



## Network International Tax Strategy

### Purpose and Principles

The purpose of this Tax Strategy document is to set out the high-level principles directing the tax affairs of the Network International Group and is applicable to Network International Holdings PLC and its subsidiaries ('the Group'). It also applies to the Group's employees, whether engaged directly or indirectly in the management and administration of tax, or the investment strategies that Network International provides.

Managing taxes in the current, rapidly evolving environment has become challenging and if not properly managed can have reputational, financial and legal implications. The Board has established the following fundamental principles for the management of taxes within the Group, based on an understanding of the needs of its stakeholders and in line with Network Group's Corporate Governance procedures so that the Group manages its tax affairs in a responsible and sustainable manner to support its business strategy.

- **Tax Planning** – Network has a low appetite for tax risks and where the Group is required to make decisions on how to structure its commercial activities it will consider, among other commercial factors, the tax laws of the countries within which it operates with a view to maximizing value on a sustainable basis for its shareholders. Any tax planning undertaken will be assessed on its credibility to demonstrate commercial and economic substance, will be supported by a technical and financial analysis, and any potential reputational impact on its business and the internal resource commitment.
- **Tax Governance, Accountability and Communication** - The Board understands its duties in terms of tax and its wider corporate responsibilities, and puts strong emphasis on meeting the objectives set out in this Strategy. The Board has delegated all ownership of tax related activities to the Group Chief Financial Officer ('CFO'), who has in turn delegated the global oversight of taxes to the Head of Tax.
- **Tax Compliance and Reporting** – The Group complies with tax law and practice in all of the territories in which it operates and discloses all relevant facts and circumstances to the tax authorities. In managing the tax compliance, Head of Tax may leverage the services of local advisors or obtain assistance from local staff that is familiar with the local tax process. The Group calculates and accounts for all taxes in line with applicable accounting standards, tax laws and regulations in its operating geographies.
- **Tax Risk Management** – Considering the sector of the economy the Group operates in, its geographical footprint and a certain degree of inevitable uncertainty in managing tax matters in the current regulatory environment, business tax risks are an inherent part of Network's day-to-day operations. In line with the Group's risk management approach, the Group proactively seeks to



identify, evaluate, manage and monitor tax risks to ensure it remains in line with the Group's risk appetite.

- **Tax Accounting and Reporting** - The Group calculates and accounts for all taxes in line with applicable accounting standards, tax laws and regulations it operates in. Internally, it aims to have sufficient controls to ensure correct reporting and responsibility for calculation, accounting and reporting for each applicable tax.
- **Tax Authority Relationships and Regulatory Development** - The Group cooperates and engages with tax authorities with honesty, integrity, respect and fairness. It will seek to resolve any disputed matters through transparent and proactive discussions. Where Network believes it supports the Group's Tax Strategy and it is necessary to clarify the appropriate interpretation of relevant tax law, Network will take appropriate action in line with the relevant local requirements to resolve any area where an agreement cannot be reached.

Network's Tax Policy Framework sets the principles and procedures pertaining to tax risk management throughout the whole tax cycle (i.e. planning, accounting and reporting, compliance, controversy and communication). Specific policies are also developed for focus areas such as Corporate Transactions, Permanent Establishment and Transfer Pricing.

## **Tax Planning**

The nature of Network's fast moving sector, changing commercial strategies and the evolving regulatory environment in which the Group operates regularly gives rise to choices on how to structure its commercial arrangements. Where the Group is required to make decisions on how to structure its commercial activities it will consider, among other factors, the tax laws of the countries within which it operates with a view to maximising value for its shareholders. Any tax planning undertaken will have commercial and economic substance and when evaluating the tax aspects of a planning decision, the following will be considered:

- Commercial purpose
- Reputational impact
- Technical analysis
- Financial impact

The Group seeks certainty in its tax planning, to the extent possible, through comprehensive in-house analysis, obtaining third party opinions or seeking confirmation of its position from the tax authorities as part of its compliance process and responsible planning approach to tax. Network invests in regulatory monitoring in order to evaluate the impact of changing tax environments and integrates these changes into its business decisions. The Group does not tolerate tax evasion or the facilitation thereof by members of its workforce or persons associated with the organization.



## **Tax Governance, Accountability and Communication**

The principles and control objectives set out in this Tax Strategy have been reviewed and approved, and are therefore owned by the Board of Network International PLC ('The Board').

In managing tax risks, Network's Tax department works closely with its business, operations and legal units. Given the specialist nature of tax, the importance of this collaboration is that the business units and functions ensure that all activity that may give rise to tax risk is brought to the attention of the Tax Department for review, assessment and approval, and that operational and business processes for which they are responsible are operated in line with the policies and standards issued by the Tax Department. The Tax Department provides the necessary support and expertise to the business units and functions to allow them to make more informed decision-making and understand the tax impact and risk.

## **Tax Compliance, Accounting and Reporting**

Given Network's commercial activities and geographical presence (primarily in the Middle East and Africa), the Group has various tax compliance obligations, including but not limited to: filing tax returns, paying liabilities and making claims. The Group complies with tax law and practice in all of the territories in which it operates and discloses all relevant facts and circumstances to the tax authorities. In dealing with tax compliance, the Group considers the following:

- Network complies with all applicable tax laws and regulations in all countries it operates
- Positions taken by the Group entities are well supported and likely to be accepted by the appropriate authority
- The Group monitors that tax returns and payment of taxes are made by the due dates as prescribed by the laws and regulations or, if needed, within the extended due dates
- Network's Tax Department maintains supporting documentation of processes undertaken in relation to filed returns and positions taken by the Group
- The Group monitors and responds to all tax authority enquiries in a timely and appropriate manner
- The Tax Department proactively manages (through local finance departments, advisors or directly) the relationship with the tax authorities in order to build trusted relationships and minimizes the exposures if tax matters are inadvertently incorrect

The Group calculates and accounts for all taxes in line with applicable accounting standards, tax laws and regulations in the geographies it operates. Internally, it aims to have sufficient controls to ensure correct reporting and responsibility for calculation, accounting and reporting for each applicable tax.



## Tax Risk Management

Given the Group's geographic spread and the developing tax authorities in these markets, tax risks will arise from the operations of the Group. Network classifies risk into the following categories:

- Tax compliance risk - *Exposures associated with tax compliance obligations*
- Financial reporting - *Risks associated with inaccurate financial accounting*
- Strategic & transactional - *Exposures connected with strategic planning or major, non-routine transactions*
- Operational - *Underlying risks associated with applying tax laws and regulations to day-to-day operations*
- Reputational - *Risk associated with negative publicity*
- External - *Risks associated with changes of laws, regulations, tax treaties or practices of tax administration*

## Relationship with Tax Authorities & Regulatory Development

The Group will seek to resolve any disputed matters through pro-active and transparent discussions. Its tax obligations involve engagement with tax authorities in the various jurisdictions in which it operates. All such engagements should be undertaken in line with the following principles/objectives:

- All dealings with the relevant tax authorities are cooperative, conducted with honesty, integrity, respect and fairness
- It seeks to meet and communicate with local tax authorities as often as required to enable them to understand its business changes and seek early guidance, when possible, on any areas of complexity
- Where possible it will seek to swiftly resolve any disputed matters through pro-active and transparent discussions and negotiations
- The Group is prepared to follow the required formal procedures where it disagrees with a ruling or decision provided by tax authorities where it feels it has an appropriate level of confidence in the technical position taken.