

Tax Policy

With our practice of good corporate governance, we are committed to be ethical, transparent, responsible, and accountable for all tax matter aiming to build sustainable trust with stakeholders and society where we operate. We have set out the appropriate policy as we consider part of corporate social responsibility and build the infrastructure of economy. We commit to adhere and fully comply strictly with the spirit and the letter of applicable tax laws and regulations in all jurisdictions wherever we operate and insist on the policy. In addition, we have channel for receiving recommendation or complaint regarding tax issues.

More than 58% of business operation is occurred in Thailand, we commit not to transfer revenue to foreign countries with low tax jurisdictions, preferential tax regimes or tax haven countries. Our tax policy is defined regard to the accuracy, transparency and accountability in order to establish the consistency between corporate governance and the benefit of stakeholders. The practices of tax planning and implementation are in a consistent alignment within the Group.

Our business generates considerable tax income for the governments in the countries in which we operate. In addition to corporation income taxes, we pay and collect numerous other taxes. These include employee taxes, excise taxes, service taxes, customs duties, stamp duties and other taxes.

Our commitments in tax principles are set out below:

1. TAX PLANNING AND EXECUTION

With regards to taxation, the group complies with the Thai Revenue Code and relevant tax laws. We commit not to use contrived or abnormal tax structures where the primary objective is accessing tax benefits and the main purpose is tax avoidance, have no commercial substance and do not meet the spirit of local or international law.

We commit not to use tax haven as we place an awareness on tax reputation risk arising from investment through secrecy jurisdictions with consideration criteria under Base Erosion and Profit Shifting (BEPS) Action 5: Harmful Tax Practices.

We apply of tax incentives according to national and local tax structure and may obtain tax exemption privileges at certain times based on country's tax policies where they are aligned with our business and operational objectives. We aim to pay an appropriate amount of tax according to where value is created within the normal course of commercial activity.

2. PEOPLE AND ORGANIZATION

We have tax consultants which comprises personnel with an expertise in supervising over strict compliance with laws and regulations in every affiliated companies' accounting department. We provide ongoing training in tax law for our employees to enhance their knowledge so that they are able to apply it to work properly. Moreover, we have a Tax Accounting Department to follow up with the government policy or initiatives that would lead to law enactment so as to keep abreast of the potential impacts to the Company. Tax Accounting Department will notify the responsible person on the matters that would have impacts on the Company in order to prepare the Company for complying with the new law.

3. RELATIONSHIP WITH GOVERNMENT

We respect the right of governments to determine their own tax structures, rates of tax and collection mechanisms. We seek an open and constructive dialogue with the tax authorities in pursuit of professional, constructive and transparent working relationships.

4. TAX RISK MANAGEMENT

Tax risk management is one of management process and internal audit. We do risk measurement by using the Key Performance Indicator (KPI). We consider tax risks to ensure that tax risks are identified, managed, and reported to the management and our tax positions are supported by relevant laws. We will regularly review relevant laws to ensure that emerging risks are addressed.

5. TRANSFER PRICING

Any intragroup pricing is aimed at achieving a commercial market price. We are committed to developing and implementing a group transfer pricing policy that aligns with the arm's-length principle, in accordance with respective domestic jurisdiction regulations and transfer pricing laws.

6. CORPORATE GOVERNANCE

Our Senior Executive Vice President- Finance and Administration Group is responsible for implementing our tax strategy to meet Mitr Phol's tax policy. We collaborate with external tax consultant to provide technical expertise on material transactions to ensure tax compliance in the particular tax which we operate. Our tax policy was approved by the board of directors.

7. TAX TRANSPARACY

Our tax communication to governments is based on transparency fulfilling all statutory disclosure requirements on taxation. Our clear and transparent tax policy are disclosed in the public domain accompanied by Mitr Phol Group regional tax report. For us good corporate taxpayer includes excellence in tax governance, tax accountability and tax transparency building trust with societies and stakeholders.