

COFRA UK SUB-GROUP TAX STRATEGY

January 2022

This tax strategy applies to the companies located in the UK that are subsidiaries of COFRA Holding AG (the “UK Sub-group”). It is extracted from the Governance, Risk & Compliance document applicable to Tax covering the broader group of companies headed by COFRA Holding AG (the “COFRA Tax Charter”). The main operations within the UK Sub-group are Bregal Investments and Redevco.

Documenting this strategy provides direction and control over the tax activity in the UK Sub-group. This strategy applies specifically to UK taxation, and is published in accordance with the duty to publish the tax strategy for the UK Sub-group in the current financial year under paragraph 19(2) of Schedule 19 of the Finance Act 2016.

GOVERNANCE

The Group CFO is responsible for the review and necessary revision of the tax strategy set out in the “COFRA Tax Charter” on an annual basis, or anytime upon the occurrence of substantial changes. The COFRA Tax Organisation, headed by the Head of Group Tax, supports the Group CFO as applicable. The COFRA Tax Organisation consist of the COFRA Holding tax team and the tax teams which are part of C&A, Redevco, Bregal Investments, Anthos Family Office and Anthos Fund & Asset Management, including tax professionals located in the UK.

MANAGEMENT OF TAX RISK

The COFRA Tax Organisation actively manages the existing tax risks (including operational tax risks) by implementing appropriate management and control procedures associated with their overall responsibility for specific taxes. Further, the COFRA Tax Organisation works within the risk management framework established by COFRA, adhering to the risk-based policies applicable to tax that are in place.

ATTITUDE TO TAX PLANNING

The COFRA Holding AG group (including the UK Sub-group) believes it is the right of governments to determine tax policies and tax rates and to draft tax laws accordingly. They do so against strong competition for capital and investment, which is internationally mobile. It is not the role of business to form views on what level of taxation is adequate or required. From a tax planning perspective, and as applicable, the UK Sub-group uses legitimate tax incentives and exemptions designed by governments to promote investment, employment, and economic growth.

By applying the COFRA Tax Principles according to the COFRA Tax Charter, the UK Group believes that it will pay its fair share of tax in the countries it operates. For example, that profits are allocated to the countries according to the value creation, adhering to domestic and international rules and standards and a reasonable understanding and interpretation of these rules and standards. This provides the high standard that results in what COFRA considers corporate responsibility in the tax area and facilitates to achieve long-term sustainability in doing business.

ACCEPTABLE TAX RISK

Tax follows business, and profit is therefore allocated to countries in which value is created in accordance with domestic and international rules and standards, with the arm's length principle applied.

COFRA entities (including the UK Sub-group) do enter into tax planning that may carry some tax risk, but only if there are business reasons for that tax planning and is in accordance with accepted practice and attitude of tax planning as indicated above. Purely artificial and abusive tax structures shall be avoided.

In accordance with these principles, the UK Sub-group complies with both the letter and the spirit of local and international tax laws and is guided by international tax standards (such as OECD Guidelines).

APPROACH TO DEALING WITH HM REVENUE & CUSTOMS (“HMRC”)

COFRA entities (including the UK Sub-group) falling under the scope of the COFRA Tax Strategy seek an open and constructive dialogue with tax authorities on the basis of disclosure of relevant facts and circumstances. The UK Sub-group aims to enhance clarity and upfront certainty around tax. One of COFRA's core values is integrity, as well as dealing fairly with all stakeholders and communicating openly. The UK Sub-group behaves honestly with everyone and acts with respect and responsibility. This also applies to the relationship with tax authorities which is based on transparency, trust and mutual understanding. In its dealings with HMRC the UK Sub-group operates in a manner which results in constructive dialogue, respect and professional behaviour.

The UK Sub-group is transparent about its approach to tax and its tax positions taken. Further, the UK Sub-group files its tax returns in time and pays its taxes promptly, whilst also making tax related disclosures in accordance with the UK's domestic regulations, as well as applicable reporting requirements and standards such as IFRS.