

UK TAX STRATEGY



Risk management and governance arrangements in relation to UK taxation

Hallmark UK's policy is to pay the right amount of tax, at the right time, in every jurisdiction that it operates in:

- In compliance with relevant laws and regulations
- In line with the overall Group Strategy
- Upholding our values, brand and integrity

UK taxation risk

Our aim is to have a low tax risk rating with HMRC. We will not attempt to lobby or unduly influence tax authorities to obtain a tax advantage or favourable tax treatment.

Tax planning

Hallmark UK's tax structure is based first and foremost on commercial requirements. Although legitimate tax incentives will be a consideration when looking at commercial decisions, it will not be the primary factor. We will not actively engage in aggressive tax planning and will follow UK tax law in the manner that was intended by parliament.

Where the tax treatment of an event or potential event is uncertain, the company will seek to engage with HMRC to determine the appropriate tax treatment. We also engage reputable 3rd party tax advisers for advice on specialist tax matters that cannot be handled competently in-house, thereby ensuring that we meet the objectives of our tax policy.

Once a decision has been made, the decision-making process and rationale used will then be fully documented.

Engagement with HMRC & similar government bodies

Good working relationships with tax authorities, government bodies and other related third parties are sought. It is our aim to ensure that dealings with such parties are carried out in a professional, courteous and timely manner. To meet this aim, we ensure the company has qualified employees in its UK tax team.

How we manage our business tax risks

We manage our tax risk through various system and control procedures including:

- Keeping up to date with tax developments and training our people appropriately
- Assessing the tax implications of major business changes
- Using internal control procedures
- Regularly reviewing and updating our business risks
- By engaging recognised third party tax professionals for specialist advice

Roles & responsibilities

The internal tax team is responsible for:

- the accuracy, completion and on-time submission of all relevant tax returns
- the payment of all tax liabilities as they fall due
- seeking / providing advice on the tax implications of major business changes

The UK tax team reports into the UK Finance Director (“FD”), who is responsible for tax compliance in the group. The UK FD, as part of the UK Board of Directors, provides oversight of tax matters.

This strategy applies to Hallmark Cards PLC and to the group of companies headed by Hallmark Cards (Holdings) Limited.

This policy is in compliance with the specific requirements of paragraph 19 of Schedule 19 to the Finance Act 2016 and refers to the year ended 31 December 2019.

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