



Tax

POLICY

INTERNAL

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Governing policy:	-
Brief description of policy:	This policy highlights the importance and impact of the payment of taxes in relation to the Company's operations. The policy adheres to the principles of good tax governance, tax reporting, tax compliance, and timely payment of all applicable taxes.
Policy applies to:	<input type="checkbox"/> Company-wide <input checked="" type="checkbox"/> Specific group or employees only
Documented type:	<input checked="" type="checkbox"/> New <input type="checkbox"/> Revision of existing documented information
Policy document status:	<input type="checkbox"/> INITIAL DRAFT <input type="checkbox"/> INITIAL REVIEW <input type="checkbox"/> FINAL REVIEW <input checked="" type="checkbox"/> APPROVED

Policy Control Review Authority:	Finance and Accounting Group
Finance and Accounting review owner:	ORIGINAL SIGNED Atty. Lizelle Zamora – Dimacuha Vice President and Head of Tax Planning and Compliance Date: _____
Corporate Governance review officer:	ORIGINAL SIGNED Atty. Laurice P. Esteban-Tuason Senior Vice President and Corporate Compliance and Data Protection Officer Date: _____
Enterprise Risk Management review officer:	ORIGINAL SIGNED Jerome Mario T. Orfano Vice President & Head of Enterprise Risk Management Date: _____
Strategy and Transformation review officer:	ORIGINAL SIGNED Benjamin Rex Emilio B. Azada Executive Vice President & Chief Strategy Officer and Chief Sustainability Officer Date: _____
Finance and Accounting review officer:	ORIGINAL SIGNED Christine Renee R. Blabagno Senior Vice President and Deputy Chief Financial Officer Date: _____
Executive approval authority:	ORIGINAL SIGNED Maria Grace Y. Uy President & Chief Resource Officer Date: _____

Implementation effectivity date:	August 1, 2023
Approval Date of last revision	N/A
Effectivity Date of last revision	N/A
Date of governing policy review*	August 1, 2023

***unless otherwise indicated, this policy will still apply beyond the review date**

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Related legislation, standards, policies, procedures, guidelines, and local protocols

Internal references:

*Code of Business Ethics Policy - POL-SARC-QRMS-1007
Employee Discipline Policy - CICT-HR POLICY-001
Whistleblowing Policy - POL-SARC-QRMS-1011
Enterprise Risk Management Policy - POL-ERMG-ERM-0001
Compliance Risk Management Policy - POL - CGDP - BCM - 0001*

External references:

Organisation for Economic Co-operation and Development (OECD), OECD Guidelines for Multinational Enterprises, 2011.

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1. Purpose of this Policy

Converge Information and Communications Technology Solutions, Inc. (“Converge” or the “Company”) instituted this Tax Policy to establish the direction and communicate how it conducts its tax affairs in pursuit of a compliant tax position, and to apply good corporate tax practices in the fulfillment of its tax compliance obligations.

This Policy further aims to set out expectations, functions, and responsibilities for key roles and the manner for interaction with the different stakeholders, regulators, tax authorities and tax advisers.

The ultimate aim of this policy is to safeguard stakeholders’ trust in the company and to further put integrity into action in line with our Code of Business Ethics.

2. Scope of this Policy

The Converge Tax Policy shall apply to all employees of Converge, as well as its subsidiaries, particularly Metroworks ICT Construction Inc., Pentagon Holding Co. Inc., Myriad ICT Services, Inc., Converge ICT Singapore Pte Ltd., and its affiliates, (collectively referred to herein as “Company”), who are involved in or with oversight of tax planning, compliance, payment, reporting, and dispute resolution.

The Policy covers all types of national and local taxes and duties including but not limited to capital gains tax, customs duties, documentary stamp tax, donor’s tax, income tax, real property tax, value added tax, and withholding tax.

3. Policy Statement

The Company recognizes the importance and impact of the payment of taxes in the development of the countries and local communities in which it operates and adheres to the principles of good corporate citizenship in tax reporting and timely payment of applicable taxes.

In our tax computations and reporting, we will adhere to best practices and relevant legislation, tax issuances, and regulations to ensure that we pay our taxes accurately and on time.

We support and will adhere to OECD Guidelines for Multinational Enterprises with respect to taxation, in particular the Transfer Pricing Guidelines, in ensuring the application of the “arm’s length principle” on the valuation of cross-border transactions between associated enterprises.

4. Policy Focus Areas

It is the Company’s policy and commitment to comply with and respect the tax laws, rules, and regulations in the territories where it operates, and to apply good corporate tax practices in the fulfillment of its obligations to the tax authorities, its regulators, stakeholders, and shareholders. The relations of the Company and the tax authorities are governed by the principles of transparency, good faith, and mutual trust. Following which, the Company strives to establish and maintain a constructive working relationship with the tax authorities on all aspects of taxation and to ensure transparency with respect to our business transactions and tax reporting; and, to discuss and respond to their reasonable, legitimate, and specific requests for the provision of available tax-related information and documentation to enable an informed assessment of the Company’s tax position.

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Among the more important commitments of the Company to its regulators and stakeholders are the provision of Annual Audited Financial Reports that are compliant with financial reporting standards as well as all required tax disclosures of the different regulators; adherence to good corporate governance practices in the jurisdictions where it operates; the documentation and appropriate vetting of all of its dealings with related parties, ensuring that the same are aligned with the principles of arm's length transactions; and the timely and accurate tax reporting.

The Company has a low appetite towards tax risk. It aims to have a compliant and competitive tax position in relation to its operations and to contribute to the communities where it operates. In carrying out its business, the Company will implement appropriate practices that identify, prevent, or minimize significant tax risks to the Company while protecting shareholder value. Among these practices include timely tax planning based on sound commercial considerations and established interpretation of applicable laws and regulations; obtaining professional opinions and advice from experienced tax advisers where the interpretation of the applicable law is unclear as well as securing opinions on possible strategies that maximize tax benefits within scope of the law and regulation; seeking confirmatory rulings from the relevant tax authorities in the interpretation of gray areas in legislation; minimize double taxation on the same revenue in different jurisdictions; and secure and utilize tax incentives, exemptions, and deductions that are made available to taxpayers through legislation and/or as implemented through the different investment promotion agencies. Tax risk management practices are to be integrated into the Enterprise Risk Management framework and Compliance Risk Management process of the Company and will be overseen by the Board of Directors and its relevant committees.

The Company is also committed to continuously improve its systems and processes to align with the initiatives and requirements in tax compliance and reporting in all jurisdictions where it operates and strives to continuously monitor and review its historical tax position and business structures with a view of improving business tax efficiency and performance.

5. Approval and Review

The Tax Policy shall be subject to review on an annual basis to ascertain its alignment with the Company's values, priorities, commitments, and governance responsibilities. The review shall be initiated by the Tax Planning and Compliance unit with guidance from the Deputy CFO. The initiation of the review shall be done to determine the necessity for any changes and to make the necessary recommendations for improvement or amendment of the Tax Policy. Any amendments thereto shall be approved in accordance with the Company's tax strategies as aligned with its tax governance commitments.

The management, whenever it sees necessary, may require further information on taxation from the Tax Planning and Compliance unit to ensure that: (1) the essence of the Tax Policy is upheld, (2) determine the need for further enhancements, (3) confirm alignment with the governance principles of the Company, or (4) other purposes that serve to achieve the objectives of this Tax Policy.

6. Implementation, and Communication

The Company is committed to communicate and implement this policy to both internal and external stakeholders. In full transparency, we shall reflect how we uphold our commitments in our related company documents and reports.

Upon approval of the Converge Tax Policy, the Finance and Accounting Group through the Tax Planning and Compliance Department shall disseminate, and enforce this policy to all covered personnel, subsidiaries, and affiliates. The conduct of information dissemination will maximize all modes of communication of the Company and as may be applicable to the circumstances of each of the stakeholders, employees, subsidiaries, and affiliates.

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During the initial stages of implementation of the Tax Policy, the Tax Planning and Compliance Department will conduct the necessary training to relevant employees, stakeholders, and business partners in collaboration with the Corporate Governance and Data Privacy Group and, whenever necessary, the rest of the units of the Finance and Accounting Group.

It should be noted, however, that the primary responsibility of ensuring that the provisions of this policy are operationalized rests with the Tax Planning and Compliance Department, the Regional Heads and supporting business unit partners, and Department Heads with functions that directly or indirectly impact tax compliance and reporting.

The primary review, monitoring, and evaluation (RME) of compliance with this Tax Policy shall be undertaken by the Tax Planning and Compliance Department. The Corporate Governance and Data Privacy Group (CGDP) shall support the Tax Planning and Compliance Group to ensure that the RME is in accordance with our sustainability reporting standards.

7. Non- Compliance and Reporting

We expect our employees, and other relevant stakeholders, to comply with the provisions of this policy. Anyone found to have violated this policy, in relation to the course of our operations and services, shall be dealt with in accordance with local legislation, supported by our internal policies and procedures.

Any employee found to have violated the provisions of this Converge Tax Policy shall be subjected to disciplinary action in accordance with the Company’s Employee Discipline Policy.

Any person with knowledge of or has observed, in any form or context, a disregard for this Converge Tax Policy, or any act or omission that leads to a violation of the policy statements herein, may choose to file a report through the whistleblowing reporting channels¹ for immediate attention. Further details on how the Company handles reports can be found in its Whistleblowing Policy and Whistleblowing Procedure documents.

8. Related document references

See cover page for list of references.

9. Details of revision/s made to this policy

From time to time the company may make changes to this Policy and relevant Guidelines to improve the effectiveness of its implementation and operation.

Version No.	Date	Description of Change	Author	Approver
1	August 2023	Original version of the policy	Tax Planning and Compliance Group	Board / Management

¹ Whistleblowing Platform Link: <https://corporate.convergeict.com/whistleblowing-platform/>