

Chang Hwa Commercial Bank Co., Ltd. Tax Governance Policy

Enacted on 28 September 2021

Amended on 13 May 2022

Article 1 In order to respond to the international trend of tax governance, to implement the goal of sustainable corporate development, and to comply with the tax laws and regulations, this tax governance policy (hereinafter referred to as the "Policy") has been formulated.

Article 2 The Company and its domestic and overseas subsidiaries shall follow this policy and implement tax governance.

Article 3 The application of tax strategies and the management of tax costs should comply with the principles of sound operation and honest taxation in order to reduce tax risks, enhance corporate value, and fulfill social responsibilities.

Article 4 The Company shall implement tax governance in accordance with the following policies:

1. Compliance with laws and regulations: Understand and comply with the tax regulations and legislative intent and spirit of each operation location and country we operate, file tax returns and pay taxes in good faith, and fulfill the social responsibility of a tax payer.
2. Risk control: Identify potential tax risks and formulate countermeasures through advance tax assessment.
3. Economic substance : Avoid tax base erosion, do not use tax structures that are intended to avoid taxes, and do not shift profits to low-tax countries or use 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 regulations of subsidiary location to prepare or file the transfer pricing documents.

5. Transparency of information: Comply with financial reporting standards and the regulations of competent authorities to regularly disclose tax information and strengthen the transparency of tax information.
6. Integrity and communication: To communicate with the tax authorities in the place of operation in an open and honest manner and to maintain a good and harmonious relationship.
7. Professional Development: Continue to strengthen the professional functions of our tax professionals and nurture talents through education, training and participation in various tax seminars.

Article 5 The tax governance-related authorities are as follows:

1. The Board of Directors is the highest decision-making and supervisory body for the Company's tax governance, approves tax governance policies, and ensures the effective implementation of tax governance policies.
2. The Finance Management Division is the tax administration unit of the Company 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 department of each company and operating base is the executive unit for taxation.

Article 6 Matters not resolved in the policy shall be referred to the laws and regulations of the taxing authority and the relevant provisions of the Company.

Article 7 The Policy applies effectives upon approval of the Board, and the amendments as well.