



IOI GROUP

IOI Group Tax Governance Statement



IOI GROUP

OVERVIEW

The cornerstone principles of corporate governance at IOI Corporation Berhad and its subsidiaries (the “IOI Group”) are guided by Vision IOI whereby responsible and balanced commercial success are to be achieved by addressing the interests of all stakeholders. We believe that good corporate governance results in quantifiable and sustainable long-term success and value for shareholders as well as all other stakeholders. A set of Core Values guides our employees at all levels in the conduct and management of the business and affairs of IOI Group.

In the same spirit, the Group Tax Department (the “Group Tax”) who manages and monitors the Group’s tax affairs is committed to placing good governance at the heart to ensure the tax governance and risk management arrangements consistent with IOI Group’s vision and core values.

This Group Tax Governance Statement (the “Statement”) sets out IOI Group’s tax policy and approach in conducting its tax affairs and dealing with tax compliance risk. The Statement is reviewed periodically by Group Tax and any proposed amendments will be submitted for review by the ARMC and approval by the Board.

The Statement applies to the Board and employees in particular all tax professionals working in the Group Tax, and acts as a guidance to drive consistent tax behaviors, professional conduct, and our approach to working relationship with tax authorities and other stakeholders.

1. KEY PRINCIPLES

IOI Group is committed to conduct its tax affairs based on the following principles:

- (a) Business transactions are driven by business purpose or commercial purpose taking into account IOI’s Core Values;
- (b) Timely compliance with all applicable tax laws and regulations of the countries in which IOI Group operates;
- (c) IOI Group believes in paying our fair share of taxes in every country where we operate and also fulfilling our good governance responsibilities by complying with the intent and purpose of the applicable tax laws and regulations, recognising our obligation to withhold taxes and collect other indirect taxes, and delivering these taxes to the government;
- (d) Application of due diligence and professional care, including seeking written opinion from third party advisors and confirmations from the tax authorities, where necessary, when the revenue legislation is unclear, to ensure that the position taken is supportable and defensible; and



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- (e) Adoption of transparent, proactive and collaborative professional relationships with the relevant tax authorities to minimise potential disputes and to enhance tax certainty, which includes improving the clarity of legislation, increasing predictability and consistency of tax administration practices, effective dispute prevention, and effective dispute resolution mechanisms.

2. TAX GOVERNANCE AND TAX MANAGEMENT

The Group Tax and Finance team in each entity and location are responsible in ensuring timely tax compliance. In additions, Group Tax will work together with the various departments, business and operation units by providing advice and guidance, to ensure compliance with the tax laws, regulations and practices, that business decisions are commercially justified and that appropriate tax implication are considered.

The business, operation and support units seek input from the Group Tax on:

- (a) Business proposals to ensure a clear understanding of the tax implications and consequences that may cause additional financial or non-financial loss;
- (b) Assessment and management of tax risks to ensure compliance with local and overseas tax legislations in respect of related party transactions;
- (c) Tax approach to ensure that a position taken is supported by documentation, legal interpretation and the practice adopted by the tax authorities. Where required, external professional tax advice would be sought in consultation with Group Tax; and
- (d) Audits and enquiries from various tax authorities.

The Group Tax is also involved in the planning, implementation and documentation processes including but not limited to any business acquisitions and disposals, changes in corporate structure, significant business transactions, intra-group trading and intra-group services arrangements, as well as selection of tax advisors.



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3. APPROACH TO TAX PLANNING

IOI Group generally seeks to structure commercial transactions in a tax efficient manner in order to enhance shareholders' value that aligns with the Group's commercial and economic activities.

IOI Group will utilise tax incentives and reliefs to minimise tax costs of conducting its business provided that they are aligned with intended policy objectives of the governments which introduced the incentives, supported with genuine commercial activity, as well as consistent with the business and/or operational objectives of IOI Group.

4. MANAGEMENT OF TAX RISKS

Any changes in relevant tax laws and practices are monitored through regular updates from external tax advisors, professional bodies, dialogues with relevant tax authorities and participation in seminars and conferences. All information will subsequently be disseminated to business units and departments via email and periodic in-house training.

The Group Tax has the responsibility to determine the technical position(s) to be taken by IOI Group. For significant tax matters, guidance is sought from the Senior Management and the Board.

Notwithstanding that our tax position(s) are aimed to be reasonable, responsible, and consistent with legislative intent, there may be instances where our tax position(s) may differ from the position(s) taken by tax authorities. Where such circumstances arise, written advice will be obtained from external tax advisors to support the decision-making process where there is uncertainty on the application or interpretation of tax law, or where the transaction carries substantial reputational, monetary or regulatory risk.

We seek to manage our affairs consistent with our tax strategy principles and depending on the degree of risk and/or nature of the transactions involved, tax action/decisions will be referred to the Senior Management and the Board for notation and guidance.



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5. RELATIONSHIPS WITH TAX AUTHORITIES

IOI Group seeks to:

- (a) engage with tax authorities and other relevant bodies in a collaborative, transparent, timely and professional manner;
- (b) discuss on application of certain rules and regulations and request for confirmation on technical positions, where applicable;
- (c) make fair, accurate and timely disclosures in correspondences and returns; and
- (d) provide responses to queries and information requests on a timely basis and seek to resolve issues with the tax authorities by aiming for mutual understanding on disputed matters and by obtaining an agreement on technical positions, where possible.

This Group Tax Governance Statement has been approved and adopted by the Board on 13 September 2023.