

# UK GROUP Tax Strategy

## 1. Introduction

The SIXT Group is one of the world's leading mobility providers and creates tailored mobility solutions for business and corporate customers as well as for private travelers around the world.

The holding company is United Kenning Rental Group Limited incorporated in the United Kingdom, the ultimate parent company of the Group, SIXT SE, a legal entity with its registered office and management in Germany, is subject to an unlimited tax liability on its world-wide income and must fulfil obligations regarding direct and indirect taxes. In addition, group companies of SIXT SE are subject to tax in Germany and abroad with their income and must fulfill obligations regarding direct and *indirect taxes*.

This document sets out the strategic tax objectives of all UK subsidiaries of United Kenning Rental Group Limited also referred to as the SIXT UK GROUP namely:

- United Kenning Rental Group Ltd.
- Sixt Rent A Car Ltd.
- Sixt Plc.
- Europa Service Car Ltd.
- United Rental Group Ltd.
- United Rental Group America Ltd.
- HireCo 2 Holdings Ltd.
- SVAT Ltd.
- West Country Self Drive Services Ltd.
- West Country Self Drive Ltd.

The head of tax is responsible for leading the Tax Strategy. The strategy is approved by the Board of Directors and provided to the ultimate parent company tax department for review.

## 2. Our Strategy

SIXT Group is committed to following all applicable laws and regulations relating to its tax activities. The Company has clearly defined levels of responsibility for its tax affairs with decisions being taken in line with the Company's tax authority thresholds, ensuring that they are taken at an appropriate level. The commercial needs of the business will in no circumstances override compliance with all applicable laws and regulations.

The tax strategy and objectives are intended to establish a clear and unequivocal approach to all aspects of tax reporting and compliance.

The tax strategy is focused on ensuring that taxes (and tax risks) are managed to provide outcomes consistent with commercial reality and are within the parameters of the Company's strategic objectives. The strategy also requires that all tax obligations are complied with in the UK and other relevant jurisdictions.

### **Approach to risk management and governance arrangements in relation to UK taxation**

The obligation to fulfill the fiscal requirements generally lies with the representatives who may further delegate these obligations. In return, the delegating person receives an obligation to supervise the delegated tasks. Adequately qualified external (tax) advisors are engaged to fulfill the fiscal obligations in the UK.

Moreover, the SIXT Group has an internal control system for managing taxes (ICS Tax). The ICS Tax aims at compliance with all tax rules relevant to the SIXT Group and helps to identify errors. Where errors are detected, they are corrected in a timely manner. Through this, the Board of Directors of SIXT SE promotes a positive compliance culture throughout the SIXT Group, including the area of taxes.

### **Attitude towards tax planning and level of risk it is prepared to accept.**

All activities of the SIXT Group are subject to a legality and legitimacy check. Accordingly, only those activities are initiated that are compatible with the application of tax laws. Consequently, the SIXT-Group refrains from purely tax driven transactions without a bona fide commercial reason. The above activities are to be distinguished from, among others, practices recognised by case law and laid down in law (such as the formation of tax groups), which enable us to optimise taxes easily and safely.

### **The level of risk in relation to UK taxation that the group is prepared to accept.**

The SIXT Group aims to comply with all fiscal obligations within the course of its group-wide business activities. Especially when it comes to cross-border transactions or an otherwise complex situation, the respective companies of the SIXT Group may seek help from external tax advisors or confirmation from the tax authorities (e. g. in the form of an advance ruling) to ensure that this is achieved.

### **Constructive approach to dealing with HMRC.**

We will avoid unnecessary time-consuming disputes wherever possible.

The Company is committed to the principles of openness and transparency in its approach to deal with HMRC, and the Company commits to: -

- Always adopt open and collaborative professional relationships with HMRC.
- Engage in full and open early dialogue with HMRC to discuss tax planning, strategy, risks and significant transactions.
- Make fair, accurate and timely disclosure in correspondence and returns, and respond to queries and information requests in a timely fashion.
- Seek to resolve issues with HMRC in real time and before returns are filed if possible, and where disagreements arise work with HMRC to resolve issues by agreement where possible.
- Be open and transparent about decision-making, governance and tax planning.

### **3. Governance**

The Company employs various management processes and systems to provide assurance that the requirements of the Company's tax strategy are met.

Governance, Assurance and Tax Risk Management responsibilities, accountability for the Company's tax affairs is clearly defined and decisions will be taken at an appropriate level, determined by the formal Company Delegation of Authority. Diligent professional care and judgement will be employed to assess tax risks to arrive at well-reasoned conclusions on how the risks should be managed.

#### **Comments such as the wider business context, alignment to wider CSR initiatives, Board involvement in tax etc.**

Within the course of its business activities, the SIXT Group acknowledges its obligation to pay its fair share of taxes and duties in accordance with the respective tax law and thus contribute appropriately to the fiscal budget.

Being not compliant with fiscal obligations may have personal consequences for the respective person.

The SIXT Group aims to establish and maintain an organizational structure, which allows the avoidance of errors or when they occur to identify and correct them as soon as possible. To achieve this, the SIXT Group has implemented a set of rules which are part of its internal control system.

#### **Other elements, such as approach to tax compliance and reporting, adherence to other tax transparency initiatives, comments in relation to specific tax matters like transfer pricing**

The SIXT-Group supports global standards regarding tax transparency and the coordination of national tax systems. To the extent that intra-group business transactions do exist, intercompany charges are to be established in accordance with the applicable transfer pricing rules and in keeping appropriate documentation that may be requested by the Tax authorities.

### ***Use of Professional advisors***

In cases where the tax guidance is unclear or the Company does not feel it has the necessary expert knowledge to assess the tax consequences adequately, external advice is sought from external tax advisors or contacting competent authorities to support the Company's decision-making process.

The document will be periodically reviewed, and any amendments will be approved by the Board of Directors. This document is primarily of relevance to the Finance and Tax Team together with the Board of Directors who are responsible for tax across the organisation.

This Strategy is published in accordance with paragraph 19(4) of Schedule 19 of the 2016 Finance Act.

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