Countryside Properties PLC

Tax Strategy

October 2018

Scope

Countryside Properties PLC (the 'Company') is a public limited company incorporated in England and Wales whose shares are publicly traded on the London Stock Exchange.

This strategy applies to the Company and all its subsidiaries (together 'Countryside' or the 'Group') in accordance with paragraph 16 of Schedule 19 to the Finance Act 2016 (the Schedule).

This strategy applies from the date of publication until it is superceded. References to 'UK Taxation' are to the taxes and duties set out in paragraph 15(1) of the Schedule and which include Income Tax, Corporation Tax, PAYE, National Insurance, VAT, Insurance Premium Tax and Stamp Duty Land Tax. References to 'tax', 'taxes' or 'taxation' are to UK taxation and to all similar duties in respect of which Countryside has legal responsibilities. As Countryside operates wholly within the United Kingdom, there are no applicable overseas taxes, but in principle this strategy would apply to any applicable overseas tax.

Aim

Countryside seeks to comply fully with its statutory and other regulatory obligations and to act in a way which upholds its reputation as a responsible corporate citizen, including full and transparent disclosure to tax authorities.

In line with Countryside's broader corporate strategy, the key goals directing Countryside tax policy are:

- adherence to applicable laws and regulations;
- maximisation of shareholder value on a sustainable basis; and
- protection of our reputation and brand.

Countryside believes that our obligation is to pay the amount of tax legally due at the right time in accordance with rules set by the relevant authorities. Countryside also has a responsibility to shareholders to ensure that strategic business objectives are met without incurring unnecessary tax costs.

Governance in relation to UK taxation

Ultimate responsibility for the Group's tax strategy and compliance rests with the Company's Board. Executive management of the Group is delegated by the Board to the Executive Committee.

The Board and Audit Committee receive regular updates, normally quarterly, in respect of taxation matters during the year and ensure that taxation is considered when making significant business decisions. In addition, any matter which could have a reputational impact on the business will be referred to the Audit Committee.

The Audit Committee is required to monitor the integrity of the Group's financial reporting system, internal controls and risk management framework, expressly including those elements in relation to taxation.

The Chief Financial Officer is the Executive Committee member with executive responsibility for tax matters, is responsible for the control environment and is the Group's Senior Accounting Officer. Day-to-day management of the Group's tax affairs is delegated to the Director of Tax & Treasury.

Risk management

Countryside operates a system of tax risk assessment and controls as a component of the overall internal control framework. A tax risk assessment is performed annually and this is used to update the tax risk register which is maintained to record emerging issues and necessary mitigating controls or activity. A quarterly review meeting is attended by relevant members of the Finance and Legal departments, including the Director of Tax & Treasury, to review these risks and controls.

Countryside seeks to manage the level of tax risk arising from its day-to-day operations as far as reasonably practicable by ensuring that reasonable care is exercised across all processes which could materially affect its tax compliance obligations.

Processes which involve the calculation or payment of tax, such as payroll or land acquisition or disposal are managed by relevant business owners. The Director of Tax & Treasury ensures that these processes are adequate from a tax perspective and appropriate training is carried out by internal or external experts for staff involved in these processes.

Advice is sought from external advisors where appropriate. Typically this could include, but is not limited to, guidance on the implementation of new tax legislation or the interpretation of complex transactions to supplement internal resources.

The Group's external auditor is prohibited from providing tax services under the Group's Non-audit Services Policy.

Attitude towards tax planning and level of risk

Countryside has a low tax risk appetite.

Risk is managed with the objective of ensuring compliance with all legal requirements so that the Group pays the right amount of tax at the right time.

The level of risk which Countryside accepts in relation to UK taxation is consistent with its objective of achieving certainty in the Group's tax affairs. When entering into commercial transactions, Countryside seeks to take advantage of available tax incentives, reliefs and exemptions when appropriate to do so in line with both the letter and spirit of UK tax law, as well as our broader social responsibilities. Countryside only undertakes tax planning on a similar basis, and in support of genuine commercial activity.

In relation to any specific issue or transaction, the Board is ultimately responsible for identifying the risks, including tax risks, which need to be addressed and for determining what actions should be taken to manage those risks, having regard to the materiality of the amounts and obligations in question.

Relationship with HMRC

Countryside seeks to have a pro-active, open and transparent relationship with HMRC through regular meetings and communication in respect of developments in the business, historical, current and future tax risks, and the interpretation of law and guidance in relation to all relevant taxes.

Any inadvertent errors in submissions made to HMRC are fully disclosed as soon as reasonably practicable after they are identified.