

## **Far Eastern New Century Corporation**

### **Tax Governance Policy**

- Article 1 Tax governance policy (hereinafter referred to as the “Policy”) is established in response to the international trend of tax governance aiming to fully implementing tax laws and regulations compliance, executing sustainable development of enterprise, and fulfilling enterprise social responsibility.
- Article 2 The Policy aims at ensuring the methodology of managing tax risks accords with company’s core value. Not only the financial benefit but also the commitment to enterprise social responsibility is considered when doing tax planning.
- Article 3 International and domestic subsidiaries included in Far Eastern New Century’s consolidated financial statements shall abide by the Policy.
- Article 4 Tax governance policy:
1. Law and regulation compliance:
    - (a) Comply with tax laws and regulations established by countries in which company operates, file tax return and pay tax on time, and follow arm’s length principle in transactions with related parties.
    - (b) Consider the spirit of law when interpreting laws and regulations.
  2. Information transparency:
    - (a) Disclose tax information in financial statements, corporate sustainability related reports, and other public platforms periodically.
    - (b) The content of information disclosed would be adjusted timely through understanding issues that interested parties concerned in order to meet their expectations.
  3. Risk control:
    - (a) Evaluate tax laws and regulations, tax incentives and tax treaties prudently and apply them to tax planning.
    - (b) Neither participating in or manipulating fake or complicated transactions which have no economic substance, nor transferring profit to countries with low income tax rate or using tax haven to avoid taxes.

4. Integrity and communication:
  - (a) Be committed to maintaining good communication relationship with tax authorities based on good faith and mutual trust and supports government's policy in promoting sustainable development.
  - (b) Provide advices to the government in the perspective of industrial practices and assist in improving tax environment and system during the period of public comments for drafting tax law and regulations.
5. Professional training:
  - (a) Tax personnel should strengthen their expertise by such continuing education as attending tax training and seminars and doing tax research.
  - (b) Tax personnel should respond to the risk resulted from changes of tax laws and regulations rapidly and plan tax strategy accordingly.

Article 5 The accounting department of Far Eastern New Century Corporation and of subsidiaries is the management unit for tax governance and is in charge of all kinds of tax filing, tax planning and tax risk evaluation.

Article 6 This Policy should be reviewed and amended in response to the changes of international and domestic tax laws and regulations. Matters not included herein shall be governed by provisions of competent authority and of Far Eastern New Century Corporation.