

TAX STRATEGY

Simon Holdco Limited and its UK tax resident subsidiaries Financial Year Ending 31 December 2019

This document, approved by the UK Board of Directors, sets out the tax strategy for all UK companies within the combined European Group (herein referred to as 'Lowell UK' or the 'UK Group'), as it relates to UK taxation.


The publication of this statement is regarded as satisfying the UK Group's statutory obligation under Para 19(2), Schedule 19, Finance Act 2016.

At Lowell UK we take good governance and our reputation seriously and this is reflected in our values and our tax strategy, as set out below. This strategy applies from the date of publication until it is superseded.

APPROACH TO RISK MANAGEMENT AND GOVERNANCE ARRANGEMENTS

Lowell UK's operations are overseen by our Executive Committee, supported by our key Risk, Audit, Executive, Remuneration and Nomination Governance Committees, all of which ensure we follow rigorous governance processes across our activities.

The UK FD along with the Group CFO (who are also responsible for ensuring the UK Group continues to be compliant with the Senior Accounting Officer legislation) are ultimately responsible for the management of any UK Tax Risk and for ensuring the appropriate controls are in place and effective. Appropriate oversight is also provided from the respective Boards and Risk Committees and the UK FD and Group CFO report to both.



The UK Head of Tax is part of the finance function that reports to the UK FD and is supported by a team with appropriate professional qualifications and experience commensurate with the responsibilities required for their roles.

One of the key responsibilities of the team is to identify, assess and mitigate UK tax risks on a case by case basis, aided by maintaining risk registers, evaluating and discussing these at the appropriate Committees and Boards. This therefore allows the UK Group to arrive at well-reasoned conclusions on how each tax risk should be managed. Where there is significant uncertainty or complexity in relation to a risk, external advice is sought to support the conclusions and decisions reached.

TAX PLANNING

Lowell recognises that tax is inherent in many commercial transactions. The UK Head of Tax and the team are therefore involved in the decision making process of material transactions and provide appropriate input into business proposals to ensure a clear understanding of the tax consequences of any decisions made.

The UK Group will not seek tax efficiencies if the underlying commercial objectives do not support the position, or if the arrangements impact upon the UK Group's reputation, brand, corporate and social responsibilities, or future working relationships with HMRC. However, in order to maximise shareholder value, Lowell UK may seek to structure commercial transactions in a legitimate tax efficient manner as permitted by law.

The UK Group will not undertake planning that is contrived or artificial where the sole purpose is to reduce UK tax.

In cases where the tax guidance is unclear or the UK Group does not feel it has the necessary expert knowledge to assess the tax consequences adequately, external advice may be sought to support the decision making process.



TAX RISK MANAGEMENT

Lowell UK's principal objective in relation to tax risk, where possible, is to ensure comprehensive and timely compliance with all relevant legislation and guidance whilst minimising the risk of additional tax liabilities, penalties and damage to reputation. Our judgement of tax risk may naturally consider materiality but we do not define thresholds for what is an acceptable or unacceptable level of risk. Instead, where we consider that a tax risk exists, this is escalated by the Head of Tax via our governance framework as above and external advice is sought where there is significant uncertainty, complexity and risk.

The UK Group's tax affairs and tax risk management policies are actively managed and examined to ensure that procedures and assessments are up to date especially given the changing tax landscape. By adopting this approach we seek to recognise, measure, manage and mitigate tax risk.

ENGAGEMENT AND APPROACH WITH TAX AUTHORITIES

Lowell UK remains committed to the principles of openness and transparency in its approach when dealing with HMRC.

Whilst the UK Group does not have a Customer Compliance Manager ('CCM'), all dealings with the tax authority are conducted in a collaborative, courteous and timely manner with the aim to strive for early agreement on disputed matters or where there is uncertainty.

In the unlikely event non-compliance is identified, the UK Group would seek to make an unprompted disclosure to HMRC on a timely and transparent basis.