positions.

The Committee's convener represents the Committee externally.

Article 7: The Committee meetings shall be held at least once every quarter and may be scheduled when the need arises.

The meeting notice shall clearly state the reasons for convening the meeting and be given to all Independent Director members of the Committee seven

days prior to the meeting. However, emergencies are not subject to this requirement.

The Committee members shall elect one person from among themselves to be the meeting convener and chairperson. If the convener is on leave or is unable to convene the meeting for some reasons, he/she shall appoint another Independent Director member to stand proxy. If the convener does not appoint a proxy, the Independent Director members shall elect one person from among themselves to stand proxy.

The Committee may invite the Company's management members from relevant departments, internal auditing personnel, CPAs, legal consultants or other personnel to attend the meetings and provide relevant information. However, they shall vacate the meetings during discussion and voting.

When convening the Committee meetings, relevant information shall be provided to the Committee members as reference materials.

Article 8: A signing booklet shall be provided at the Committee meeting for the attending Independent Director members to sign in and be available for future reference.

Independent Director members shall attend the Committee meetings in person. The Independent Director who is unable to attend in person shall appoint another Independent Director member to attend the meeting on his/her behalf as a proxy. Attendance by video conference shall be deemed attendance in person.

The Committee member who appoints another Independent Director member to attend the Committee meetings shall submit a proxy form each time, indicating the scope of authorization with respect to the reasons for convening the meeting.

The Committee's resolutions shall be approved by the majority of its members. The voting results shall be announced at the meeting and placed on record.

If the Committee meeting cannot be held due to legitimate reasons, resolutions shall be approved by more than two-thirds of all Directors of the Board. However, the Independent Director members shall still express opinions on whether to approve matters set out in Subparagraph 10, Paragraph 1 of Article 6.

The proxy referred to in Paragraph 2 can only act on behalf of one Committee member.

Article 9: The Committee's meeting proceedings shall be kept in the meeting minutes, which shall faithfully record the following items:

- (1) Term, time and venue of the meeting;
- (2) Name of the chairperson;
- (3) Attendance of the Independent Director members, including the names and numbers of those who are present, on leave, and absent;
- (4) Names and positions of the attendants;
- (5) Name of the recorder;
- (6) Report items;
- (7) Discussion items: Voting method and result of each proposed resolution; speech summary of Independent Director members, experts and other persons; names of Independent Director members having personal interests pursuant to Paragraph 1 of Article 11; description on major aspects of the personal interests; the reasons for recusal or non-recusal; the circumstances of recusal; and objections or reservations;
- (8) Extempore motion: Names of proposers; voting method and result of each proposed resolution; speech summary of Independent Director members, experts and other persons; names of Independent Director members having personal interests pursuant to Paragraph 1 of Article 11; description on major aspects of the personal interests; the reasons for recusal or non-recusal; the circumstances of recusal; and objections or reservations; and
- (9) Other items that shall be recorded.

The Committee meeting's signing booklet is part of the meeting minutes and shall be retained properly throughout the life of the Company.

The meeting minutes shall be signed by or affixed with the seals of the meeting's chairperson and recorder, and be distributed to all Independent Director members within twenty days after the meeting. Also, they shall be classified as important Company files and be retained properly throughout the life of the Company.

The meeting minutes prescribed in Paragraph 1 may be prepared and distributed in electronic form.

Article 10: The Committee's meeting agenda is determined by the convener. Other members may also submit proposals to be discussed by the Committee.

Article 11: With regard to agenda items of which the Independent Director members have personal interests, they shall disclose the major aspects of such

personal interests. If the Company's interest may be impaired, those Independent Directors shall not participate in and shall recuse themselves from discussion and voting. Also, they shall not exercise the voting rights as proxies for other Independent Director members.

If the Committee is unable to make a resolution due to provisions in the preceding paragraph, it shall report to the Board for the latter to make the resolution instead.

Article 11-1: The Company shall tape-recorded or videotaped the entire process of the Committee meetings and retain the recordings for at least five years. Those recordings may be retained in electronic form.

If litigation arises from matters resolved in the Committee meetings before the above retention period expires, relevant audio or video recordings shall be retained until the litigation is concluded.

For Committee meetings conducted through video-conferencing, the video and audio recordings are part of the meeting minutes and shall be retained properly throughout the life of the Company.

Article 12: The Committee may, by resolution, engage lawyers, CPAs or other professionals to audit or provide advice on matters set out in Article 6. The expenses incurred shall be borne by the Company.

Article 13: The Committee members shall faithfully perform the duties prescribed in the Charter with due care of a prudent administrator. Also, they shall be accountable to the Board and report all proposals to the Board for resolution.

Article 14: The Committee shall periodically review matters related to the Charter and make recommendations to the Board for amendments.

The execution of Committee resolutions may be delegated to the convener or other Committee members, and they shall submit written or oral reports to the Committee during the execution. If necessary, their actions may be ratified or reported in the next Committee meeting.

Article 15: The Charter and any amendment hereto shall take effect upon the Board's resolution.

The first amendment was made on February 27, 2018.