



TAX POLICY

(Approved by the Board on July 17, 2024 and made effective from July 17, 2024)

PURPOSE

The main purpose of Raymond Lifestyle Limited's (RLL's) tax policy is to ensure compliance with the applicable tax laws and regulations. This purpose is appropriately combined with the fulfillment of the corporate interest, supporting a long-term business strategy, avoiding tax risks and inefficiencies in the implementation of business decisions and generation of sustainable value for the stakeholders. Over the years, the Company has applied a conservative and cautious tax policy.

The Company pays taxes as per applicable tax laws as its contribution to sustaining public expenditure, thus its contribution to society and to the achievement of the goal of sustainable development. The Company sees tax as an important part of its contribution to national resources and recognizes the key role that tax plays in society and development of the country. The Company believes that a responsible approach to tax is essential to the long-term sustainability.

SCOPE

This Policy is applicable to all the Business Units of the Company and entities controlled by the Company.

PRINCIPLES

The responsibility for RLL tax strategy and governance lies with the Chief Financial Officer (CFO). Implementation of all taxation matters is the responsibility of the Head of Tax Function who reports to the CFO. Compliance with all applicable tax regulations as well as internal policies, guidelines and governance procedures relating to taxation is the responsibility of the local management of each entity.

The CFO / Tax Head briefs the Audit Committee / Board of Directors on significant and material taxation issues.

CONTENTS

This tax policy comprises of the followings:

- Governance
- Compliance
- Risk management and certainty
- Planning
- Engagement with tax authorities

GOVERNANCE

The Board, Audit and Risk Committee have oversight with regards to identification, evaluation, and mitigation of strategic, operational, legal and compliance risks. The objectives of the Audit Committee ("Committee") of the Board of Directors includes assisting the Board with oversight of compliance with legal and regulatory requirements. The committee reports regularly to the Board with respect to the committee's activities, including any significant issues that arise with respect to the company's compliance with legal or regulatory requirements.

The Chief Financial Officer (CFO) is responsible for the tax strategy, the supporting governance framework and management of tax risk. The Head of Tax, who reports to the CFO, is responsible for each of the operational areas of Tax. Compliance with all applicable tax regulations as well as internal policies, guidelines and governance procedures relating to taxation is the responsibility of the local management of each entity.

Business strategies and commercial considerations take precedence over tax optimization. Significant business decisions are made with due regard to tax consequences but predominantly aimed to maximize

shareholder's value on a sustainable basis. Issues related to tax are reported to and considered by the Group Risk Committee and the Audit Committee on a quarterly basis.

COMPLIANCE

RLL is committed to adhering to all regulatory and tax compliances. We pay the right amount of tax at the right time. Tax filing, tax reporting and tax payment obligations are undertaken in accordance with the rules and regulations. All applicable transfer pricing rules and regulations for the transactions that are affected within the RLL Group across tax jurisdictions are complied with. All transfer pricing computations shall be based on "arm's length" principle. Transactions with related parties shall conform with the 'Policy on Related Party Transactions' approved by the Board.

The Company takes decisions on tax matters based on a reasonable interpretation of applicable law and also align with the substance of the economic and commercial activity of the business. Diligent care is taken to opt and utilize available tax incentives, reliefs and exemptions which are in line with the intent of the law.

Adequately qualified and experienced professionals are employed in the tax team to work closely with the business and provide guidance for ensuring proper compliance with tax obligations. In case of complexity or uncertainty on an issue, support is sought from external tax experts to comply with the relevant tax regulations / obligations.

These compliances are monitored at regular intervals with appropriate documents maintained for easy referral and retrieval.

RISK MANAGEMENT AND CERTAINTY

RLL being a listed entity, reputation risk of non-compliance is supreme. It is ensured that tax compliance and tax reporting are done in a transparent and fair manner with adequate documentation support. The company's enterprise risk management framework encompasses practices related to identification, analysis, evaluation, treatment, mitigation, monitoring of the strategic, operational, legal and compliance risks to achieve the key business objectives.

Risks may arise from time to time on account of interpretation of law. Tax controls, strategies and processes are monitored regularly for identification of tax risks for business and legislative changes. Generally, such cases are handled in-house by the Corporate Tax Team or Business Finance Team, with the help of external tax experts as may be needed.

Tax risk management of the Company is carried out by Corporate Tax Team (reporting to CFO) to identify and mitigate tax risks. A diligent and professional approach is adopted for assessing tax risks and identifying steps for managing those risks. The tax team provides appropriate mitigation measures for identified risks. The Tax Team gets involved at an early stage in important business initiatives and decisions for tax optimization and reducing tax risks. Guidance is provided to influence business decisions and adopt procedural behaviors for various functions. Advice is sought from external experts where appropriate or where there is uncertainty regarding applicability or interpretation of tax law.

PLANNING

Diligent care is taken to opt and utilize available tax incentives, reliefs and exemptions which are in line with the intent of the law. The company endeavors to operate in an efficient and legally compliant manner and may seek external advice. Experts' advice is sought in cases of areas of complexity or uncertainty. Open and transparent tax strategies are adopted for tax optimization. No business decisions are ever influenced or taken which entails shifting of profits to lower tax jurisdictions.

RLL ensures not to undertake any contrived or artificial tax arrangement which are not underpinned by

commercial or economic substance. Due consideration is given to the impact on reputation of the company and core values of the group such as integrity, commitment, and seamlessness.

ENGAGEMENT WITH TAX AUTHORITIES

The Company seeks to foster professional, fair, constructive, and transparent relationships with tax authorities. Engagement with tax authorities is influenced by openness, honesty, integrity, respect, trust, and cooperation. From time to time, our views (or those of our advisors) on the appropriate tax treatment in any given case may differ from those of the tax authorities. Where such circumstances arise, we are prepared to litigate where we disagree with a ruling or decision of a tax authority but will first seek to resolve any disputed matters through pro-active and transparent discussion.

Tax computation and returns are submitted with full disclosure of relevant facts and information where potential risk of uncertain tax treatment is envisaged. Necessary correction of material errors made or misstatement in tax filing are rectified without any undue delay as and when identified.

MONITORING AND REPORTING

The Audit Committee jointly with the Risk Management and ESG Committee shall monitor compliance with the Tax Policy.

REVIEW OF THE POLICY

The policy will be reviewed periodically for its suitability and updated as necessary.
