VOLUNTARY TAX TRANSPARENCY CODE

Computershare

Computershare supports the objectives of the Government and the Board of Taxation to provide additional information that will assist the public to understand Computershare's tax contribution and compliance with Australia's tax laws.

Information for the year ended 30 June 2021 is set out below.

OUR APPROACH TO TAX

Computershare is committed to meeting its tax obligations in all the countries in which it undertakes economic activity.

Computershare has a tax governance framework which has been approved by the Board. Tax falls under the oversight of the Risk and Audit Committee and tax risk is managed pursuant to documented policy. Tax expense forms part of our financial results which are reviewed regularly by management and the Board. Material tax risks are reviewed by management, Computershare's tax advisers, external auditors and the Risk and Audit Committee.

Tax is one of a broad range of commercial factors and consequences taken into account when Computershare assesses and undertakes any investment activity. All tax planning is required to align to commercial substance and the application of the framework and policy approved by the Board.

Computershare provides services to clients in over 20 countries. A key premise of operating share registry businesses is that public records and the maintenance of a share register ordinarily occur in the jurisdiction where Computershare's clients are registered or incorporated. Computershare's presence in particular countries is to enable the provision of our registry, custody, equity plan and related services to clients in those countries. Each revenue-generating subsidiary represents a substantial commercial presence, both in terms of physical premises and employees.

We have a strong history of compliance and of open engagement with the relevant tax authorities. This includes entering into Bilateral Advance Pricing Arrangements with the Canadian Revenue Authority (CRA), Her Majesty's Revenue and Customs (HMRC) and the Australian Taxation Office (ATO). Computershare participated in a pilot of the International Compliance Assurance Program (ICAP), working closely with the ATO, CRA, HMRC and the US Internal Revenue Service. ICAP is an OECD initiative for tax assurance across multiple tax jurisdictions.

As an Australian headquartered company, we have created and maintained significant intellectual property in Australia which has been successfully deployed in our overseas expansion over time. Our engagement with tax authorities includes seeking to ensure that Australia receives a commercial return for the use of the intellectual property by our overseas businesses. These returns are taxable in Australia.

To the extent that Computershare generates income which is taxable in Australia, this generates franking credits which can be distributed to our shareholders. Profits from our operations overseas are taxable in the country in which they are generated. Under Australian tax law, these profits are not subject to further tax when repatriated to Australia and therefore do not generate franking credits. While unfranked dividends paid to Computershare's shareholders represent profits which have not been taxed to Computershare in Australia, they will be taxed in the hands of our shareholders when distributed, the majority of which are resident in Australia.

RECONCILIATION OF ACCOUNTING PROFIT TO INCOME TAX EXPENSE

Year ended 30 June 2021	Consolidated Global Group USD '000
Profit before income tax expense	**270,132**
Prima Facie tax at 30%	81,040
Variation in tax rates of foreign controlled entities	(4,357)
Non-deductible expenses related to Wells Fargo acquisition	1,823
Prior year tax (over)/under provided	(1,479)
Withholding tax not creditable	1,353
Non-deductible lease provisions	805
Effect of changes in tax rates and laws	(38)
Other (net)	1,786
Income tax expense recognised in profit or loss	**80,933**
Effective tax rates	
Global group effective tax rate	**30%**
Australian group effective tax rate	**10%**

The effective tax rate is calculated as accounting income tax expense as a percentage of accounting profit before income tax.

Australian group effective tax rate

As Computershare is an Australian headquartered group, it receives substantial dividends from its foreign subsidiaries. These foreign dividends are included in the Australian group's accounting profit before income tax but are not assessable under Australian tax law.

Excluding the impact of foreign dividends and the related tax expense impact, the Australian group's effective tax rate would be 31%.

RECONCILIATION OF INCOME TAX EXPENSE TO INCOME TAX PAYABLE

Year ended 30 June 2021	Consolidated Global Group USD '000
Income tax expense recognised in profit or loss	**80,933**
Temporary differences	
Tax losses	3,196
Loss allowance	(136)
Financial instruments and foreign exchange	(6,618)
Property, plant & equipment	792
Right-of-use assets	(11,128)
Share based remuneration	1,779
Goodwill	(7,604)
Intangible assets	8,525
Deferred revenue	636
Other creditors & accruals	253
Provisions	698
Employee benefits	3,246
Lease liabilities	11,717
Mortgage servicing related liabilities	(23,350)
Other	797
Temporary differences charged/(credited) to equity	(215)
Foreign tax credits	(5,776)
Income tax payable for the current year	**57,745**
Income tax payable for the prior year (net of refunds)	55,191
Tax Paid during the year	(92,926)
Currency and other differences	(2,445)[1]
Income tax payable at year end (net of refunds)	**17,565**

The tax expense for the year differs from the tax payable due to the time at which tax consequences must be recognised for accounting purposes, which may be different to when the tax liability arises under tax laws.

1 Tax obligations arise in different currencies in the various countries in which Computershare operates. These are translated into USD for reporting purposes. In the current year the net effect of currency movements is a general deterioration against the USD.

OUR TAX CONTRIBUTION

Year ended 30 June 2021	USD '000
Corporate income taxes	92,926
Employer related taxes (benefits, payroll, social security and pension contributions to governments and funds)	127,499
Property and stamp taxes	6,029
Withholding taxes	10,706
Other taxes	1,115
Taxes paid by the global group	238,275
Net indirect taxes collected	74,928
Taxes collected from employees and non-resident withholding	188,321
Total	**501,524**

INTERNATIONAL RELATED PARTY DEALINGS

As an Australian home grown success story with global headquarters in Australia, Computershare's Australian entities have the following types of dealings with its overseas related parties:

- Licensing of IP owned by Computershare Limited to overseas controlled entities including software, brand names, trademarks and other intangible assets. As mentioned above, we have created and maintained significant intellectual property in Australia which has been successfully deployed in our overseas expansion over time – this gives us a competitive advantage and helps contribute to synergies from acquisitions. A commercial return is charged to our overseas businesses which use this intellectual property, and amounts charged are taxable in Australia.
- Management and administrative services provided to and received from overseas controlled entities. As a global group, internal management and support services are centralised for efficiency. Each business in our global group that benefits from these services is required to pay a commercial charge for them.
- Operational services provided to and received from overseas controlled entities in relation to global clients. A large number of our clients are also international companies that require our services in multiple locations.
- Technology support services provided to and received from overseas controlled entities in relation to maintenance, infrastructure and device costs. For example, our data servers located in one country may be used by businesses in another country, and a commercial charge is imposed for that use.
- Loans made to and received from overseas controlled entities for short-term, medium-term and long-term funding requirements. As a large global group, these transactions assist with managing cash flow and funding requirements.
- Receiving dividends from overseas controlled entities which repatriate profits back to Australia.

ATO'S REPORT OF ENTITY TAX INFORMATION

On an annual basis, the ATO publishes its Report of entity tax information which discloses certain information (total income, taxable income and tax payable) regarding Computershare's Australian tax consolidated group. The information is generally released in the final quarter of the calendar year and sourced from Computershare's Australian income tax return.

The information to be disclosed by the ATO in late 2021 relates to the year ended 30 June 2020.

Reconciliation to Report of entity tax information **Year ended 30 June 2020**	**AUD** **'000**
Total income*	644,026
less Total expenses	(284,022)
Profit before tax	360,004
add Realised taxable gain on termination of fair value and cash flow hedges	183,835
less Dividends from foreign subsidiaries (not assessable under Australian tax law)	(215,624)
add Net impact of all other permanent and timing adjustments	(16,853)
Taxable income*	311,362
Tax @ 30%	93,408
less Foreign tax credits	(8,313)
Tax payable*	85,095

* Information disclosed by the ATO

BASIS OF PREPARATION

Computershare's accounting profit to income tax expense reconciliation is disclosed in Note 6 of the 2021 Annual Financial Report and has been externally audited. The income tax expense disclosed in the Annual Financial Report is calculated in accordance with Australian Accounting standards and represents the profit before income tax expense multiplied by the applicable corporate income tax rate of 30% adjusted for "permanent" differences. Permanent differences represent differences between income and expense recognition criteria under accounting principles and income tax legislation, including non-deductible expenses and non-assessable adjustments. Income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

The reconciliation of income tax expense to income tax payable has been prepared by Computershare in accordance with Australian Accounting standards.

Tax contribution information has been compiled using information on actual taxes paid or collected during the financial year (i.e. on a cash basis), rather than taxes paid or collected referable to the financial year. Computershare undertakes an internal review process through its finance function to verify the disclosures made.