



Global Tax Strategy

This document outlines the global tax strategy (“**Tax Strategy**”) of Diodes Incorporated and its wholly-owned subsidiaries (collectively, “**Diodes**”, “**Company**”, “**we**” or “**our**”).

Section 1: Overview

Diodes’ global tax strategy is anchored in the Company’s commitment to conducting its business through ethical, lawful, profitable, and sustainable practices that drive long term value for our investors, customers, employees, suppliers, and communities.

The Company’s Chief Financial Officer (“**CFO**”) is responsible for the development, annual review, and approval of our Tax Strategy. The CFO is supported by global finance, accounting, internal audit, and tax personnel who implement, monitor, and execute the Tax Strategy.

Section 2: Foundational Tax Principles

Our foundational tax principles are aligned with the Company’s overall business strategy and governance structure, and form the lens through which we evaluate our global tax profile and management of tax risks. Specifically, we:

- 1) adhere to applicable tax laws and regulations of the jurisdictions in which we operate,
- 2) timely and accurately file all required tax compliance documents,
- 3) operate ethically in our interactions with taxing authorities,
- 4) only engage in non-abusive tax planning strategies, and
- 5) do not condone, support, or encourage tax evasion.

We operationalize these foundational tax principles through our tax governance and risk management processes.

Section 3: Tax Governance and Risk Management

Our tax governance and risk management processes are rooted in our foundational tax principles with a design to ensure organizational compliance and integration with our overarching risk management framework. These processes are designed to allow us to conduct our tax affairs in a manner consistent with our foundational tax principles.

We supplement our internal processes and expertise by engaging with external tax advisors. We engage these advisors for a variety of assistance, including to prepare tax compliance documents, to assess the impacts that both new and existing tax legislation has on our current and future worldwide operations, and to determine appropriate tax treatment of significant transactions. Our foundational tax principles form the basis of our interactions with these external tax advisors.



All of our personnel are subject to our *Anti-Bribery and Anti-Corruption Policy*, and we have established appropriate avenues for reporting unethical behavior (including tax practices) by way of our *Corporate Code of Business Conduct*. In addition, our Chief Executive Officer, CFO, and applicable finance department personnel are subject to our *Code of Ethics for CEO and Finance Department Policy*.

Section 4: Tax Planning

Our approach to tax planning focuses on application of our foundational tax principles to activities and initiatives that are aligned with our overarching business strategy and core values (namely, *integrity, innovation and commitment*). Accordingly, we do not recognize profits in “tax haven” jurisdictions and we avoid entering into prohibited or abusive tax transactions identified by taxing authorities. We follow the arm’s length principle in our approach to transfer pricing for transactions between our global affiliates, in keeping with relevant laws and regulations. When provided by law, we seek to utilize applicable tax incentives and exemptions.

The tax planning that we execute has commercial and economic substance and is subject to significant documentation, review and approval processes completed by appropriate finance and accounting personnel with guidance and advice from our external tax advisors.

Section 5: Interactions and Relationships with Taxing Authorities

We strive to communicate in an ethical and cooperative manner with taxing authorities in order to uphold compliance with applicable tax law, preserve our global business reputation, and to protect the interests of relevant stakeholders. Further, through transparent communication of relevant facts and the documentation of our conclusions, we aim to facilitate productive use of Company and taxing authority resources. When differences in interpretations of applicable tax laws and regulations arise between the Company and the taxing authority, we will focus on bringing such matters to an efficient and appropriate resolution through proactive dialogue.