

Strategy

The IM Group is committed to:

- Acting with integrity and transparency in all tax matters;
- Following the letter and the spirit of applicable laws and regulations relating to tax;
- Developing and operating appropriate internal governance processes and procedures to enable us to manage tax risk and to ensure we make accurate and timely tax returns and payments;
- Working with HMRC in a collaborative and timely manner to resolve any disputes; and
- Using incentives and reliefs to minimise the tax cost of conducting our business whilst ensuring that these reliefs are not used for purposes which are knowingly contradictory to the intent of the legislation.

Scope

This strategy applies to IM Group Limited and its subsidiaries (as defined by s1159 Companies Act 2006), IMP Investment Limited and its subsidiaries (as defined by) and Orland Park LP. A full list of the subsidiary companies of IM Group Limited and IMP Investment Limited is contained within the published financial accounts, which are available for free via Companies House. These entities are collectively referred to as **“IM Group”** throughout this document.

“Tax” has the meaning given for UK Tax in Para 15(1) Sch 19 Finance Act 2016.

Risk Management

In accordance with Sch46 Finance Act 2009, the Senior Accounting Officer (**“SAO”**) of the group is responsible for ensuring that IM Group establishes and maintains appropriate tax accounting arrangements.

The Director of Administration is the SAO and sits on the Main Board of IM Group and the Board of the three operating divisions, which have executive authority over the strategy, material business decisions and operations of IM Group.

The Group Head of Tax reports to the Director of Administration and, together with their team (the **“Tax Team”**) has day to day responsibility for tax risk management in accordance with this Tax Strategy. This involves close liaison with the finance functions of the operating divisions.

Managing the IM Group’s tax affairs is a complex process across different territories, divisions and functions within the business and there will inevitably be risks of errors or omissions within those processes (**“Tax Risks”**) which could result in the incorrect application of tax rules or calculation of tax liabilities. As with any risk, the elimination of Tax Risks in their entirety is not possible, and therefore the IM Group assess risks on a case by case basis and designs appropriate controls based on the likelihood of occurring and the impact if it did.

The Director of Administration is required to sign-off on the approach adopted to any material Tax Risks. Materiality is not rigidly defined.

Tax planning

The Group's tax planning supports the commercial needs of the business by ensuring that the business undertakes transactions in the most tax efficient manner whilst remaining compliant with the letter and the spirit of the applicable laws.

The Tax Team is therefore involved with the teams within the three operating divisions of the business to provide appropriate input into business decisions to ensure a clear understanding of the tax consequences and potential Tax Risks arising from the decisions.

Tax is an incredibly complex subject, changes rapidly and often involves consideration in multiple territories. It is not considered possible for the Tax Team to keep abreast of all tax developments which may impact our business and therefore they maintain relationships with specialists within large accountancy and legal firms to help remain updated.

When looking at transactions and structures, our key tax objectives are:

- To minimise the impact of double taxation;
- To ensure that any tax structuring reflects the underlying commercial position; and
- To ensure that any tax structure does not achieve an outcome which is inconsistent with the economic consequences (unless specific legislation anticipates that result) nor contrary to the intentions of parliament.

Where a transaction involves material sums and/or involves a position where the interpretation of the letter or spirit the law is unclear, IM Group will engage an appropriate firm to provide advice to assist in the decision-making process. Where external advice has been sought the Director of Administration, on behalf of the Board, is required sign-off these transactions.

Working with HMRC

IM Group is committed to the principles of Co-operative compliance in working with HMRC. The Tax Team has put considerable effort into building an effective working relationship with each of the Customer Relationship Managers we have worked with and their numerous tax specialists.

Working co-operatively and in real time with HMRC benefits both parties and IM Group will look to discuss material tax uncertainties with HMRC in real time.

Working in this way gives HMRC comfort that it has an appropriate level of oversight on the business, its operations and how it manages Tax Risks such that HMRC can tailor its approach to the business accordingly. It allows IM Group to more quickly achieve certainty about the tax treatment of transactions where the guidance is unclear or which are otherwise open to interpretation.

It is inevitable that in business issues will arise on which two parties are in dispute about the interpretation. Should any item arise in dispute with HMRC, IM Group will seek to work with HMRC to resolve the dispute in an open and professional manner and in as short a time as possible.

Gary Hutton

16 November 2017