

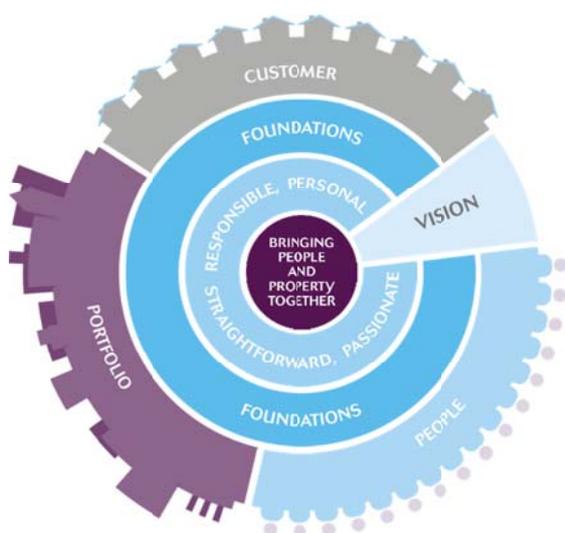
Tax Strategy

2019



1. Tax Governance – At a Glance

Tax Strategy



Summary of Key Tax Principles

We at Countrywide plc are continuously working to:

- ✓ **align** tax strategy with business and commercial strategy
- ✓ **act responsibly** in relation to our tax affairs, and comply with all applicable laws, rules and regulations
- ✓ **define** tax reporting lines, responsibilities and accountabilities
- ✓ **drive** consistent tax behaviours in the Group
- ✓ **work with tax authorities** collaboratively and transparently to minimise the extent of disputes, to achieve early agreement on disputed issues when they arise and achieve certainty, wherever possible
- ✓ when considering tax, ensuring that due consideration is given to the Group's **corporate and social responsibilities**
- ✓ **engage with internal and external stakeholders** in enabling a coherent understanding of how tax is managed in the Group

In the summary that follows, we set out the key principles of the Countrywide Group tax strategy.

2. Objective

This Tax Strategy applies to the Countrywide Group and all subsidiaries and other entities it controls and is reviewed annually.

The Tax Strategy of Countrywide Group sets out both the internal governance of tax matters and the approach to tax, and is approved by the Group Board. It includes:

- Our approach to risk management and tax governance
- Overview of the Group's approach to tax planning
- Level of risk in relation to UK tax that the Group is prepared to accept
- Our approach towards dealings with the tax authorities

3. Tax Strategy statements

3.1. Consistency with Group strategy

Tax decisions will be made at all times in a manner which is consistent with and complements the Group's overall strategy. Key business decisions should be made cognisant of the tax consequences and with the aim of maintaining shareholder value and optimising its tax liabilities wherever possible within the legislative framework.

3.2. Compliance with laws, rules and regulations

Countrywide Group strives to comply with all applicable laws, rules, regulations, and reporting and disclosure requirements, wherever there is a requirement to do so as a result of our business presence and transactions.

The publication of this Tax Strategy is regarded as satisfying the statutory obligation under Para 16(2) Schedule 19 Finance Act 2016 for the current financial year.

3.3. Governance, Assurance and Tax Risk Management

Our vision and purpose establish what we want to achieve as a business, and our tax affairs will be managed to support them. These are aligned with our [Code of Conduct](#) and support our values which describe the way we work, and apply equally to how we manage our tax affairs, in particular being open and honest in our dealings with stakeholders and making sure we deliver on our goals, vision and strategic objectives.

The Group continues to strengthen and embed a robust risk management framework across our business, and this approach also applies to the management of our tax affairs. The Group's risk management framework (RMF) is underpinned by the operation of a three-lines-of-defence model with clearly defined roles and responsibilities for statutory boards and their committees, management oversight committees, Group Risk and Group Internal Audit. The Group's approach to tax risk management is governed by the RMF and an overview of the three-lines-of-defence model as applied specifically to tax is outlined below. Countrywide seeks to legitimately control tax costs and has a conservative approach to tax risk and takes advice from qualified external advisors where appropriate. Diligent professional care and judgement will be applied to assess tax risks in order to arrive at well-reasoned conclusions on how the risks should be managed.

Group Tax will employ various risk management processes and systems to provide assurance to the Board that the control standards outlined in the [Group tax Policy](#) are applied.

This strategy is aligned with our Risk Management Framework and is approved, owned and overseen by the Board.

3.4. Attitude to tax planning

The Group is predominately UK tax resident and most taxes are paid in the UK.

The Group has responsibility to its shareholders to deliver value and will only engage in reasonable tax planning that is aligned with commercial and economic activity. Tax will be a result of business strategy but not drive business strategy.

The Group will only establish a presence in a favourable tax jurisdiction pursuant to the core business. The Group will not enter into transactions that have a main purpose of gaining a tax advantage, unless specific legislation is drafted to achieve this result, or make interpretations of tax law that are opposed to its original spirit.

3.5. Approach towards relationship with tax authorities

An important part of the Group's tax strategy is to maintain and develop its strong, proactive relationship with HMRC. The Group maintains an open dialogue with HMRC and updates them on business activities, results and key developments as they arise. The Group will always seek the views of HMRC on any uncertain tax positions. The Chief Financial Officer, Group Tax Manager and Group Financial Controller meet formally on a periodic basis for a business review meeting with HMRC.

Approved by the Board of Countrywide plc

28 November 2019