



Awaze UK Tax Strategy

Published 15 December 2023

Introduction

This tax strategy covers all UK subsidiaries of PE Compass Holding II Limited for the year ended 31st December 2022 and complies with the requirements of Paragraph 16 (2) of Schedule 19 of the Finance Act 2016. It has been published in accordance with paragraph 16(4) of the Schedule.

This tax strategy applies from the date of publication and will be reviewed and updated annually.

About us

The Awaze Group is Europe's leading managed vacation rentals group which brings together some of the continent's most trusted travel brands, including cottages.com, Hoseasons, and Novasol. Our market-leading brands offer hundreds of years of combined travel industry experience, with an incredible range of properties in some of the world's most popular destinations.

The Group appreciates that collecting and paying UK tax represents an important contribution to the economy and society of the United Kingdom and is therefore committed to complying with UK taxation laws and regulations. The Group's approach is:

- To pay the right amount of tax, at the right time, and have an open and constructive relationship with HM Revenue and Customs (HMRC).
- To ensure that tax decisions are appropriate and consistent with commercial decisions approved by the Operating Council of the Group.

Governance

Tax is part of the Finance function and is the ultimate responsibility of the Group Financial Officer (CFO) who is responsible for establishing and sustaining appropriate policies, processes, and systems, and for ensuring that the Finance Teams have the required skills and support to implement that Tax Strategy. The Group Financial Controller has oversight of Group tax matters, and the Group Tax Director assisted by external advisors, is responsible for the day-to-day tax affairs, with the Tax Team and respective Finance Teams.

The Group Audit Committee is regularly updated on tax matters and monitors the Group's tax affairs and risks. The Group recognises that tax can be very complex, and in cases where tax guidance is unclear or the Group does not have the necessary expertise internally to assess the tax consequences, external advice will be sought to support the Group's decision-making process.

Attitude towards tax planning

The Group's UK tax planning aims to support the commercial needs of the business by ensuring that the Group's affairs are carried out in the most tax efficient manner whilst remaining compliant with all relevant laws and regulations.

We do not engage in artificial or aggressive UK tax planning arrangements. The Group seeks to minimise the risk of disputes or uncertainties with tax authorities and undertakes transactions with Group companies on an arm's-length basis and in accordance with the OECD guidelines on transfer pricing.

Tax incentives and exemptions are sometimes implemented by governments and fiscal authorities to support investment, employment and economic development, and the Group will seek to apply, when available to it and in the manner intended.



Level of tax risk

The Group proactively seeks to identify, evaluate, manage, and monitor its UK tax risks by considering the various tax streams, identifying the key tax risks, and ensuring that appropriate controls and processes are in place for these.

Where required, the Group will seek external advice to assist it with its interpretation and application of the UK tax legislation, and to support its assessment of tax risks and outcomes.

The Group aims to ensure that the level of tax risk remains at an appropriate level. This is achieved by adhering to the following tax objectives in relation to UK taxation:

- Paying the right amount of tax, at the right time;
- Seeking to resolve uncertainty in the interpretation of tax legislation with HMRC;
- Ensuring integrity with reported tax numbers and compliance with tax obligations;
- Ensuring that the Group is compliant with changes to tax legislation; and
- The timely filing of all relevant tax returns.

The Group has a zero tolerance approach to tax evasion and the facilitation of tax evasion.

Relationship with HMRC

The Group seeks to build and sustain relationships with tax authorities that are constructive and based on mutual respect. We engage with HMRC with honesty, integrity, respect, fairness, and in a spirit of co-operative compliance. The Group is prepared to litigate where it disagrees with a ruling or decision but will always seek to work collaboratively with HMRC to resolve disputes and reach agreement to achieve certainty.