

Mandarin Oriental Group - Tax Strategy

In accordance with Schedule 19 of the Finance Act 2016, we set out below the tax strategy of Mandarin Oriental Group's UK companies* ("the Group"). We believe that this strategy constitutes good corporate practice in the area of UK tax management and tax transparency, while balancing the interests of our stakeholders.

Overall Commitment

The Group will comply with its tax obligations which include making all appropriate returns covering all areas of UK taxes and ensuring the correct amounts of UK taxes are made by the due dates.

Working with the HMRC

The Group will maintain an open and proactive dialogue on UK tax matters with HMRC to foster a strong and transparent relationship. We will meet with the HMRC when requested or where otherwise necessary, to discuss relevant material UK tax issues impacting the Group and strive to resolve any differences in a timely and constructive manner.

Tax Risk Management

When interpretation of the law is uncertain, the Group may seek guidance from the HMRC at the time or refer to it when tax returns are being prepared and/or filed. External advice may also be sought on matters of uncertainty or where there is no relevant specialist knowledge or experience in-house.

The Group operates a risk-based system of controls, processes and training in order to manage tax risks and minimise instances of error. The Group has a low tolerance for tax uncertainty. A high standard of compliance by operational management teams with procedures in relation to tax is regularly tested by the Group's internal audit processes and finance/tax executives who report their findings to senior management, and the Group's Directors and shareholders.

Approach to Tax Planning

The Group adopts a prudent and low risk approach in tax planning. It will only utilise tax planning measures and opportunities for obtaining tax efficiencies where these comply with tax legislation, and when such tax planning is aligned with the commercial and economic activities of the Group. The Group will not use artificial structures that are intended for tax avoidance without bona fide business purpose, have no commercial substance or do not meet the generally understood intention of UK or international law.

The Group has a zero-tolerance policy towards tax evasion, any deliberate concealment of taxable income and benefits, or facilitating others in undertaking such activities.

Corporate Governance

The Group's Regional Corporate Accounting Manager based in London manages the Group's tax function and consults with the tax team of its global parent company. The Regional Corporate Accounting Manager oversees the administration of the Group's tax accounting treatment and reporting standards, in accordance with the Group's overall tax strategy. The Group's Directors have ultimate responsibility for the Group's tax strategy and ensuring its principles and approach are adhered to.

The Group follows a Code of Conduct to which all employees are required to subscribe and adhere to. In addition, the Group has issued policies, procedures and guidelines to establish standards and implement best practices and principles for Group employees to follow in the course of conducting its business operations in the UK.

The above document has been approved by the Group's Directors on behalf of the Group and applies for the year to 31 December 2020 and subsequent periods. The Group's tax strategy (which will be reviewed at least annually) will remain in effect until any amendments are approved by the Group's Directors.

*The Mandarin Oriental Group's UK companies comprise of the following legal entities: Mandarin Oriental Hyde Park (Investment) Limited, Mandarin Oriental Hyde Park Limited, Mandarin Oriental London Limited, Mandarin Oriental Residences Management (UK) Limited, Mandarin Oriental Finance (UK) Limited and Mandarin Oriental (UK) Limited.