



Fubon Financial Holding Co., Ltd. and Subsidiaries

Tax Governance Policy

Approval Date: 2023/02/14

Effective Date: 2023/02/16

Accounting and Performance Management Division, Tax Department

Version : 2

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Tax Governance Policy

Article 1 (Purpose)

Fubon Financial Holding Co., Ltd. (hereinafter referred to as the “Company”) establishes Tax Governance Policy to implement strong governance over its tax affairs, tax risk management and truly comply with the relevant provisions of tax laws and regulations to enhances shareholder value, and fulfills its corporate social responsibility.

Article 2 (Scope)

This policy should be complied with by the Company and its subsidiaries as prescribed in the business license. (hereinafter referred to as the “Subsidiaries”) (collectively called the “Group”).

If the Subsidiaries decide to establish its own tax policy considering its scale, business operation or underlying adopted regulations and rules, the Subsidiaries should give prior notice to Accounting and Performance Management Division and CEO of the Company.

The Subsidiaries should supervise its subsidiaries on the compliance of this policy.

Article 3 (Governance)

The governance scope of this policy covers the following operations to be performed by the Company and its subsidiaries:

1. Routine tax declaration and tax payment: including the daily operations of tax payment, declaration and correction; and preparation of the transfer pricing documents (including country by country report and group master file);
2. Application for tax incentives: including, but not limited to, tax incentives in accordance with tax laws and regulations of each country;
3. Tax administrative remedies: including procedures such as recheck, petition, and appeal to the administrative court;
4. Disclosure of tax information: including the disclosure in financial reports, the company's official website, etc.;

5. Tax planning: including, but not limited to, the structure planning of mergers and acquisitions, establishment, disposition, and reorganization, and financing arrangement. If related party transactions are involved, the reasonableness of the commercial purpose will be evaluated and the supporting documents that the related party transactions meeting the transfer pricing requirements will be reviewed;
6. Communicating with tax authorities: including but not limited to applying for rulings or interpretations from the tax authority, making suggestions on drafts and amendments to the tax laws and regulations, and providing supplementary information on the Company's routine declarations to the tax authority.

Article 4 (Principles)

The Group should manage their tax affairs with integrity and diligence, in accordance with the following principles:

1. Compliance: Complying with tax laws, rules, and regulations and disclosure requirements, to report and pay all applicable taxes with due care in a timely manner, fulfilling corporate taxpayers' social responsibilities where the Group operates. Both the letter and spirit of the laws will be taken into account when performing tax operations.
2. Transparency: Complying with all relevant tax reporting disclosure requirements to ensure transparency and the tax information is publicized appropriately.
3. Legitimate structure: Any tax planning should be legal and the Group should not structure transactions aiming to reduce tax burden as the sole purpose or not shifting profit to the countries or jurisdictions listed as non-cooperative tax havens with low tax rate by Organization for Economic Co-operation and Development and EU commission and shall consider the Group's business operation, social responsibilities in the relevant countries, reputations, risk management and sustainable development.
4. Transfer pricing: Compliance with transfer pricing requirements and arm's length principles in tax law for related party transactions in the countries and jurisdictions where the Group operates.
5. Open communication: Communicating in an open, honest and professional manner when dealing with local tax authorities where the Group operates and seeks to improve the tax environment by informing industry related or practical issues to the tax authorities.

6. Risk management: Ensuring robust internal control procedures for tax matters are in place, maintaining regulatory change management process and implementing the changes, and considering tax risks as part of the decision-making process in major transactions.
7. Tax personnel: Supporting tax personnel to ensure that they have the skills, technical expertise and knowledge to effectively and accurately fulfill their tax responsibilities by providing continuous training, and have access to external advice when needed.

Article 5 (Tax responsibilities)

1. The Board of Directors

The Board of Directors oversees the material tax risk management. It approves the tax policy of the Group to ensure the risk management mechanism works effectively.

2. Tax Function

The day-to-day management of tax affairs rests with the Accounting and Performance Management Division of the Company, and supervised by Chief Finance Officer (CFO), who is responsible for reporting to Chief Executive Officer (CEO) on tax governance matters as appropriate, in order to ensure tax risk is properly managed.

The annual tax governance plans and implementations are updated to the Corporate Governance and Sustainability Committee on a regular basis, which will report to the Board of Directors at a minimum of once a year.

Article 6 (Other Matters)

Any matters not provided for herein should be handled pursuant to the relevant rules and regulations promulgated by the competent authorities and other internal rules of the Company.

Article 7 (Effective Date)

This policy shall be published and implemented after the approval by the Board of Directors of the Company according to “The Policy for the Formulation of the Internal Rules and Regulations of the Company”. The same shall be applicable in case of amendments.

Attachment: Version Record

| Versions | Approval Date | Effective Date | Approval Level | Remark |
|----------|---------------|----------------|--------------------|--|
| 01 | 2021/04/29 | 2021/05/12 | Board of Directors | |
| 02 | 2023/02/14 | 2023/02/16 | Head of Division | Amendments made in response to change in the name of the Company's organization that did not involve substantial change. |

(This is an English translation of the Chinese version.

The Chinese version should prevail where inconsistencies exist.)