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MERCURY UK HOLDCO LIMITED – TAX STRATEGY

The document sets out Mercury UK Holdco Limited's policy and approach to conducting its tax affairs and dealing with tax risk. It will be regularly reviewed to confirm that it incorporates any changes which may affect the group and/or the company in relation to this policy and approved by the Mercury UK Holdco Board.

Mercury UK Holdco Limited's principal activity is to act as a holding company of its direct and indirect subsidiaries and associate. The company's sole subsidiary became an associate at the end of May as a result of Mercury UK Holdco Limited's shareholding reducing below 50%, and accordingly the Mercury UK Holdco Limited group ceased to exist at that point. Mercury UK Holdco Limited also provides certain services (including accounting, financial and tax reporting and treasury services) to its shareholders. Our strategy is to comply with all relevant regulations. We seek to achieve this through engagement with our stakeholders including HMRC and other tax authorities. The strategy is in alignment with our overall approach to corporate governance and risk management.

The responsibility for the tax strategy, the supporting governance framework and management of tax risk sits with the two Executive Directors who sit on and report to the Board. One of the Executive Directors acts as the Senior Accounting Officer. The tax strategy is reviewed and approved by the Board on at least an annual basis.

The main tax risks are tax compliance and reporting risks, transactional risks and reputational risk. These risks are managed in a similar way to any area of operational risk. They are identified by business management and supplemented by the oversight of the Executive Directors. Where appropriate we will mitigate those tax risks. We have not established rigid levels of acceptable tax risk but do review the identified risks on a case by case basis.

The Board considers that it has a responsibility to comply with all laws, rules, and regulations wherever applicable, applying all professional diligence and care in the management of all risks associated with tax matters and ensuring governance and assurance procedures are appropriate. In this respect the Board considers it is entirely proper that the group and/or the company conducts an appropriate level of responsible tax planning in managing its tax affairs, being consistent with its obligations to protect the assets of the company for the benefit of our shareholders. This planning, for example reducing the risk of double taxation, is carried out within Board defined parameters and under advice from specialists as appropriate to ensure adherence to appropriate tax regulations. Where there is

uncertainty as to the application and interpretation of tax law appropriate written advice evidencing the facts, risks and conclusions from said advisors will support the decision-making process which will maintain the legal and fiduciary duties of the Directors and employees. Underlying the strategy is the ethos that Mercury pays the right amount of tax required under the laws and regulations of the countries in which it operates at the right time while claiming any available incentives and reliefs.

Tax decisions will be made at all times in a manner which is consistent with and complements the overall tax strategy. Key business decisions will always consider the tax consequences of that decision.

We have an open, honest and positive working relationship with HMRC. We are committed to prompt disclosure and transparency in all tax matters with HMRC. Where appropriate we look to engage with tax authorities to disclose and resolve issues, risks and uncertain tax positions. All dealings with tax authorities will be conducted in a collaborative, courteous and timely manner.

Mercury UK Holdco Limited regards the publication of this tax strategy as complying with the duty under paragraph 16(2) of Schedule 19 of the Finance Act 2016 to publish its tax strategy in the current financial year.

December 2020