Taiwan Cement Corporation

TCC Group Global Tax Policy and Management Guidelines

Approved by the Board of Directors on January 28, 2021

Article 1 Taiwan Cement Corporation (the "Company") and its subsidiaries (together with the Company, the "Group") hereby establish this TCC Group Global Tax Policy and Management Guidelines (the "Policy") in response to the international norms of tax governance, to ensure the Group's compliance with tax laws, sustainable development and risks controls, and for the purpose of increasing shareholder values and shouldering the Group's corporate social responsibilities, as well as facilitating the proper adherence of tax laws and regulations by all employees of the Group.

Article 2 The Policy applies to all the subsidiaries of the Company, including those included in the Company's consolidated financial statements and whose operations affect the overall financial or tax figures of the Company.

Article 3 The Group is committed to being an honest taxpayer and supports the government's initiatives to promote innovation, research and development, economic growth, and tax reform. In the pursuit of sustainable development and social responsibility, the Group's tax policy is as follows.

I. Honest reporting of income and proper payment of tax:

Compliance with the local tax laws and regulations where the Group operates its business:

(1) preparing transfer pricing documentation to comply with the applicable transfer pricing regulations;

(2) no utilization of tax havens or engaging in tax planning specifically for the purpose of tax avoidance;

(3) no transferring of any profits to a foreign country or territory with low tax burden as defined under the R.O.C. income tax law; and

(4) Fully understanding and complying with spirit of local tax regulations and legislative principles, ensure accurate tax calculations, honest reporting of tax, timely settling of tax liabilities within the statutory deadlines, and fulfilling the social responsibility of a taxpayer.

II. Information transparency:

Tax disclosure shall be implemented in compliance with relevant regulations and guidelines. To ensure financial transparency, tax information shall be disclosed regularly through public channels including financial reports, annual reports, and sustainability reports for the Company's stakeholders.

III. Mutual trust and honest communication:

Establishing a relationship of mutual trust and honest communication with the tax authorities; discussing and clarifying any tax issues in a timely manner, and maintaining a harmonious and cordial relationship with the tax authorities.

IV. Careful assessment of risks and implications of tax:

Assessing the tax-related risks and implications of major transactions and decisions prudently, and implementing effective risk controls through proper management mechanisms.

V. Enhancing tax training and education for the further development of tax knowledge and expertise:

Building the ability to assess the impact of changes in relevant tax laws and regulations and to make quick decisions in response thereto.

Article 4 Transfer Pricing principles for related-party transactions:

I. Principle of business substance: Related-party transactions must have a reasonable commercial purpose, and their pricing should reflect the economic substance. The actual decision-makers should bear the risks arising from related-party transactions and receive corresponding returns.
II. Arm's length principle: Related-party transactions should be individually evaluated and adopt the most appropriate comparable transaction method according to transfer pricing regulations in various countries. This is to ensure the terms of the transactions are similar to the outcomes of similar unrelated-party transactions.
III. Principle of tax compliance: The Company and its subsidiaries should prepare or declare related-party information, transfer pricing documentation, and other relevant documents according to the tax regulations of their respective counties.

Article 5 Tax Governance and Related organization's responsibilities:

I. The Company's tax management is governed by the Board of Directors, the highest decision-making and supervisor, who is also responsible for the approval of tax governance policies and ensuring the effective implementation of tax governance policies.
II. The Finance department of the headquarter is responsible for tax management and is required to report annually to the Board of Directors on the execution of tax

management after the declaration of income tax for the fiscal year.

III. The accounting departments of the Company and its subsidiaries are the owners of all tax matters.

IV. When filing the profit-seeking enterprise income tax returns and other tax declarations, the owners that are responsible for submitting the filing shall obtain the proper authorization and approval pursuant to the delegation hierarchy within the Company or its subsidiaries, as applicable.

V. For tax liabilities with spillover implications (e.g., profit-seeking enterprise income tax, basic income tax, domestic and overseas tax withholdings, tax on undistributed surplus earnings, other taxes and issues relating to administrative remedies), the Company and its subsidiaries must carefully examine the relevant information in detail and properly retain the draft calculations and supporting documents for complete record keeping and/or review by the authorities.

VI. The Company and its subsidiaries shall carefully assess the tax implications of major transactions and decisions and, where necessary, appoint or consult external tax experts and legal counsel.

Article 6 To ensure the consistent and coherent handling of all tax matters by the Company and its subsidiaries, and that their tax opinions, plans, or structures are in accordance with the principles of Article 3, when handling the following matters or events, the Company's subsidiaries shall adhere to the principles of hierarchy delegation while also notifying the Company of such matter or event. The Company may get involved in such matter or event or require the subsidiary to submit the relevant information or propose remediation measures depending on the circumstances:

I. change of equity structure;

II. proposed merger or acquisition, or major corporate structuring, disposals or taxation decisions of domestic or overseas entities;

III. tax opinions, planning, tax-related decisions or risk assessments regarding a major transaction;

IV. communications with tax authorities regarding major issues or potential disputes (excluding routine corrections and communications without any disputes and risks, and simple submission of corporate information)

V. communications with auditors regarding major tax issues or disputes;

VI. investigations by tax authorities or risks of potential tax violation;

VII. major tax issues or disputes relating to any domestic or overseas enterprises or investment; and

VIII. other tax issues having material impact on the financial statements.

Article 7 The Policy shall be regularly reviewed and amended in response to the changes to international and national laws and regulations. Matters not specified herein shall be subject to the rules and guidelines of the competent authorities and the Company's relevant policies.

Article 8 The Policy and its subsequent amendment shall be promulgated and take effect upon the approval thereof by the Chairperson of the Company's Board of Directors.