



## ***GROUP TAX POLICY***

### ***MOTHERSON SUMI SYSTEMS LIMITED***

*Adopted by the Board of Directors on August 10, 2021*

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## **MOTHERSON GROUP TAX POLICY**

### **ABOUT MOTHERSON**

Motherson combines the power of innovation and product quality to create world class products that cater to customer needs across diverse industries, especially automotive. Founded in 1975, the Group has a diversified industry-leading portfolio of auto ancillary products and services that make it a full system solutions provider for its customers across the globe and follows close of customer approach. With market leading products ranging from Electrical Distribution Systems, automotive rear-view mirrors, polymer processing, lighting systems, air intake manifolds and HVAC systems. Motherson's principal focus is the automotive industry, globally and in India. Motherson is a leading supplier to automotive industry globally.

### **1. OUR APPROACH TO RISK MANAGEMENT AND GOVERNANCE ARRANGEMENTS**

Our tax team consists of a team of qualified tax and finance professionals and they also take assistance from external tax consultants from time to time. The team also ensures continuous professional development and training of all its tax teams and support staff dealing with tax matters.

We seek to fully comply with all tax requirements, including adopting supportable filing position, adequate disclosure, maintenance of adequate supporting documentation, timely submission of the relevant tax returns and timely payment of taxes due, using reasonable judgement at all times. The tax teams also seek to comply with arm's length principle of pricing inter-company transactions and compliance with transfer pricing laws and regulations. They also carry out tax risk assessments for tax related matters from time to time and maintain healthy relationships with tax authorities at all times.

### **2. OUR ATTITUDE TOWARDS TAX PLANNING**

The tax teams believe in partnering with the wider business and advise on tax related matters, to utilize all tax reliefs and incentives in the most effective way within the intent of the law. The Group does not engage in artificial and aggressive tax structuring and only considers arrangements that are specific to the aims of the business, having proper commercial substance.

### **3. LEVEL OF RISKS THAT THE GROUP IS PREPARED TO ACCEPT**

The tax teams strive to comply with all tax related rules and regulations and also have adequate governance and risk management reviews from time to time. The tax teams also regularly discuss their tax issues with external advisors and obtain their opinions on the tax positions.

We consider that Motherson adopts a low-risk attitude to taxation. Currently, the tax teams present in different locations follow a coordinated approach to tax issues and are integrated at the level of Regional Chairman's office. The tax function is also supported by the adequate governance including regular discussions with company's CFO and regular inputs into Board Reports.

### **4. OUR APPROACH OF THE GROUP TOWARDS DEALING WITH TAX AUTHORITIES**

The tax teams establish and maintain a good and constructive working relationships with tax authorities, and other government and regulatory authorities and professional and industry bodies. The teams believe in complete transparency and honesty at all times. They believe in prompt and timely dealings with tax authorities and also work collaboratively to resolve queries if any and obtain certainty. In any instance where there is an audit, we strive to cooperate with the tax authorities and provide all necessary information in a speedy and collaborative way.