Exterion media tax strategy

I. Background and Scope

The Exterion Media Group is a privately-owned, out-of-home poster advertising contractor, operating in the billboard, street furniture, transport, and retail sectors in the European market. It is headquartered in the UK and also has operations in France, the Netherlands, Spain and Ireland.

The UK Exterion Group is made up of fifteen (15) UK entities, which includes active trading companies and a number of holding and intra-group financing companies. Also included are overseas companies that are registered and taxed in the UK as control and management of these entities are exercised in the UK. We account for a wide range of taxes mainly corporation tax, VAT, Pay As You Earn income tax, National Insurance and withholding tax as well as locally imposed taxes in the territories in which we operate.

Our vision is to become a Digital Media Company powered by data underpinned by the core values of transparency, courage, fairness and ambition and these are reflected in everything we do.

The following paragraph sets out our tax strategy for the Group as approved by the Board of Directors. The tax strategy is aligned to our overall business strategy and encompasses our commitment to comply with all relevant rules and regulations in all the territories where we have a presence, pay and declare our tax timely and responsibly and deal with tax authorities with transparency and integrity at all times while protecting and delivering value to our primary stakeholders.

II. Tax objectives

Our key tax objectives are as follows:

- To ensure payment of all tax obligations and compliance with all applicable tax rules and regulations on a timely basis;
- To regularly assess and monitor the tax risks in the Group and implement procedures to minimise or eliminate these risks; and
- To effectively manage and utilise any existing tax assets for the benefit of the wider Group.
III. Ownership and governance

The day-to-day compliance with all tax requirements rest with the Finance teams in each territory headed by the Finance Director and Finance Controller. Each team is led by qualified professionals with adequate experience and training. The Group also falls under the Senior Accounting Officer (SAO) regime where the SAO has oversight over the tax accounting arrangements in place supported by a robust internal control framework. An annual review of the processes and procedures in place is undertaken to comply with the requirements of preparing the SAO certificate.

Tax updates are provided to the Board of Directors on a regular basis. Where tax decisions carry a material risk or relates to significant commercial transactions, these matters are presented in a Board meeting and decisions are undertaken taking into account an acceptable level of risk to the business but ensuring that this remains consistent with the Group's tax objectives.

IV. Attitude towards tax planning

The Group may engage in tax planning to structure its operations and finances but only when it is supported by a valid commercial or business purpose.

The Group obtains tax advice from reputable professional tax advisors in the normal course of our business as well as on the tax treatment of material or complex transactions, transactions where a material uncertainty exists and where the Group does not possess the required expertise.

The Group also leverages from tax expertise available from our ultimate controlling party.

V. The approach in dealings with HMRC

The Group is strongly committed in maintaining a transparent and open relationship with the tax authorities. The Group cooperates with HMRC by providing all relevant information required as part of the Know Your Client meetings and engages with them through our Customer Relationship Manager (CRM) on an annual basis for the Business Risk Review covering all relevant taxes. HMRC’s most recent rating is “Not Low Risk” but the Group is working with HMRC to see whether a “Low Risk” rating can be achieved.

Where guidance is required or specific clarification is needed for certain
transactions, the Group engages with HMRC to obtain clearance before any action is undertaken. Where significant uncertainty exist or the transactions are complex, the Group arranges meetings with the tax authorities or where required, facilitates the communication between its tax advisors and HMRC.