

VALUE RETAIL®

TAX UPDATE

VALUE RETAIL PLC'S APPROACH TO TAX FOR THE YEAR ENDING 31 DECEMBER 2019

Prepared in accordance with paragraph 16(2) Schedule 19 Finance Act 2016.

SUMMARY OF VALUE RETAIL PLC'S APPROACH TO TAX

Value Retail PLC's ("the Company's") approach to tax risk is supported by its Board of Directors, which is committed to an open, transparent and collaborative approach with taxing authorities in all countries in which it operates.

Tax decisions are appropriate to and consistent with commercial transactions that have been approved by its Board of Directors.

ABOUT THE COMPANY

The principal activity of the Company is the provision of services for the development and management of outlet shopping Villages.

The Company's mission is to inspire the world's most discerning customers to discover and embrace the world's most important brands. The Company's commitment to its guiding principles is key to creating its unique culture, and helps to shape its business decisions. The Company's authenticity, critical thinking, innovation, passion and vision are fundamental to the integrity and growth of the business. The Company aims to achieve commercial and strategic objectives in a sustainable, tax-efficient manner, ensuring that the business pays correct taxes in all relevant jurisdictions.

THE COMPANY'S APPROACH TO TAX RISK MANAGEMENT AND GOVERNANCE

The Company takes its global tax responsibilities seriously. The Company has regular internal reporting on tax, including tax risk, to the Board of Directors. The Company's Board of Directors and the Finance Director are ultimately responsible for making operational decisions in relation to tax. The Director of Tax is responsible for managing the tax governance of the business. The Company invests in the development of its people to ensure that they are well-equipped to maintain the high levels of tax compliance and risk management that are expected. Robust internal control procedures are maintained to identify, manage and mitigate tax risks, and the Company constantly seeks to build and improve on these.

THE COMPANY'S APPROACH TO TAX PLANNING

The Company's approach to tax planning is undertaken in line with its guiding principles. The company is committed to organising its tax affairs in an efficient manner that fits within its commercial direction. The Company will not engage in what it considers to be aggressive tax planning. Commercially driven activities will be structured tax-efficiently where this makes sense and will be aligned with the Company's broader strategy. The Company is open to optimising the use of incentives and legitimate tax arrangements operated by various jurisdictions, but only where such arrangements are in accordance with Value Retail's business model. The Company ensures that any planning remains fully compliant with tax law and engages with advisors on complex transactions that cross borders or involve highly technical pieces of legislation.

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THE COMPANY'S APPROACH TO TAX RISK

The Company ensures that all transactions are supported by commercial substance and the Company will not implement planning that it believes could jeopardise its reputation. The Company will also only engage in planning that it is willing to stand behind. Where uncertainty exists, the Company will either seek external advice or engage directly with the tax authorities in order to ensure that it is compliant with the relevant tax laws and regulations.

The approach to tax compliance is consistent with the Company's appetite to managing its operational risk to as low a level as is commercially sensible, taking account of both the financial impact and the value placed by the Group on maintaining a reputation for upholding the highest standards of corporate ethics.

THE COMPANY'S WAY OF WORKING WITH TAX AUTHORITIES

The Company seeks to minimise the risk of a dispute with taxing authorities by being open and transparent about its tax affairs. Furthermore, the tax consequences of significant commercial transactions are considered by the Board of Directors as part of its deliberations on the transactions in question.

The Company seeks to maintain an open, transparent and collaborative relationship with tax authorities. The Company aims to provide information requested by tax authorities on a timely basis and will engage in discussions regarding complex, technical positions prior to the submission of tax returns where appropriate. The Company is committed to ensuring faultless compliance; however, should an error come to light, the Company expects to proactively report this to the relevant tax authority.

23 December 2019