

The Taiwan Business Bank Co., Ltd. Tax Governance Policy

Established on July 13, 2022

Competent Authority: Accounting Department

Article 1

The Policy established by The Taiwan Business Bank Co., Ltd. (hereinafter referred to as "Bank ") In order to respond to the international trend of adopting tax governance, to implement sustainable development of corporate, and to comply with the tax laws and regulations.

Article 2

In order to implement tax governance, the application of tax strategies and tax cost management of the Bank and its domestic and foreign subsidiaries should comply with the principles of sound operation and honest taxation in order to reduce tax risks, enhance shareholder value, and fulfill corporate social responsibilities.

Article 3

The Bank and domestic and foreign companies shall implement tax governance in accordance with the following policies:

1. Legal compliance: Comply with local tax laws, calculate correct taxes and pay the amounts by the statutory deadlines, and fulfill the social responsibility of a taxpayer.
2. Risk management: Assess the impacts of changes of local tax laws and international tax guidelines where the business is conducted, and formulate response strategies.
3. Economic substance: Not to use tax structures that are tax evasion based or without commercial substance, profit shifting to low tax jurisdictions, or tax avoidance via tax havens.
4. Arm's length transactions: Stakeholder transactions should adhere to the arm's-length principle and comply with the local transfer pricing rules where the business is conducted.
5. Information transparency: Comply with financial reporting guidelines and the competent authorities' regulations, and disclose taxation information regularly to ensure tax transparency.
6. Honest communication: Communicate with local tax authorities in places of operations in an open and honest manner to maintain friendly relationships.
7. Cultivation of talents: Strengthen professional competence and professionalism

of tax specialists and continue to cultivate professional tax talents through educational trainings and tax seminars.

Article 4

The tax governance-related authorities are as follows:

1. The Board of Directors is the highest decision-making and supervisory body for the Bank's tax governance, approves tax governance policies, and ensures the effective implementation of tax governance policies.
2. The Accounting department is the tax management unit of the Bank and reports on tax matters in accordance with its authority and responsibilities, and non-periodically to the Board of Directors, depending on the significance of tax issues.
3. The accounting departments of other units are the executive units for taxation.

Article 5

Matters not resolved in the policy should be referred to the laws and the relevant provisions of the Bank.

Article 6

The Policy applies effectives upon approval of the Board, and the amendments as well.