

**Advantech Co., Ltd.**  
**Tax Policy**

Advantech holds the Lita spirit, a concept of altruism within the company, and expects to give back to society while growing the business. Therefore, we take it as our responsibility to contribute reasonable taxes to societies and economies where we conduct our business. We seek to comply with relevant tax laws and regulations but do not seek to conduct aggressive tax planning.

For tax risk management, because we are a multinational corporation, our Headquarters and worldwide local finance teams constantly monitor and assess changes in tax laws and regulations. We also have external tax consultants assist us in providing forward-looking tax information and professional assessments. We also take action in two major revenue contribution regions: North America and Europe. We have negotiated with the US and Dutch tax authorities to have Advance Pricing Agreements (APA) to reduce our exposure to tax risk.

**Article 1**

Act at all times in compliance with the spirit and the letter of the relevant tax laws and regulations in the countries in which we operate.

**Article 2**

Advantech complies with Organization for Economic Cooperation and Development (OECD) Transfer Pricing Guidelines to prepare three-tier transfer pricing documentation.

**Article 3**

Transfer pricing is set based on the “arm’s length principle.” Profits from each operating entity are reasonably remunerated for the risk and complexity of each entity’s activities.

**Article 4**

Advantech’s major decisions are made mainly based on business purposes, and then supplemented by tax analysis to search for optimal solutions.

**Article 5**

Do not engage in any arrangement that transfers value created to low tax jurisdictions or tax havens simply for reducing tax burden. Do not use tax havens or tax structures whose sole purpose is for tax avoidance.

**Article 6**

Assess tax risk periodically and reduce it by negotiating Advance Pricing Agreement (APA) with local tax authorities in the countries Advantech generates high income.

**Article 7**

Build mutually respectful relations with tax authorities based on mutual trust and communication, information transparency, and tax payment with integrity.

**Article 8**

This Policy, and any amendments thereof, shall be implemented following the approval of the Board of Directors.

**Article 9**

This Policy was established on January 1<sup>st</sup>, 2020.

Amendment 1 was made on December 30, 2022.