

# Mosaic Brands Limited

(ABN 96 003 321 579)

## Tax Policy

### 1. Introduction

The purpose of the Mosaic Tax Policy is to document Mosaic Brands Limited's (MOZ) tax risk tolerance, outline the framework by which the tax obligations of MOZ are met from an operational and risk management perspective and to shape the tax purpose for the Group.

#### 1.1 Tax risk

Tax definition:

*'An event, action or inaction in tax strategy, operations, financial reporting or compliance that either affects the Groups tax or business objectives or results in an unanticipated or unacceptable level of monetary, financial statement or reputational loss or exposure'*

In the context of the tax risk management process, the following categories of risks are considered:

- Compliance tax risks: an instance of inability to comply with regulatory and statutory requirements (e.g. use of incorrect data, late lodgement of a tax return and scrutiny from the taxation offices).
- Operational tax risks: The risk of loss arising from inadequate or failed internal processes, people and systems (e.g. inadequate documentation to support transactions, a transaction is not implemented in accordance with advice).
- Financial tax risks: An adverse impact on cash as a result of tax (e.g. an unexpected tax payment).
- Strategic tax risks: Uncertainties and untapped opportunities embedded in the business's overall strategic intent (e.g. reputational risk resulting in negative publicity, creating a high risk profile within the tax office or a higher risk rating leading to increased costs of compliance).

Tax risks can be material and can significantly impact MOZ's business performance. Further, the reputational component of tax risk extends beyond MOZ's relationship with Revenue Authorities and impacts almost every MOZ relationship including shareholders, investors, staff, customer, Management and the Board.

#### 1.2 Who does the Mosaic Group Tax Policy apply to?

The Mosaic Group Tax Policy applies to the MOZ Group. References in this document to the Tax Function relates to the Finance Team and the External Tax Advisors who must comply with the Mosaic Group Tax Policy. Non-compliance with the tax policy will be brought forward to the Chief Financial Officer and where applicable the Board.

### 2. Key principles

MOZ will:

Identify, assess, manage and report tax risks.

- Comply with statutory obligations, administrative requirements and required disclosures to Revenue Authorities.

- Maintain documented policies and procedures in relation to tax risk management.
- Maintain open, transparent and professional relationships with Revenue Authorities, both local and international.
- Resolve as effectively as possible any outstanding disagreements with Revenue Authorities.

External advice will be sought as part of the risk assessment and management process.

### 3. Tax risk tolerance

The Board has a low tax risk tolerance for MOZ, as such the company will:

- Seek to maintain the highest of reputations and the confidence of all stakeholders.
- Comply with all laws and regulations.
- Behave in a way that maintains the trust in MOZ by regulators, Revenue Authorities, customers and the public.
- Ensure tax affairs are conducted in compliance with the tax laws of the jurisdictions in which MOZ operates.

MOZ may be entitled to tax concessions in the course of its normal business but has no appetite for any transaction that is motivated by the avoidance of tax. Moreover, MOZ will not finance, or in any other way support, transactions where the objective of any of the parties might reasonably be expected to be the obtaining of a dividend withholding tax benefit. In the event of tax uncertainty, MOZ will engage with Relevant Advisors and seek advice. The decision to seek external advice must be approved by the Chief Financial Officer (CFO).

MOZ will take a proactive approach to managing uncertainties in tax law for example:

- Preparing internal position papers.
- Work with the external tax advisors on relevant advice and position papers if needed
- Engage with the external tax advisors to seek rulings / clearances from Revenue Authorities where appropriate.
- Entering into proactive discussions with Revenue Authorities.
- Considering whether a provision should be recorded in the accounts.

### 4. Accuracy of tax returns and other reporting

MOZ will employ robust compliance procedures to enable accurate and complete tax returns and other reporting.

The process for the tax return and other key reporting i.e. tax effect accounting process is that the MOZ Finance Team will be responsible in collating and processing the financials accounts on a monthly basis. On a bi-annual and annual basis, MOZ will engage with the external tax advisors to prepare the tax effect accounting in order to meet the audit and reporting requirements. This will include preparation of the yearly tax return for lodgement with the relevant Revenue authorities. Where the external tax advisors are engaged it is a requirement that the Chief Financial Officer (MOZ), Financial Controller (MOZ), Partner (external tax advisor) and Director (external tax advisor) agree and authorise the completion.

### 5. Tax risk management

The Tax Function oversees and monitors the tax risks of all entities within the Mosaic Group. The Financial Controller and Senior Financial Accountant will work closely with the external tax advisors in ensuring that appropriate controls are in place to manage the identified risks. Where there are

potential risks this will be raised to the Chief Financial Officer (CFO) and where necessary the Board of Directors.

## 6. External advisors

MOZ engages with the external tax advisors as part of managing the tax risk profile. The choice of the external tax advisor is subject to the approval of the Board of Directors. The external tax advisors are currently engaged to prepare the Group's tax provision calculations and for the preparation and lodgement of the Groups income tax return.

The Group's Finance team will undertake all other ordinary tax compliance obligations and will seek external advice as required. All other matters that require the external advice will include the following:

- Significant and material transactions, events and any other agreements
- Any undertakings with offshore investments
- Acquisitions, disposals, restructures
- ATO Reviews and audits

## 7. Revenue authority relationship management

The Finance Team along with the external tax advisors will manage the relationship with various Federal, State and Local Revenue Authorities globally. For any investigations/examinations or audits, the external tax advisors will maintain this in order to ensure all information is efficient to the purpose.

## 8. Document retention and management

MOZ will ensure that good document management and record retention is maintained in order to assist the Group in:

- meeting compliance and other legal obligations applicable to the Group
- enable review of processes and decisions
- retain the corporate memory and its narrative history
- respond in a timely and efficient manner to information requests from Revenue Authorities
- demonstrate the cost and impact to the business

The Group will ensure data is stored for a minimum of five years, with the exception of any documents that fall within the capital gains and capital allowance regime which will be kept for 5 years following the disposal of the relevant asset.

In the event that any document is to be made available to the Revenue Authority in response to any investigations/examinations or audits, those documents must be reviewed by the Groups Finance Team and external tax advisors for potential claims for Legal Professional Privilege or other evidentiary protections (legal or administrative) which may protect them from mandatory disclosure.

## 9. Non-compliance with the Mosaic Group Tax Policy

Implementation of, and adherence to, the Mosaic Group Tax Policy is the responsibility of the Finance Team, Financial Controller and Chief Financial Officer. Non-compliance with the Mosaic Group Tax Policy will be escalated to the Human Resources department and Board of Directors.