

TAX GOVERNANCE POLICY
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1 Tax Governance Policy

Evolution Mining Limited's (**Evolution Mining**) approach to taxation is determined by the risk tolerance established by the Board (or its delegated subcommittee). This Tax Governance Policy (**Policy**) sets out the tax risk management approach and the framework by which the tax obligations of Evolution Mining are met.

This Policy sets out the requirements for tax governance and is to operate in conjunction with any other documented or operational policies and procedures that operate within Evolution Mining with respect to corporate governance and tax risk management (including the Risk Management Policy¹).

This Policy has been drafted in line with the tax corporate governance requirements for corporate taxpayers set by the Australian Taxation Office (**ATO**) in their Tax Risk Management and Governance Review Guide² (**Guide**) as well as taxation requirements for corporate taxpayers in all tax jurisdictions that Evolution Mining conducts business.

1.1 Who Does this Policy Apply to?

This Policy applies to Evolution Mining, as Head Entity of the Tax Consolidated Group; all subsidiaries; the Board of Directors; Board committees; and all Evolution Mining employees.

1.2 Overall Approach to Taxation

Evolution Mining pursues an approach to tax that is principled, transparent and sustainable in the long term. Evolution Mining is committed to pay the amount of tax due in all jurisdictions. Evolution Mining is committed to:

- Complying with all applicable tax laws and regulations;
- Ensuring that material tax risks are identified, objectively assessed and effective controls are adopted to reduce residual risks;
- Managing its tax affairs in a proactive manner that seeks to maintain shareholder value, while operating in accordance with the law;
- Effectively managing its tax risk by applying its tax policies and risk management procedures;
- Obtaining certainty on tax positions adopted, and maintaining supporting documentation that evidences the facts and conclusions;
- Developing and fostering good working relationships with the revenue authorities and other relevant government bodies; and
- Undertaking all dealings with revenue authorities, government and regulatory bodies and relevant third parties in a professional, courteous and timely manner.

¹ http://evomining.wpengine.com/wp-content/uploads/2015/04/evolution_risk_management_policy_111229_website.pdf

² <https://www.ato.gov.au/Business/Large-business/In-detail/Key-products-and-resources/Tax-risk-management-and-governance-review-guide/>

1.3 Context and Purpose

Revenue authorities, in particular the ATO, have adopted a risk-based approach to not only reviewing taxpayers' affairs but also to identifying non-compliant taxpayers. Part of that risk-based approach involves revenue authorities examining and forming a view of the level of tax corporate governance and tax risk management.

Ongoing tax developments (including tax transparency and the Base Erosion and Profit Shifting initiative), coupled with the ATO's requirement that companies have robust tax corporate governance frameworks in place demonstrate the importance for companies to have sound tax risk management practices operating in their business.

This Policy is one component taken by the Board to monitor tax risks of Evolution Mining and guide management in the evaluation and resolution of those risks.

2 Tax Risk Tolerance and Actions

2.1 Tax Risk

Tax risk can be defined as follows:

Any event, action, or inaction in tax strategy, tax operations, financial reporting, or tax compliance that either adversely affects Evolution Mining tax or business objectives or results in an unanticipated or unacceptable level of monetary, financial statement or reputational exposure.

2.2 Tax Risk Tolerance

Evolution Mining will tolerate a low level of risk (which is inherent in taxation matters). Notwithstanding, taxes will be managed with the objective that all tax liabilities properly due under the law are correctly recorded, accounted for and paid.

2.3 Certainty of Tax Positions

In view of 2.2 above, Evolution Mining will balance considered tax planning with appropriate tax risk management by adopting valid and supportable positions and maintaining awareness of other prevailing views and risks.

The commercial needs of Evolution Mining are paramount, and all tax planning will be undertaken in this context. All transactions must have a business purpose or commercial rationale.

2.4 General Anti-Avoidance

Evolution Mining will not enter into any transaction which knowingly breaches any legislative general anti-avoidance provisions.

2.5 Communication and Relationships

The Internal Tax Function is responsible for managing relationships with revenue authorities in all jurisdictions, external advisors and industry bodies as it relates to tax.

2.6 Promoter Penalties

Evolution Mining will not promote tax exploitation schemes. A tax exploitation scheme includes any arrangement or transaction entered into or carried out with the sole or dominant purpose of paying less tax or receiving increased tax offsets.

2.7 International Transactions

Evolution Mining's international related party transactions (transfer pricing) will be in accordance with the arm's length principles of the tax laws and regulations in the jurisdiction it conducts business.

Evolution Mining will not transfer value created to low tax jurisdictions, use tax structures without commercial substances or use secrecy jurisdictions (tax havens) for tax avoidance.

3 Roles and Responsibilities

3.1 Board of Directors

The ultimate responsibility for corporate governance and therein the establishment of a tax risk management framework is borne by the Board.

3.2 Audit Committee

The Audit Committee considers and actions the tax issues and tax risk management issues that are brought to the attention of the Board. The Audit Committee Charter³ provides further details of the Audit Committee's responsibilities.

In fulfilling their duty, the Audit Committee reviews the overall framework, formal policies and methodology for tax risk identification and management and the process for auditing and evaluating Evolution Mining's risk management system.

3.3 Senior Management

Senior Management (comprising the Executive Chairman, Finance Director & CFO, and Leadership Team) is responsible for the development and monitoring of the tax risk framework, ensuring clear risk ownership and assisting Risk Owners⁴ define and manage a robust control set. Senior Management must escalate transactions or tax issues that they believe should be brought to the attention of the Audit Committee or the Board.

3.4 Group Manager Tax & Internal Audit

The Group Manager Tax & Internal Audit is responsible for the development and monitoring of the entirety of Evolution Mining's tax affairs and advises Business Units & Functional Areas and staff on all matters relating to taxation. The Group Manager Tax & Internal Audit is responsible for monitoring tax issues and risks and escalating these to Senior Management as necessary.

³ http://evomining.wpengine.com/wp-content/uploads/2015/04/evn_audit_committee_charter_f.pdf

⁴ A Risk Owner is any individual within the business whose role either directly involves tax or who otherwise performs a function which has taxation consequences.

4 Management of Key Tax Processes

4.1 General Requirements

The Group Manager Tax & Internal Audit responsibilities are to design, document and implement strong internal controls as well as policy and procedure manuals.

4.2 Operations and Compliance

Evolution Mining's Internal Audit Function or external advisor will conduct periodic tax risk assessments of the tax governance framework including aspects associated with the operational and compliance aspects of Evolution Mining's tax obligations. Guidelines for this assurance testing are contained in the ATO's Self-Assessment Procedures and How to Test Controls guidelines, located in the ATO Guide.

The Group Manager Tax & Internal Audit along with Senior Management, are accountable for the tax risk assessments and ensuring the appropriate controls are in place to manage the identified risks.

The Group Manager Tax & Internal Audit, with the oversight of Senior Management, is responsible for the development and maintenance of internal controls as well as policy and procedure manuals that consider major transactions and strategies, taking into account any changes in tax law.

5 Tax Risk Reporting and Monitoring

The Board bears the ultimate responsibility for corporate governance and tax risk management standards. To assist the fulfilment of these obligations, the Board (through the Audit Committee) requires the following reporting procedures to be followed:

A tax update should be submitted for each quarterly Audit Committee meeting for consideration. All significant transactions and events should be reported in the tax update and be considered at the Audit Committee meeting. Special meetings may be convened if required to report a significant transaction or event.

6 Whistle-blower Provisions

Evolution Mining has a Whistle-blower arrangement in place, and this allows for an individual to utilise these arrangements if they believe there has been of a breach of professional conduct. Where any such disclosure is made, then Evolution Mining will investigate in a timely manner and report the findings and corrective actions to the Board. This will be done with reasonable measures taken to protect the Whistle-blower against reprisals.

7 Point of Contact and Non-Compliance with this Policy

Implementation of this Policy is the responsibility of the Group Tax & Internal Audit Manager, with the oversight of the Finance Director and CFO. Any non-compliance with the Policy will be reported to the Board.

8 Review Cycle and Approval

This Policy is to be reviewed annually and approved by the Audit Committee via delegation from the Board.

This version of the policy was approved by the Audit Committee on 4 January 2022.