

SinoPac Financial Holdings Company Limited

Tax Governance Policy

- Not formulated in accordance with external regulations
- Formulated in accordance with external regulations

Formulating Unit: Finance Management Division

Approval Level: Board of Directors

Article 1. Purpose of Formulation

In order to realize the Company's goals of sustainable operations and stable growth and in response to the international trend of tax governance, the Policy is thus formulated.

Article 2. Subject of Application

The Company and domestic and foreign subsidiaries that are included in the consolidated financial statements shall comply with the Policy.

Article 3. Tax Governance Principles

The use of tax strategies and the management of tax costs shall be in line with the principles of robust operations and good faith so as to reduce tax risks, protect shareholders' rights, and fulfill the corporate social responsibility and corporate citizenship obligations.

Article 4. Tax Governance Policy

1. Compliance : Understand and comply with the tax regulations and legislative intent and spirit of each operation location and country, calculate taxes accurately, and pay the tax within the deadline in accordance with the law, fulfill the tax obligations.
2. Optimal decision : Make advance tax analysis, not engage in transactions for sole purpose of tax avoidance, and consideration to the optimization of our overall tax burden and the impact on our reputation, risk management, and sustainability values. Carefully evaluate the impact of the changes in tax regulations and international taxation principles and propose response strategies.
3. Economic substance : Avoid tax base erosion, do not use tax structures without commercial substance, do not transfer value created to low tax jurisdictions, or use secrecy jurisdictions (so-called "tax havens") to avoid taxes.
4. Transfer Pricing : Related party transactions should implement the commercial substance principle, arm's-length principle, and tax compliance principle. Related party transactions shall be in accord with rational commercial purpose with the transfer price reflecting economic reality, follow the "Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations" by the Organization for Economic Cooperation and Development (OECD) and transfer pricing norms of local tax regulations, so as to fulfill tax obligations in the jurisdictions where value is created. In addition, in accordance with the relevant provisions of the "Regulations Governing Assessment of Profit-Seeking Enterprise Income Tax on Non-Arm's-Length Transfer Pricing" or the tax laws regulations of

subsidiary location to prepare or file the transfer pricing documents.

5. Information transparency : Disclose tax-related information in public channels on a regular basis to ensure that information is open and transparent.
6. Integrity and communication : Maintain open and honest communication with tax authorities, provide practical views and insights of the industries , and help improve the tax environment and systems.
7. Professional training : Strengthen professionalism in tax and cultivate talents through internal and external education and training as well as participation in tax seminars.

Article 5. Authority and Responsibility of Tax Governance

1. The Board of Directors is at the highest level of supervising the Company's tax management, verifies tax governance policies, and supervises and guides effective operations of tax governance policies.
2. The Finance Management Division is the Company's tax governance unit. It reports tax matters in accordance with the approval authority chart of the hierarchical management policy, and the supervisor at the highest level at the Finance Management Division shall report to the Board of Directors based on the materiality of an issue.

Article 6. The Policy shall be implemented after the approval of the Board of Directors. The same shall apply to any future amendments.

The Policy has been approved in the 5th meeting of the 6th Board of Directors on May 24, 2019.

The Policy has been approved in the 9th meeting of the 7th Board of Directors on Dec 25, 2020.