

# UK TAX STRATEGY

## SUMMARY

Paper outlines the tax strategy for the Kao Group.

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## 1. Purpose

This document outlines the UK tax strategy for the Kao Data Group, a data centre business operating in the UK. This strategy aligns with our investors' published tax principles and is compliant with UK and where applicable international tax legislation and HMRC's guidelines.

## 2. Scope

This policy applies to Kao Data Limited and its wholly owned entities (**the Kao Group** or **the Group**).

It covers all tax-types that have application in the Kao Group. These include corporate income tax, indirect taxes such as goods & services tax (GST) or value-added tax (VAT), all forms of withholding tax, payroll taxes and duties as applicable to UK and international governed tax laws.

## 3. Approach to Tax Compliance and Governance

The Group's approach to compliance and governance is in line with our shareholders' as required due to their MNE nature. It:

- Is committed to full compliance with UK tax laws, ensuring accurate and timely tax filings and payments.
- Has internal controls and governance processes in place to manage tax risks effectively.
- Undergoes senior management reviews and, where appropriate, external tax advisors to ensure compliance with UK regulations and consistency with our investors' principles for all tax decisions.

The Chief Financial Officer is responsible for the management of tax arising from business operations. Day to day management of tax matters is delegated to appropriately experienced staff who work alongside Kao's external tax advisors.

## 4. Tax Planning and Risk Management

As part of the tax planning and risk management process, the Group:

- Adopts a prudent approach to tax planning, aligning with its commercial operations while ensuring compliance with UK and international tax laws.
- Does not engage in aggressive tax planning or artificial arrangements that lack commercial substance.
- Applies transfer pricing policies consistently in line with the OECD guidelines and UK regulations to reflect arm's-length principles in intercompany transactions.
- Tax risks are assessed as and when they arise including through the use of external advisers where appropriate.

## 5. Relationship with HMRC

For the purposes of maintaining a relationship with HMRC, the Group:

- Maintains a transparent, professional, and cooperative relationship with HMRC, engaging in open dialogue to ensure tax compliance and resolve any queries promptly.
- Where appropriate, engages with HMRC in advance regarding any significant transactions or uncertain tax positions.

## 6. Commitment to Responsible Tax Conduct

The Group maintains a commitment to responsible tax conduct by:

- Ensuring tax strategy is aligned with broader corporate social responsibility and sustainability commitments
- Operating in a way that contributes positively to the UK economy while adhering to ethical tax practices
- Reviewing its tax strategy annually and updating as necessary to reflect changes in legislation and business operations.

## 7. Approval and Publication

This strategy is approved by the Board of Directors and published in accordance with the UK legislative requirements under Schedule 19 of the Finance Act 2016.

### Version control

<b>Version</b>	<b>Approval date</b>	<b>Next review date</b>	<b>Responsible Officer</b>
V.1.2	27/03/2025	20/03/2026	CFO