CTBC Financial Holding Co., Ltd.
Tax Governance Policy
Ver 3.0

The English version of the Policy is its Chinese version counterpart and to the best of the knowledge translated in a candid and faithful manner. If, however, there is a discrepancy between the Chinese version and the English translation, the original Chinese version shall govern.

CTBC Financial Holding Co., Ltd.

Tax Governance Policy

Resume of Document

Version	Date	Details	Author	Remarks
V 1.0	2018/4/27	First edition	Financial Management Department	Approved by the 27th meeting of the 6th term Board of Directors on April 27, 2018.
V 2.0	2020/6/24	To respond to the trend of global anti-tax avoidance, relevant principles were amended.	Financial Management Department	Approved by the 19th meeting of the 7th term Board of Directors on June 24, 2020.
V 3.0	2021/5/21	To strengthen tax governance, relevant principles were amended.	Financial Management Department	Approved by the 33rd meeting of the 7th term Board of Directors on May 21, 2021.

I. Purpose of Tax Governance

Facing trends of globalized business management, increasingly complex cross-border business transactions, and global anti-tax avoidance, CTBC Financial Holding Co., Ltd. (hereinafter referred to as "the Company") established the tax governance policy (hereinafter referred to as "the Policy") to deal with those challenges, and to fulfill the goal of corporate sustainability and embody corporate social responsibility.

II. Applicable Entity

Domestic and overseas subsidiaries, included in consolidated financial statements of the Company, shall comply with the Policy.

III. Tax Governance Principle

The Company's tax governance shall adhere to principles as follows:

1. Pay taxes in compliance with local and international tax laws and regulations. Comply with the spirit as well as the letter of the tax laws and regulations.
2. Make advance tax analysis to avoid double taxation, reduce tax costs, and create shareholder value.
3. Sustain open and appropriate relations with tax authorities.
4. Maintain transparency in tax information and comply with financial reporting standards and the rules governing disclosure in annual reports.
5. Manage tax risks effectively.
6. Through continuous tax training, tax management professionals enhance proficiency in tax.
7. Adhere to the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations and local transfer pricing regulations in countries, where we operate, and in an effort to implement arm's length principle, economic substance principle, and compliance principle in related party transactions.
8. Not engage in transactions for sole purpose of tax avoidance, such as transferring value to low tax jurisdictions or so-called "tax havens", or using tax structures.

IV. Roles and Responsibilities

1. The Board of Directors

The Board of Directors is the supreme unit in decision making, supervision, and assessment of the Policy, to ensure the effective implementation of tax governance.

2. Financial Management Department

Financial Management Department is responsible for constitution of the Policy and framework for tax governance, and monitoring ongoing execution compliance with the principles mentioned above. The Policy is reviewed by Financial Management Department on a yearly basis, and is amended when necessary.

In regards to tax disputes and appeals, it is reported to Board of Directors, in accordance with delegation of authority.

With respect to other tax matters, it is non-periodically reported to Board of Directors, depending on the significance of tax issues judged by the Chief Financial Officer.

V.   Implementation and Amendment

The policy is implemented upon the approval of the Board of Directors, as are amendments.