

C. Hoare & Co. Tax Strategy

Introduction

C. Hoare & Co. (the bank) is an unlimited company with share capital, incorporated and domiciled in the United Kingdom. The principal activity of the bank, and its subsidiaries, is the provision of banking and ancillary services to a high-net worth customer base.

The bank's purpose is to be 'good bankers and good citizens' and it recognises that its purpose can only be achieved by addressing the interests of all stakeholders, including customers, colleagues, regulators, owners, suppliers and the wider community in which it operates.

Close personal relationships are at the heart of the bank's business. These are founded on deep trust, and on the bank's values of honesty, empathy, excellence and social responsibility. The bank is committed to acting ethically and with integrity in all its stakeholder relationships.

The Board is responsible for leading the bank in the way which it believes is most likely to promote its long-term sustainable success and have a material positive impact on society and the environment. This includes the Board's belief in paying a fair amount of tax, at the correct time. The bank generates and pays a substantial amount and range of taxes. These include corporate income taxes, withholding taxes, stamp duties, employment taxes and VAT. The tax liabilities cautiously calculated and paid by the bank are one of the ways it demonstrates its purpose of being good bankers and good citizens.

Tax Strategy

This Tax Strategy is compliant with the UK tax strategy publication requirements as set out in Part 2 of Schedule 19 of the UK Finance Act 2016 and applies to all subsidiary companies.

The bank has adopted HM Revenue & Customs' (HMRC) Code of Practice on Taxation for Banks and complies with these obligations.

The bank has managed risk carefully for over three centuries, taking long term decisions and acting ethically. There is no appetite for the bank itself, or any customers or any third parties it deals with to tolerate the criminal act of tax evasion or tax positions which conflict with the intentions of UK parliament.

1. The approach of the bank to risk management and governance arrangements in relation to UK taxation.

The Board is the key governance body responsible for overall strategy, business performance and risk management of the bank; this includes the ultimate responsibility for the bank's Tax Strategy. The Board provides leadership in ensuring the bank operates within the Risk Management Framework (RMF) and has established several committees to provide support in discharging its responsibilities. All matters submitted to the Board include an analysis of which stakeholders will be affected and how their interests have been considered.

The Board delegates day-to-day executive management of the bank to the Chief Executive Officer who directs the Management Team to deliver in line with the bank's strategy. As part of the Senior Manager & Certification Regime (SM&CR) specific accountabilities have been allocated to members of the Management Team, including oversight and responsibility for the Finance, Risk and Compliance departments. The bank's Compliance Department and internal audit functions provide periodic monitoring of business operations.

The Group's Finance Department is a central function that reports to the Chief Financial Officer who is also the Senior Accounting Officer (SAO). The SAO is responsible for ensuring compliance with the Tax Strategy and ensures it is considered as part of all significant business decisions. The SAO reports directly to the Chief Executive Officer.

The Risk Committee is responsible for supporting and advising the Board in its oversight of the RMF and ensuring the bank operates in a manner consistent with its risk appetite and strategy. Each department of the bank completes a Risk and Control Self-Assessment identifying areas of risk and effectiveness of the

mitigants. Tax risks impacting departments of the bank are identified through this process and the Finance department is consulted when appropriate.

The bank's Business Performance & Product Governance Committee provides oversight and leadership of the bank's product and service proposition, including alignment to the bank's strategy and core customer needs. The committee conducts product reviews; the SAO is a voting member and considers any tax risks posed by new products or developments to existing products.

The Reputation & Ethics Committee provides a forum to discuss ethical and other matters that could have a material impact on the bank's reputation. The committee reviews any tax matters creating reputational risk or a potential conflict with this Tax Strategy.

2. The attitude of the group towards tax planning.

The Board believes in paying a fair amount of tax, at the correct time, in accordance with legislation. It has no tax risk appetite to mitigate its own, or its customers', tax liabilities through planning that falls outside HMRC guidelines or the intentions of Parliament.

The Board has no tolerance of the criminal act of tax evasion and understands its responsibility not to facilitate tax evasion, including through its employees and those who act on its behalf. The bank complies with its obligations in respect of this legislation in the UK and internationally and has a supplier management system to ensure third parties the bank engages with will have a low chance of non-compliance. Suspicions of tax evasion are reported directly to the bank's Money Laundering Reporting Officer.

Any operational or structural transactions that the bank undertakes, which may have a tax impact, must have a business purpose or commercial rationale. The Board has no appetite to engage in artificial tax arrangements. While the bank aims to develop deep relationships with its customers and may consider different tax outcomes when considering how to structure a transaction, the bank will always interpret the UK tax legislation in the way it believes was parliament's intention and will not promote nor facilitate tax avoidance products to its customers. The bank will not proceed with any transactions or relationships where this principle is threatened.

3. The level of risk in relation to UK taxation that the group is prepared to accept.

The bank manages its tax risk by implementing key principles representing the Board's risk appetite:

- The Group should comply with all relevant tax legislation;
- Any operational or structural transactions that the Group undertakes, which may have a tax impact, must have a business purpose or commercial rationale. There is no appetite to engage in artificial tax arrangements which go beyond support for genuine commercial activities; and
- In complex situations or circumstances where the situation is not clear, the SAO and Finance department will always be consulted, and external tax specialists consulted when appropriate.

The Finance department will be consulted on, and will review and approve, all significant projects, transactions and transformations alongside other risk management departments. Approval from the Finance department is required before a significant development can proceed where there is a tax impact, and a Finance Business Partner is allocated to all departments of the bank.

The bank has implemented comprehensive policies, procedures, and controls, including the Tax Risk Management Policy. These are applied across the organisation to identify and manage day-to-day tax risks. The Finance department will be consulted as well as the appropriate committee sponsor where a significant tax risk is identified. Policies, procedures and controls are independently reviewed and evaluated by internal and external audits.

The Board wishes to ensure that the bank is aware of and complies with the Tax Strategy. The Compliance and Legal departments monitor for changes in legislation and updated guidance. Investment and training are provided as appropriate to ensure the suitable amount of tax support, for day-to-day operational work and in areas of business change, is provided.

4. The approach of the group towards its dealings with HMRC

The bank has an open and transparent relationship with HMRC and engages proactively when there is a need to do so.

The bank will comply with all relevant tax legislation. Annually, the bank engages independent tax specialist services to calculate current amounts expected to be paid to the tax authorities. The bank's financial control team will submit all returns and make payments by their due date, in accordance with the legislation. All material positions taken in tax returns are reviewed periodically by senior management to ensure they are appropriately supported by appropriate documentation and remain in compliance with this Tax Strategy and the intentions of Parliament.

In situations where tax legislation is unclear, or subject to interpretation, the Senior Accounting Officer is consulted. It is acknowledged that tax is a specialism and if any position remains unclear, written advice is sought from external tax advisers which is thoroughly reviewed before it is relied upon.

The bank will engage with HMRC and other tax authorities when this is appropriate to communicate about developments to the bank's business, significant current, future or historic tax risks or interpretations taken with regards to tax law in relation to all relevant taxes. Should any disagreement with HMRC arise, the bank will endeavour to resolve this amicably.

5. Other matters relating to taxation

Adherence to other tax transparency initiatives

The group has taken and takes all feasible steps to ensure compliance with the Foreign Account Tax Compliance Act and The Common Reporting Standard. Responsibility is managed centrally and support from external advisers and forums is sought when appropriate.

Transfer pricing

The bank does not transact with any international connected companies and therefore does not face transfer pricing risks itself but monitors the risks of third parties it engages with, and negative media linked to aggressive tax positions will be considered closely by management when considering future working relationships.

This Tax Strategy was approved by the Management Team on 07 August 2024 in respect of the year ended 31st March 2025.

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