

C L E R M O N T H O T E L G R O U P

The Clermont Hotel Group

Tax Strategy June 2022

About us

Founded in 2003, Clermont Hotel Group is London's largest hotel owner-operator with over 5,000 rooms and 130+ meeting and event spaces across five distinct brands and 17 outstanding locations.

The leisure and hospitality industry has been one of the areas most affected by Covid-19 over the last couple of years, with an unprecedented impact on businesses and significant increases in the challenges faced. The Omicron variant also added additional strain, however Clermont Hotel Group continued to exceed expectations with its recovery. The approach to the Group Tax Strategy throughout the pandemic and beyond has been to stand by the same principles and attitude it has always done.

Clermont Hotel Group has historically, and continues where possible, to contribute to both the wider UK economy and the local communities we operate in through:

- The large amount of taxes incurred and collected (including revenue and profits taxes, employment taxes and property taxes)
- Our local community engagement initiatives,
- Working to reduce our environmental impact,
- Investing in our UK infrastructure,
- Supporting our current charity partner Macmillan through fundraising,
- Creating a positive and considerate workplace for c.1,200 employees.

Clermont Hotel Group has a robust and comprehensive approach to managing risk which is underpinned by its Code of Conduct and Ethics (contained within the Employee Handbook) and strives to develop and encourage a culture of responsibility and high ethical standards within all aspects of our business.

Additionally, our values are as follows:

- We are BOLD... We are bold in our decisions, our actions and our aspirations.
- We are REAL... We value our staff as they are
- We are ADAPTABLE... Adaptability is in our nature

These values are integral to the success of our hotels and regularly referred to in the business. These values reflect our approach across all areas of the business, tax included.

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Our UK tax strategy

This document sets out the strategic tax objectives of Clermont Hotel Group. This tax strategy has been approved by the board and satisfies Schedule 19, paragraph 17 of the UK Finance Act 2016, in respect of our financial year ending 30 June 2022.

Clermont Hotel Group's corporate objectives are to maximise shareholder value whilst also making sure we value and respect the wider community that we operate in. We achieve this by taking all aspects of corporate responsibility seriously and ensuring we act with honesty and integrity, including in dealing with the tax affairs of the group.

The Clermont Hotel Group tax strategy is in line with our overall corporate ethos and commitments of acting responsibly and maintaining high ethical standards whilst operating a profitable business for the benefit of our shareholders, employees and other stakeholders.

Our risk management and governance

Clermont Hotel Group aims to comply with tax filing, payment and reporting obligations through maintaining appropriate systems, processes and controls and ensuring there are appropriately qualified and trained staff within the finance team.

- Accountability for the UK tax strategy rests with the Board along with the overall stewardship of our UK risk management systems and internal control environment.
- Responsibility for the implementation of the tax strategy and the groups day to day affairs is delegated to the Tax Manager and Group Financial Controller (supported by a team of professional advisors).
- The Tax Manager and the Group Financial Controller ensure the Executive team are kept up to date with legislative changes.
- The Tax Manager, Group Financial Controller and CFO report to the parent company Group Executive Director/CFO and Group Tax Manager quarterly regarding key tax decisions.
- Any significant decisions relating to tax are discussed with appropriate professional advisors and approved by the CFO/CEO and the Board as appropriate before any decisions are made, or action is taken.
- Processes are regularly tested and reviewed throughout the year as part of the Senior Accounting Officer work.
- Clermont Hotel Group has a zero-tolerance policy for the facilitation of tax evasion by its representatives.

Our attitude to tax planning

- Clermont Hotel Group does not enter into any aggressive tax planning or avoidance transactions that give rise to a tax advantage not intended by or expected from the relevant legislation.

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- Any tax planning undertaken at Clermont Hotel Group is responsive to the commercial needs of the business only, aligned with the wider business strategy and is based on a reasonable

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consideration of the law in place at that time with due consideration for reputational risk as well as operational and financial risk.

- Clermont Hotel Group ensures that we operate a tax efficient business on a day to day basis by keeping up to date with the relevant legislation and making sure we don't unintentionally expose ourselves to higher taxes than those intended or required by legislation.
- Clermont Hotel Group considers the availability of any relevant tax reliefs, incentives and exemptions made available by the law and they are utilised in the manner which would be reasonably expected when considering the nature of the relevant legislation.
- Where there is any ambiguity or uncertainty, guidance is sought from professional advisors or real time discussions with HMRC take place to confirm the position.

Maintaining our relationship with HMRC

As a large business in the UK, Clermont Hotel Group has been assigned a Customer Compliance Manager (CCM) within HMRC. We seek to maintain an open and honest relationship with our nominated CCM and communicate regularly through annual meetings and, where appropriate, engaging on a real time basis concerning material matters of uncertainty.

As a Group we aim to ensure we adhere to all relevant compliance obligations in a timely manner and in a spirit of co-operative compliance.

Clermont Hotel Group ensured that HMRC were kept informed of the impacts to the group tax position caused by the Covid-19 situation. Clermont Hotel Group continues to communicate with other relevant HMRC experts on specific matters as necessary and keeps HMRC up to date on any significant business transactions or changes.

This document has been approved by the Clermont Hotel Group executive team, as at 29 June 2022. The Tax strategy will be reviewed on a periodic basis and updated where necessary.