

G. Modiano Tax Strategy

Year ended 31 March 2020

G Modiano Limited is the ultimate UK parent company of the Modiano group (herein referred to as “G. Modiano”).

G. Modiano takes a responsible and sustainable approach in relation to our tax obligations and is committed to paying the right amount of tax in all jurisdictions and maintaining an open relationship with tax authorities in the territories in which it operates.

In accordance with the measures contained in schedule 19 of Finance Act 2016, G. Modiano now publishes its tax strategy. This strategy applies from the date of publication until it is superseded.

The strategy has been approved by the Board of G. Modiano and will be reviewed and updated where appropriate on an annual basis.

Our approach to tax

G. Modiano understands the importance of the taxes we pay in supporting the various communities that we operate in and operate under the following principles:

- We comply with all relevant tax law, reporting and regulatory requirements.
- We interpret relevant tax laws in a way consistent with a relationship of co-operative compliance with tax authorities.
- We only engage in tax planning aligned to our commercial and economic activity that does not lead to any abusive result.
- Where appropriate and in line with policy intent, we apply to take benefit of available tax incentives and exemptions.

Management of tax risk

G. Modiano ensures that risks are identified and understood at an early stage and that effective compliance and reporting processes are in place.

The group’s key tax risks include:

- **Tax compliance risk** - this includes late filing or incorrect tax returns, failure to submit claims and elections on time, and late payment of taxes. As G. Modiano grows financially, in headcount and in geographical footprint, it may also include falling within existing legislation of which there is not an awareness as it has not previously been relevant to G. Modiano.
- **Transactional risk** - this includes actions taken in respect of transactions without adequate consideration of potential tax implications, or where tax advice is not appropriately implemented.

- **Reputational risk** - this includes the impact on our relationships with shareholders, customers, tax authorities, and the public.

G. Modiano manages these risks by utilising suitably qualified and experienced finance team members and specialist external tax advisors, to prepare and file tax returns and also advise on areas of uncertainty or particular complexity. Tax matters are proactively managed by having robust business controls and processes which are reviewed on a regular basis.

G. Modiano has a low tolerance to tax risk, as demonstrated by its attitude to tax planning and governance.

Tax Governance

The Finance Director takes overall responsibility for the management of tax risk, which is delegated to the finance team, who deal with the day-to-day management of tax risks.

The team consists of appropriately qualified and experienced accounting and finance professionals based in the UK. This includes specialists in indirect taxes, employment taxes and corporation tax, who together manage and oversee G. Modiano's tax compliance in its operating areas. The finance team is supported by external advisers in the UK and overseas.

The Board, updated as appropriate by the Finance Director, exercises oversight of tax risk management and governance primarily through discussions at the monthly Board meetings. These meetings incorporate key tax information and issues arising within the business, or externally that could impact the business, for example upcoming legislative changes.

Working with tax authorities

G. Modiano is committed to acting with integrity at all times and to maintaining a transparent, open and proactive relationship with all tax authorities, including HM Revenue & Customs ("HMRC"), seeking where possible and appropriate to proactively engage to disclose and resolve past, current and future issues as they arise.

Transparency and tax evasion

- We support the UK Government's adoption of the OECD's Base Erosion and Profit Shifting recommendations.
- We do not tolerate tax evasion or the facilitation of tax evasion by any persons acting for or on behalf of G. Modiano.