

Engro Corporation Limited

Corporate Tax Strategy Policy

Purpose

The purpose of this policy is to define the broad principles which would help plan, devise and implement tax-efficient and optimized solutions for the Company and support its long-term business strategy.

Policy

The tax strategy of the Company entails the premise that the tax risks and inefficiencies in the existing business are controlled so as to safeguard the shareholders' value and ensure stable and targeted returns. In addition to this, the tax strategy also includes identifying potential opportunities on the basis of preemptive tax planning for new businesses and thus act as a driver to supplement the achievement of Engro's long-term business strategy. Our tax strategy shall be governed by the following principles:

- a. Ensuring high level of tax compliance in every jurisdiction where the Company has operations;
- b. Making material business decisions after taking into account optimized tax solutions;
- c. Ensuring minimum exposure through prevention and reduction of significant tax risks;
- d. Developing and fostering open, honest and good working relationships with tax authorities and undertaking all dealings in a professional, courteous and timely manner;
- e. Ensuring open communication channels within Engro group to encourage smooth flow of information.

All tax planning initiatives shall be undertaken to provide clear, timely, relevant and business focused advices. Where alternative routes exist to achieve the same business results, the most tax efficient approach in compliance with all applicable laws shall be adopted. Appropriate tax resources shall be involved throughout from planning to implementation to avoid any deviation from the proposed business solution and ensure appropriate documentation.

Mitigation of tax risks and identification of new tax efficient avenues, shall always remain confined within the applicable laws, as ensuring compliance with applicable laws remains the corner stone of our tax strategy. The prominence of the business results and solutions and enhancing shareholders value will under no circumstances override compliance with applicable laws. Due consideration will be given to the Company's reputation, corporate and social responsibilities when considering tax initiatives, as well as the applicable legal and

fiduciary duties of directors and employees which will form part of the overall decision-making and risk assessment process.

Monitoring and Control

The Company shall adopt the control mechanisms necessary to ensure compliance with tax laws and regulations and with the principles set forth above, as part of an appropriate business management.

It shall also use proper and sufficiently qualified human and material resources for such purposes. The Board Audit Committee shall, in accordance with the provisions of its charter, provide to the Board of Directors management representation on the tax practices applied by the Company every quarter and, in particular, on the degree of compliance with this policy.
