

Yuanta Financial Holding Company
Tax Governance Policy

Approved by the Board of Directors on December 26, 2018 (35th meeting of the 7th board)

Amendments approved on December 25, 2019 (10th meeting of the 8th board)

Amendments approved on March 23, 2021 (26th meeting of the 8th board)

Chapter 1 General Provisions

Article 1

In response to the international trend of tax governance and the increasingly complex multinational tax environment, and considering that tax risks can be controlled to strengthen and implement corporate sustainable development goals and enhance shareholder value, this Policy is specifically formulated to facilitate compliance.

Article 2

The scope of application of this Policy includes the Company and its subsidiaries included in the main body of the Company's consolidated financial statements (hereinafter referred to as "the Company and its subsidiaries").

Chapter 2 Tax Governance Principles

Article 3

The Company and its subsidiaries shall implement tax governance in accordance with the following principles:

1. Compliance with laws and regulations: The Company and its subsidiaries shall comply with the tax laws and regulations of each country in which they operate and the spirit of its legislation, and complete the filing and payment of taxes in accordance with the law, and fulfill their social responsibilities as a tax payer.
2. Tax structure: Tax planning and organizational restructuring shall be legal and shall not be carried out for the primary and sole purpose of tax avoidance.
3. Economic realities:
 - (1) When carrying out tax planning, profits or organizational structure shall not be transferred to tax non-cooperative countries listed by the Organisation for Economic Co-operation and Development (OECD) and the European Union (EU) on the black list for tax avoidance purposes (List of Non-cooperative Jurisdictions for Tax Purposes) or offshore low-tax countries or regions as

- defined by Taiwan's income tax law (such as tax havens).
- (2) Transactions with related parties shall comply with conventional trading principles and be priced to reflect economic realities. In addition, relevant documents for transfer pricing shall be prepared in accordance with the laws and regulations of the OECD and countries in which they operate to meet the specifications of transfer pricing.
4. Risk Control and Management:
 - (1) Each tax plan needs to comply with the principles of corporate sustainable development, corporate social responsibility, and risk management in order to safeguard shareholder rights and interests and create shareholder value.
 - (2) In order to reduce the domestic and overseas tax risks of the Company and its subsidiaries, the accounting department shall actively participate in the discussion of important or special tax issues between the Company and its subsidiaries due to differences in tax opinions and planning; if necessary, external professional advisors may be appointed or consulted to effectively control tax risks and evaluate countermeasures.
 5. Active communication: Maintaining good communication relationships with tax authorities in a timely manner, and providing practical perspectives and experience of industries to help improve the tax environment and national tax system.
 6. Information transparency: Complying with relevant laws and regulations such as Financial Reporting Standards, and regularly disclosing tax information in financial reports and other public information to ensure that tax information is transparent and open.
 7. Talent cultivation: Cultivating and strengthening tax professional capacities through continuous educational training and participation in various tax lectures.

Chapter 3 Responsible Units

Article 4

The Company's accounting department is the tax management unit and is responsible for the formulation, amendment, and related matters of this Policy. When the Company and its subsidiaries handle various types of tax declarations, they shall obtain approval with appropriate authority in accordance with the internal layered responsibility requirements.

Article 5

Administrative tax relief cases involving the Company and its subsidiaries shall be

approved in accordance with the internal layered responsibility requirements. Subsidiary cases shall be reported to their parent companies. Other tax-related matters of the Company and its subsidiaries shall be reported by the accounting department, depending on the significance of the issue, to the board of directors of the Company from time to time.

Chapter 4 Supplementary Provisions

Article 6

This Policy shall be reviewed and amended annually in response to changes in international and governmental laws and regulations. Other matters not covered in this Policy shall be handled in accordance with the relevant regulations of the competent authorities and the Company.

Article 7

This Policy, and any amendments to it, shall be implemented upon approval by the board of directors.