Tax Policy

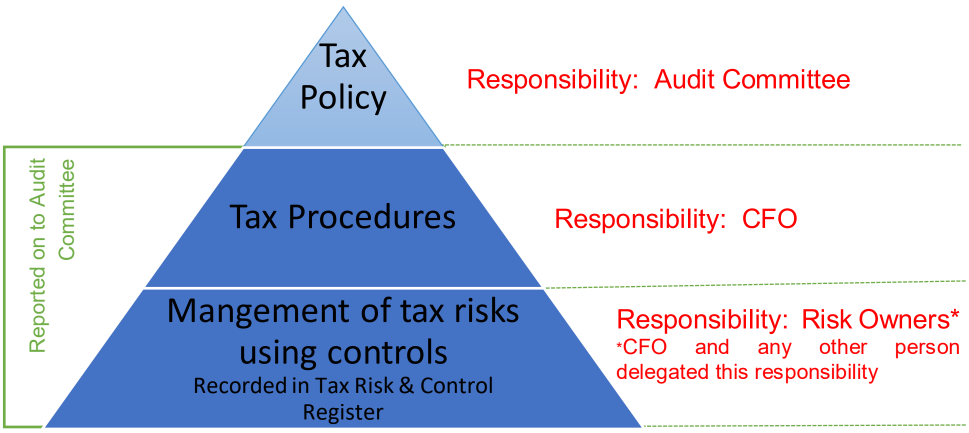
Introduction

Purpose

This document sets out the Board's expectations regarding the approach to and management of all taxes and sets the foundation for the Tax Procedures. The Board has formally delegated responsibility for the oversight of tax risk and this document to the Audit Committee.

Context

This document forms part of the Tax Governance Framework. The diagram below demonstrates the key components of the Tax Governance Framework:



The Tax Governance Framework has been drafted in line with the tax corporate governance guidance published by Inland Revenue Department in their Multinational Enterprises Compliance Focus Document 2019, with reference to the OECD guidance on tax controls frameworks.

Application

This document applies to all entities in the Mainfreight Group, including the Board, the Audit Committee and all employees with roles that could have tax consequences.

Tax strategy

Mainfreight Group pursues an approach to tax that is principled, sustainable and transparent. The Board endorses the following principles governing its approach to tax:

- Mainfreight acknowledges its responsibility to pay its fair share of tax.
- Tax risk should be proactively managed.
- Supportable tax positions that do not result in an exposure to penalties should be taken and tax liabilities due should be correctly accounted for and paid.
- Open, honest and co-operative relationships with tax authorities and other tax stakeholders should be maintained.

Assessment and reporting of tax risks

Tax risk management	Like any other risk, tax risks associated with events, action or inactions that could adversely impact on the Mainfreight Group's business strategy or reputation, operations, finances or compliance obligations should be identified, assessed, controlled and reported on to the Audit Committee. Any controlled tax risks that may result in: • Shortfall penalties being imposed by a Revenue Authority; • A reportable tax position to a Revenue Authority; and/or • Reputational damage to the Mainfreight Group as decided by the Managing Director should be escalated to the Audit Committee immediately, and if necessary, the Board. All other tax risks and the associated control should be reported on to the Audit Committee at least annually.

Roles and responsibilities

The Board	The Board has ultimate responsibility for corporate governance and the establishment of a tax risk management and governance framework. The Board has formally delegated responsibility for the oversight of tax risk and this Tax Policy to the Audit Committee.
Audit Committee	The Audit Committee is responsible for: • Where tax risks are escalated or reported on, considering the effectiveness of any controls in place and/or whether the tax risk should be accepted or further escalated to the Board.
Chief Financial Officer	Assisted by external advisors, the Chief Financial Officer is responsible for: • Implementing and monitoring the Tax Governance Framework and promoting tax risk ownership across the business. • Compliance with tax obligations and mitigating exposure to interest and penalties. • Identifying and monitoring tax risks, determining whether tax risks should be accepted and implementing robust controls. • Escalating tax risks that should be brought to the attention of the Audit Committee. • Keeping up to date on relevant tax issues and cascading this knowledge across the business. • Maintaining relationships with Revenue Authorities, external advisors and industry bodies.

Risk Owners[1]	Risk Owners are responsible for: • Regularly identifying transactions or events that may have tax consequences and escalating these to the Chief Financial Officer in real time. • Applying the internal controls identified by the Chief Financial Officer. • Ensuring that their control activities are adequate.
Advisors	Advisors are responsible for: • Identifying tax risks that may impact the Mainfreight Group and bringing them to the attention of the Chief Financial Officer. • Assisting the Chief Financial Officer in meeting the Mainfreight Group's tax compliance obligations. • Assist the Audit Committee and Chief Financial Officer in meeting their obligations under the Tax Governance Framework.

Stakeholder relationships

Revenue Authorities	Professional relationships should be established and maintained and open dialogue encouraged with Revenue Authorities to enable an efficient and collaborative hearing of tax issues.
Other stakeholders	The annual report should disclose: • Tax disclosures required for financial reporting purposes.

Administration of Policy

Implementation	This Policy will be implemented by: • Communication with those covered by the scope. • Team training, including induction training for members of the Finance and Payroll Teams. • Being placed on the intranet.
Review	This Policy should be reviewed annually by the Chief Financial Officer who will propose any changes, if appropriate, to the Audit Committee.
Compliance	Compliance with these procedures will be assured through: • Annual reporting by the Chief Financial Officer to the Audit Committee. • External advisors testing compliance with the Tax Procedures as required.
Point of contact	The Chief Financial Officer is the point of contact for matters arising in relation to this Policy.

[1] A Risk Owner is the CFO or anyone the CFO has delegated responsibility for the implementation of a control. In practice mainly regional Financial Controllers.

Document amendment register

This document has been reviewed and amended by the following people:

No.	Author Name	Authorised by	Version Number	Date	Details of Changes
1					
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