

COMPAL ELECTRONICS INC.

Tax Policy and Management Guidelines

CHAPTER I GENERAL PROVISIONS

Article 1

With adherence to the concept of sustainable operation and innovation and transformation, COMPAL ELECTRONICS INC. (hereinafter referred to as "the Company" or "Compal") formulates the "Tax Policy and Management Guidelines" (hereinafter referred to as "the Policy") in order to implement the group's corporate social responsibility, promote local economic development, commit to compliance with laws and regulations, and implements tax governance and risk control.

Article 2

Subsidiaries included in the consolidation financial statements shall follow the Policy, except for those who either have established their own tax policies to conform or have their own corporate governance to adhere to as publicly shares issued companies.

CHAPTER II TAX POLICY

Article 3

The Company and its subsidiaries adhere to the principle of integrity and stability, and follow the tax policy as follows.

1. Compliance with laws and regulations:

To commit to comply with the spirit as well as the letter of the tax laws and regulations in the countries in which the Company operates business, to prepare the international tax governance documents within the deadline and accomplish the filing in due course, and to settle relevant tax burdens on time, in order to conduct tax supervision and governance.

2. Avoid improper tax planning:

To prudently evaluate various investment structures and transaction models to meet the economic substance and reasonable business purposes, and do not use tax havens for planning or deliberately transfer profits to countries or regions with low tax rates for tax avoidance purposes.

3. Related party transactions:

To follow the transfer pricing guidelines announced by the Organization for Economic Co-operation and Development (OECD), in order to have the related party transactions comply with transfer pricing regulations and be defined under the arm's length principles.

4. Tax risk assessment:

To take taxation factors into consideration in significant operational decision-making, and to assess corresponding tax risks and impacts.

5. Information Disclosure:

To disclosure tax information in accordance with the requirements of relevant laws, regulations and standards.

6. Relationship with tax authorities:

To establish mutual respect and good interactive relationship with tax authorities based on the principles of mutual trust, information transparency and compliance with laws and regulations.

CHAPTER III RESPONSIBILITY on TAX MANAGEMENT

Article 4

Tax management responsibilities are as follows:

1. The board of directors is the highest unit for establishing an effective tax management mechanism of the Company, which is responsible for the approval of tax policies and supervising the effective operation of the tax management mechanism.
2. When processing various tax returns, the Company and its subsidiaries shall be responsible for each level and obtain appropriate approval.
3. The Company and its subsidiaries must carefully examine and review various tax declarations and issues and properly retain supporting materials for the purpose of complete filing in the company or review by external competent authorities.
4. The Company and its subsidiaries should prudently evaluate the taxation impact in each major transaction and decision, and engage or consult external professional consultants depending on operation demands.

CHAPTER IV SUPPLEMENTAL PROVISIONS

Article 5

This Policy should be reviewed and amended in due course in response to changes in international trends or laws and regulations. Other matters not covered here shall be handled in accordance with the relevant regulations of the competent authority and the Company.

Article 6

This Policy and any amendments thereto shall become effective upon approval of the Board of Directors.

Article 7

This Policy was enacted on August 11th, 2023.

The 1st amendment was made on April 16th, 2024.