



**Taiwan Mobile Co., Ltd.**

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**Tax Policy**

Approved Date : March.13.2017

Responsible Unit : The Accounting Department

Version : First Version

# Taiwan Mobile Co., Ltd.

## Tax Policy

Approved by the Chairman of the Board on March 13, 2017

- Article 1 This Tax Policy (hereinafter referred to as the "Policy") is established to enable Taiwan Mobile Co., Ltd. ("TWM") and subsidiaries to conform to the international trend of tax governance, enhance tax compliance, achieve sustainable development of the business, increase shareholders' value, fulfill the corporate social responsibility and require all the employees to strengthen the compliance of tax regulations.
- Article 2 This Policy applies to all consolidated subsidiaries, provided that the subsidiaries' operations may affect TWM's overall financial or tax figures.
- Article 3 TWM and subsidiaries are committed to being honest taxpayers and supporting the government's tax regulations and reforms for promoting business innovation, research and development, and economic growth. To pursue sustainable development and fulfill social responsibilities, TWM and subsidiaries are committed to the following:
1. Honest declaration and duty payment:  
Complying with all applicable local tax laws of all countries and duly reporting and paying all necessary taxes to fulfill social responsibility as taxpayers.
  2. Information transparency in financial reports:  
Disclosing tax information in accordance with the relevant regulations and reporting requirements.
  3. Mutually trustful and honest communication relationships:  
Developing mutually trustful and honest communication relationships with tax authorities, consulting tax authorities on tax issues timely to achieve early agreement on different opinions and maintaining harmonious relationships with tax authorities.
  4. Deliberate risk assessment of tax:  
Assessing tax related risk and impacts deliberately and establishing effective control over significant business transactions and decisions.
  5. Enhancement to tax professions and personnel training:  
Assessing the tax impacts and developing the coping strategies timely to cope with the relevant legislative changes.

Article 4 The responsibility of tax governance:

1. The Accounting Departments of TWM and subsidiaries are responsible units for all kinds of tax affairs.
2. TWM and subsidiaries shall proceed in accordance with delegation of responsibilities and get proper authorization and approval when preparing the tax declaration.
3. TWM and subsidiaries shall well review and preserve all the tax-related (for instance, profit-seeking enterprise income tax, income basic tax, domestic and foreign withholding tax, imputation credit, income tax on unappropriated earnings, other taxation and administrative remedies, etc.) working papers and vouchers for internal documentation and external tax authorities' review.
4. TWM and subsidiaries shall assess tax risk carefully when making significant transactions and decision, and seek professional advice from external taxation or legal consultants if necessary.

Article 5 To ensure that TWM and subsidiaries apply consistent treatments on tax related issues, and conform to the Article 3 above on tax opinions, planning or frameworks, the subsidiaries shall proceed in accordance with the delegation of responsibilities and inform TWM simultaneously when the following transactions and events happen. To the extent necessary TWM may participate in the tax related issues and require the subsidiaries to provide supporting documents or to deliver the measures for improvement.

1. Changes in equity.
2. Mergers and acquisitions, or significant structure planning, disposals and tax-related decisions of domestic and foreign businesses.
3. Taxation advices and planning of significant business transactions, and tax related decisions and risk assessments.
4. Significant or potentially controversial communications with external tax authorities (excluding situations: routine amendments, undisputed, risk-free, and simple information providing).
5. Discussions of significant tax issues or disputes with public accountants.

6. Investigations by external tax authorities or risks of potential violation of tax laws.
7. Significant tax issues or disputes occurred on the domestic and foreign businesses or investments.
8. Other tax issues that have significant impacts on financial statements.

Article 6 This Policy shall be reviewed and amended accordingly in response to changes in international and domestic laws and regulations. Other matters not covered shall comply with relevant provisions of the authorities and TWM.

Article 7 This Policy and any amendments thereto, shall become effective upon approval and announcement of the Chairman of the Board.