

Tax Compliance Policy

Overview

Federation Mining (Federation) is committed to complying with the laws and regulations of the countries in which it operates, ensuring all business taxation requirements are met.

Definitions

In this Policy:

“Personnel” shall mean:

- all directors, senior executives, employees and officers of the Company;
- contractors (including sub-contractors) occupying permanent or part time fixed term contracts;
- consultants or suppliers of goods or services and their employees; or
- third parties including intermediaries and associates

Scope

This policy applies to all Federation Personnel.

Policy

The Federation Board has endorsed the following principles governing Federation’s approach to tax:

- Commitment to acting as a good corporate citizen, maintaining shareholder value and ensuring the legally correct amount of tax is paid;
- Ensuring compliance with the tax laws in each jurisdiction in which the Federation operates and ensuring that all tax positions have at least a reasonably arguable position;
- Commitment to operating with transparency including accurate disclosures to revenue authorities and maintaining an open and co-operative relationship with revenue authorities;
- Operating a model that identifies tax risks as they arise and provides for escalation of tax risks to the Board; and
- Maintaining the integrity and reputation of Federation at all times.

The Tax risk management for Federation involves the process of identifying and assessing all tax risks in order to:

- Provide assurance that relevant tax questions are considered as part of every commercial decision;
- Ensure that tax risks are appropriately escalated within Federation;
- Ensure that documented controls and processes exist to mitigate potential tax risks; and
- Ensure that identified tax risks are appropriately mitigated.

All Federation businesses are responsible for:

- Ensuring that their local country tax obligations are met;
- Escalating all tax risks to the Group CFO when those risks are identified;
- Advising the CFO as soon as possible of any tax audits, reviews and/or investigations;
- Identifying and reporting any changes in tax law to the CFO and ensuring clear risk ownership;
- Ensuring that all Federation document retention requirements are met.

Oversight and enforcement

The implementation of this policy will be monitored by the CFO and the Board will be provided regular reports on progress and performance.

This policy position will be reviewed annually as a minimum and when required by legislative changes.

Signed: *S.M. Le Messurier*

Mark Le Messurier

Managing Director

January 2021