

SHI Group Tax Policy

1. Purpose of SHI Group Tax Policy

The purpose of this policy is to set out the principles which should be followed by members of the SHI Group with regard to taxes to ensure we meet our responsibilities as a corporate citizen.

2. SHI Group's Basic Tax Policy

(1) Tax Compliance

- The SHI Group should comply with the tax laws and regulations of every country and region in which it operates, guided by relevant international standards (e.g. OECD Transfer Pricing Guidelines, Double Taxation Treaties).
- The SHI Group should as far as possible ensure that it pays the appropriate amount of taxes in the jurisdiction in which value is created.
- The SHI Group should make its best effort to prevent violations or abusive uses of the tax laws or regulations of the jurisdictions in which it operates.

(2) Relationship with tax authorities

In the administration of its daily tax affairs, the SHI Group should endeavor to establish a cooperative relationship with the tax authorities, including during the conduct of tax audits. When requested by the tax authorities, the SHI Group should use its best effort to respond to questions and/or provide information within a reasonably agreed timeframe.

(3) Prohibition of Tax Avoidance

The SHI Group should not reduce its tax liabilities by undertaking transactions or calculations which are not in accordance with the spirit or intent of the tax laws and regulations and international tax standards (e.g. OECD Transfer Pricing Guidelines, Double Taxation Treaties).

(4) Minimization of Double Taxation

In order to prevent an adverse impact to the SHI Group's corporate value, SHI Group members should use their best effort to minimize double taxation.

3. Tax Management System

- (1) In order to facilitate the achievement of the items listed in Article 2, the SHI Group should maintain an appropriate tax management system.
- (2) The details of the SHI Group's tax management system should be determined in accordance with the Tax Management Practice Rules.

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