

Tax Strategy: Financial year ending 31 December 2017

This strategy applies to Tradition (UK) Ltd and all related UK based entities (collectively Tradition London).

The strategy covers Tradition's approach to arranging its tax affairs.

The tax strategy includes five key components:

1. Commitment to compliance

Tradition London is committed to complying with UK tax law and practice. Compliance for Tradition London means paying the right amount of tax at the right time. It involves disclosing all relevant facts and circumstances to the UK tax authorities and claiming reliefs and incentives where available.

2. Responsible attitude to arranging our tax affairs

In structuring its commercial activities Tradition London will consider – amongst other factors – the UK tax laws, with a view to maximising value on a sustainable basis for the Group and its shareholders. For example, Tradition London will often look to take steps to reduce the risk of double taxation (i.e. the same income being taxed twice in two different jurisdictions). Any structuring that is undertaken will have commercial and economic substance and will have full regard to the potential impact on Tradition London's reputation and broader goals. Tradition London will not put in place any arrangements that are contrived or artificial.

3. Effective risk management

Given the scale of Tradition London's business and volume of tax obligations, risks will inevitably arise from time to time in relation to the interpretation of complex tax law and the nature of Tradition London's compliance arrangements. We actively seek to identify, evaluate, monitor and manage these risks to ensure they remain in line with Tradition London's objectives. Where there is significant uncertainty or complexity in relation to a risk, external advice may be sought, particularly in relation to Tradition London's international tax obligations.

4. Constructive approach to engaging with HMRC

Tradition London engages with HMRC with honesty, integrity, respect and fairness and in a spirit of co-operative compliance, wherever possible, Tradition London does so on a real time basis to minimise tax risk. Whilst Tradition London does not take positions on tax matters that may create reputational risk or jeopardise Tradition London's good standing with the UK Tax Authorities Tradition London, is however prepared to litigate where Tradition London disagrees with a ruling or decision of the UK Tax Authorities, having first sought to resolve any disputed matters through active and transparent discussion.

5. Board ownership and oversight

This tax strategy is aligned with the Group Code of Ethics and is approved, owned and overseen by the UK Boards.

Tradition London regards this document as complying with its duty under paragraph 16(2) and paragraph 25(1) of Schedule 19 to the Finance Act 2016.