

Mega International Commercial Bank Co., Ltd. London Branch

UK Tax Strategy 2018

As Mega International Commercial Bank Co., Ltd. London Branch (hereinafter referred to as the "Bank") benefits from conducting business in the UK, the Bank ensures that it not only complies with overall Governance Policy of Mega Financial Holding Co.,

Ltd. (http://www.megaholdings.com.tw/econtents_1024/co_govern/default4.asp), but also contributes to UK public finances through a responsible and compliant approach to taxation.

The Bank has summarised the way of managing UK tax affairs as follows

1. Governance and controls over UK taxes

- The Bank's tax governance policy is based on the principles of honesty and conservatism.
- The Bank regards the publication as complying with the duty under paragraph 16(2) of Schedule 19 of the Finance Act 2016 to publish the UK sub-group tax strategy in the current financial year.

2. Tax planning

- All the tax planning is in accordance with the principles of Mega Financial Holding Co., Ltd.
- The Branch complies fully with all tax obligations and requirements set out by HMRC including but not limited to the UK Code of Practice on Taxation for Banks

3 . Working with HMRC

- The Bank maintains an open and honest communication channel with HMRC.
- If there is any uncertainty regarding the application of tax law, the Bank will contact HMRC directly in order to obtain clarification on the issue.
- The Bank is required to make filings to HMRC every year and aims to make them correctly and on time.

4. Tax risk appetite

Tax Risk is a prime threat to the reputation of the Bank. The Bank therefore takes a zero-tolerance stance in regards to tax non-compliance and will ensure that its obligations are met in full. If necessary the Bank may seek advice from an external expert or consultant to make sure the Bank complies with UK tax Law.