

Coretronic Corporation

Tax Policy and Management Guidelines

Chapter I: General Provisions

Article 1 Coretronic Corporation (hereinafter referred to as “the Company”) has established the Tax Policy and Management Guidelines (hereinafter referred to as “the Policy”) to align with international trend of tax developments and to implement tax compliance. The Policy aims to enhancement of tax governance and risk control while carrying out sustainable development of enterprises and fulfilling Coretronic Group’s social responsibilities.

Article 2 All subsidiaries included in the consolidated financial statements shall comply with the Policy.

Chapter II: Tax Policy

Article 3 The Company and its subsidiaries shall abide by the following tax policy while upholding the principles of integrity and prudence:

1. Regulatory Compliance

Endeavor to comply with the spirit and the letter of tax laws, regulations, and reporting and disclosure requirements in the jurisdictions in which the Company operates. Taxes must be filed honestly and paid in full to fulfill social responsibilities as a taxpayer

2. Avoidance of Improper Tax Planning

Investment structures and transaction models must be prudently evaluated to ensure that they conform to the doctrine of economic substance and legitimate commercial objectives, and not to use tax havens or tax structures solely for tax avoidance.

3. Related-Party Transactions

Transfer pricing policies are established in accordance with the Organization for Economic Co-operation and Development (OECD) Transfer Pricing Guidelines and benchmark analyses, based on the arm’s length principle. Profit allocation reflects value creation, ensuring that related-party transactions comply with both regulatory and arm’s length requirements.

4. Tax RiskAssessment

All major decisions of the Company take tax implications into consideration and follow internal control procedures to assess and manage tax risks, then implements appropriate measurement, management, and control measures.

5. Information Disclosure

Disclose tax-related information in accordance with legal and regulatory requirements.

6. Relationship with Tax Authorities

Establish transparent and trustworthy relationships with tax authorities in the jurisdictions where the Company operates. The Company engages in timely communication on tax matters and provides industry insights on public policy to support the improvement of the overall tax

environment.

Chapter III: Management Responsibilities

Article 4 The responsibilities of tax governance are as follows:

1. The Board of Directors is the highest decision-making and supervisory unit of the Company. It approves the tax policy of the Group to ensure the risk management mechanism works effectively.
2. The Company's Chief Financial Officer (CFO) is responsible for oversight and decision-making related to tax management. Routine tax administration and management are carried out by the Tax and Insurance Department under the CFO's supervision.
3. The Company and its subsidiaries shall proceed in accordance with delegation of responsibilities and get proper authorization and approval when preparing the tax declaration.
4. The Company and its subsidiaries shall carefully review and well preserve all the tax-related working papers and vouchers for internal documentation and external tax authorities' review.
5. The Company and its subsidiaries shall assess tax risk carefully when making significant transactions and decision and seek professional advice from external taxation consultants if necessary.
6. Tax personnel of the Company and its subsidiaries shall enhance the expertise of tax team and develop tax talents through internal and external training, as well as participation in tax seminars to ensure they possess up-to-date tax expertise and capabilities.

Chapter IV: Supplementary Provisions

Article 5 The Policy must be reviewed and amended accordingly in response to changes in international and domestic laws and regulations. Other matters not covered shall comply with related provisions of the authorities and the Company.

Article 6 The Policy and any amendments thereto, shall become effective upon approval of the Board of Directors.