CMA CGM (UK) Shipping Limited

Tax Strategy

Introduction

We seek to ensure that our tax strategy is aligned with our mission, our core values and our overall strategy. We are committed to being a responsible taxpayer, being straightforward and transparent on all tax matters and acting fairly, responsibly and with integrity in all our dealings with tax authorities.

We are committed to ensuring we pay the tax we are legally required to pay in all of the territories in which we operate, we comply with all tax rules and regulations in those territories and we safeguard our reputation as a responsible taxpayer. However, we recognise we also have a responsibility to protect shareholder value by controlling and managing our tax liabilities.

Our tax strategy has the following key components:

I. Tax objectives
II. Tax policies
III. Tax risk management framework

Tax for these purposes, includes all taxes that we suffer or incur on our operations, as well as taxes that we collect on behalf of governments, such as employment taxes deducted from payments to employees.

I Tax objectives

Our key tax objectives are:

• To ensure the business pays the tax it is legally required to pay and complies fully with its tax obligations in all territories in which it operates.
• To safeguard the businesses reputation as a responsible tax payer.

II Tax policies

Our key tax objectives are achieved through a series of tax policies and corporate policies which set out a number of principles, as follows:

• **Calculation and payment of taxes, tax returns and other tax obligations**

(a) All taxes should be correctly calculated in accordance with the law, or where applicable, estimated based on latest forecasts, and paid when due.
(b) Statutory tax returns for all taxes should be filed correctly, contain accurate information and be filed on a timely basis.
(c) All other tax obligations in the territories in which the group operates should be fully complied with.

• **Managing and controlling tax liabilities**

(a) Ordinary commercial transactions should be structured so that the corresponding tax liabilities should be calculated in a sound and legal way.
(b) Artificial structures designed to save tax but with no commercial or economic substance or which give a result which is inconsistent with the underlying economic position will not be considered.

Where there is any doubt on this, an approach should be made to external advisors and/or HMRC before any final decision is made.
(c) Tax structuring should not disrupt the business or be in conflict with operational goals.
(d) Tax structuring that might reasonably be expected to have a negative impact on the business or group's reputation will not be considered.

• Dealing with tax authorities

(a) All tax authorities should be dealt with in an open, honest and pro-active manner.
(b) HMRC should be informed of key issues affecting the business through meetings and dialogue at regular intervals.
(c) Advance tax clearance of key transactions should be obtained from external advisors and/or HMRC where tax treatment is uncertain and a tax clearance procedure is available.
(d) The business aims to discuss contentious issues with the relevant tax authorities as early as possible.
(g) Enquiries raised by tax authorities will be dealt with on a timely basis, answered in an open way with a full response to the enquiry.
(h) Any errors or mistakes in tax returns will be fully disclosed and notified to the relevant tax authority as soon as practicable.

• Mitigating and controlling tax risk

The business will establish procedures to prevent and control tax risks by:

(a) Developing robust systems, processes and internal controls to help ensure the correctness and completeness of data which needs to be captured and treated correctly in the various tax reporting and payment of taxes that the business is required to make. Such systems, processes and internal controls will be documented and will be subject to regular review, including reviews by the groups internal audit function.

(b) Setting out:

- The involvement of the in-house group tax function in transactions, business developments and day to day business operations.
- The allocation of responsibilities between group tax and the business units;
- Principles for the involvement of external advisers.
- Group tax organisation, responsibilities and reporting lines.

These are embedded into CMA CGM (UK) Shipping Limited corporate policies, processes and internal controls underpinning the reporting and payment of taxes, and ensure that tax implications are fully considered on corporate transactions and business developments.

(c) Developing policies and procedures which support the management, mitigation and control of key tax risks.

III Tax risk management framework

We have a low tolerance towards tax risk, and do not undertake transactions led by a tax planning purpose. We seek to minimise the risk of a dispute with the taxing authorities by seeking advance clearance from external advisors and/or HMRC where tax treatment is uncertain and a tax clearance procedure is available.

In relation to tax risk it involves the following:

(a) The identification, evaluation and management of tax risk by the in-house group tax function working with the Finance Director and the business units.
(b) Independent assurance provided through reviews by the groups internal audit function of the processes and internal controls underpinning the reporting and payment of UK taxes.

CMA CGM (UK) Shipping Limited regards its publication of this tax strategy as complying with the duty under paragraph 22(2) Schedule 19 Finance Act 2016 to publish a tax strategy for the year ended 31 December 2019.