

Chunghwa Telecom Co., Ltd.

Tax Policy and Management Procedures

Approved by the Chairman on May 16, 2018

First Amended on March 15, 2021

Chapter I. General Provisions

Section 1. The “Tax Policy and Management Procedures” (hereinafter referred to as the “Procedures”) are established as guidelines for the Company and each subsidiary for managing tax processes in pursuit of sustainable business development, fulfillment of social responsibility, and implementation of tax governance.

Section 2. All domestic and foreign subsidiaries covered as the entities in the consolidated financial statements shall abide by these Procedures.

Chapter II. Tax Policy

Section 3. The Company is committed to be a honest taxpayer, and uphold the following principles:

(1) High-quality Tax Compliance

Comply with the local tax regulations and requirements in every country, file reports without misrepresentation at the specified time, and pay the taxes. Interpret the tax laws by taking into account the literal and legislative intents. Transactions of relevant parties are to be conducted in line with the international transfer pricing guidelines published by the Organization for Economic Cooperation and Development (OECD) instead of a purposeful profit shifting to countries with a lower tax rate.

(2) Transparent Information

Disclose tax information to the stakeholders in the financial statements on a regular basis, and ensure the transparency of information.

(3) Prudent Assessment and Impact

Major transactions and the decisions thereof are to be made with a prudent assessment of tax risks and impacts, not to use tax structures without commercial substance, upholding the arm's length principle without engagement in schemes for illegal tax avoidance or the so-called "tax havens."

(4) Excellent Communication

Communicate with local tax authorities with an honest and professional attitude, discuss and clarify tax issues as appropriate.

(5) Professionalism and Talent Training

Continually increase professional quality, be able to assess the impacts and provide a quick response to any change in the tax laws.

Chapter III. Responsibilities in Tax

Section 4. Responsibilities in Tax

- (1) The accounting departments in the Company and each subsidiary shall be responsible for all kinds of tax matters.
- (2) The Company and each subsidiary shall implement the control authorization matrix, and obtain the approval of the appropriate level of authorization when filing any tax report.
- (3) The Company and each subsidiary shall carefully review, inspect, and retain the supporting documents for every kind of tax filing and issue in order to maintain a complete collection of records, or for inspection by external authorities.
- (4) The Company and each subsidiary may retain, or consult with external tax consultants with regard to any tax risk of substantial uncertainty and high complexity.

Chapter IV. Supplementary Provisions

Section 5. These Procedures shall be properly reviewed and modified to correspond to international trends and governmental laws. Any matter not prescribed herein shall be governed by the applicable rules of the competent authority and the Company.

Section 6. These Procedures and any amendment thereof shall be published and implemented upon the approval of the Chairman.