

# Merlin's Tax Policy



*Merlin is Europe's leading and the world's second largest visitor attraction operator. We take our responsibility to be a 'Good Corporate Citizen' seriously. This is reflected in our approach to tax policy, which we recognise is an important area for investors, tax authorities and other stakeholders. The policy is supported by 'The Merlin Way', our corporate values, which underpin everything we do. It is the aim of the Board that these values should drive good behaviours and actions by all employees.*

## **Governance**

Robust governance standards and practices help us operate our businesses responsibly and safely. Responsibility for tax policy lies with the Chief Financial Officer, with oversight from the Board. The Chief Financial Officer delegates the implementation of tax policy to the Head of Tax.

Merlin's tax department, under the direction of the Head of Tax and supported by appropriate Heads of Finance, is responsible for the ongoing oversight of activities across the group and the monitoring and development of procedures in line with policy. Both the Board and the Audit Committee receive annual briefings on the group's tax status from the Head of Tax, with interim updates on material tax matters provided as appropriate.

The tax policy is reviewed on a regular basis and any changes are approved by the Board.

## **Risk management**

A description of our risk management framework can be found in our latest Annual Report. Our internal controls are designed to ensure, among other things, compliance with laws, regulations, policies and procedures.

As such, we are committed to compliance with tax law in all the territories in which we operate. Compliance for us means paying the right amount of tax in the right place at the right time. It involves disclosing all relevant facts and circumstances to the tax authorities and claiming reliefs and incentives where available.

We actively seek to identify, evaluate, monitor and manage risks. In evaluating risks, we apply the same principles that apply to other business risks: we consider reputation and corporate social responsibility as well as financial impacts. The Board is averse to compliance risk. Where there is significant uncertainty or complexity in relation to a risk, external advice may be sought and, if appropriate, a dialogue entered with local tax authorities to resolve the uncertainty.

## **Tax planning**

In structuring our commercial activities we comply with the tax laws in the countries in which we operate. Any tax planning that is undertaken will have commercial and economic substance and will have full regard to the potential impact on our reputation. We will not put in place any arrangements which are contrived or artificial, or undertake planning that is contrary to the intentions of the government in enacting the legislation. We will seek to minimise uncertainty, risk or disputes and will engage with external advisors and tax authorities in this regard.

## **Dealings with HMRC**

We seek an open and transparent relationship with tax authorities. Where possible, we engage in a regular dialogue on significant tax issues and developments in the business on a real-time basis, to minimise tax risk. We also enter into bilateral agreements with tax authorities where applicable.

This policy applies to Merlin Entertainments plc ("Merlin") and all entities in its group for the year ended 28 December 2019. Merlin regards this publication as complying with the duty under paragraph 16(2), Schedule 19, Finance Act 2016. References to the "Board" are to the board of directors of Merlin.