

Group Tax Strategy

Scope

OS Phoenix Midco Limited is the ultimate UK parent company of Valpak Limited.

This tax strategy applies to OS Phoenix Midco Limited and to the group of companies headed by OS Phoenix Midco Limited in accordance with paragraph 16 of Schedule 19 of the Finance Act 2016. A list of the entities to which it applies is set out below. In this tax strategy, references to 'OS Phoenix Group', or 'the Group' are to all these entities. The tax strategy is published in accordance with paragraph 16(2) of the Schedule.

This tax strategy applies from the date of publication until it is superseded. References to 'UK Taxation' are to the taxes and duties set out in paragraph 15(1) to the Schedule which include Income Tax, Corporation Tax, PAYE, NIC, VAT, Insurance Premium Tax, and Stamp Duty Land Tax. References to 'tax', 'taxes', or 'taxation' are to UK Taxation and to all corresponding worldwide taxes and similar duties in respect of which the Group has legal responsibilities.

This tax strategy was approved by the Board of OS Phoenix Midco Limited on 28 November 2019. Any subsequent amendments to this tax strategy will be approved by the Board.

Aim

The Group is committed to full compliance with all statutory obligations and full disclosure to relevant tax authorities. The Group's tax affairs are managed in a way which takes into account the Group's wider corporate reputation in line with OS Phoenix Midco Group's overall high standards of governance.

Governance in relation to UK taxation

- Ultimate responsibility for OS Phoenix Midco Group's tax strategy and compliance rests with the Board of OS Phoenix Midco Group;
- Executive management of the group is delegated by the Board to the Chief Financial Officer ('CFO');
- The Audit & Risk Committee's requirement to monitor the integrity of OS Phoenix Midco Group financial reporting system, internal controls and risk management framework, expressly includes those elements relating to taxation;
- The CFO is the Board member with executive responsibility for tax matters;
- Day-to-day management of OS Phoenix Midco Group's tax affairs is delegated to the Group Financial Controller, who reports to the CFO;
- The Group Financial Controller is an appropriately qualified individual;
- The Board ensures that OS Phoenix Midco Group's tax strategy is one of the factors considered in all investments and significant business decisions taken;
- The Chief Financial Officer reports to the Audit and Risk Committee and the Board on OS Phoenix Midco Group's tax affairs and risks during the year.

Risk Management

- OS Phoenix Midco Group operates a system of tax risk assessment and controls as a component of the overall internal control framework applicable to the group's financial reporting system;
- OS Phoenix Midco Group seeks to reduce the level of tax risk arising from its operations as far as is reasonably practicable by ensuring that reasonable care is applied in relation to all processes which could materially affect its compliance with its tax obligations;
- Processes relating to different taxes are allocated to appropriate process owners, who carry out a review of activities and processes to identify key risks and mitigating controls in place. These key risks are monitored for business and legislative changes which may impact them and changes to processes or controls are made when required;
- Appropriate training is carried out for staff outside of the Finance and Human Resources departments who manage or process matters which have tax implications;
- Advice is sought from external advisers where appropriate.

Attitude towards tax planning and level of risk

OS Phoenix Midco Group manages risks to ensure compliance with legal requirements in a manner which ensures payment of the right amount of tax.

When entering into commercial transactions, the Group seeks to take advantage of available tax incentives, reliefs and exemptions in line with, and in the spirit of, tax legislation. OS Phoenix Midco Group does not undertake tax planning unrelated to such commercial transactions.

The level of risk which the Group accepts in relation to UK taxation is consistent with its overall objective of achieving certainty in the group's tax affairs. At all times the Group seeks to comply fully with its regulatory and other obligations and to act in a way which upholds its reputation as a responsible corporate citizen. In relation to any specific issue or transaction, the Board is ultimately responsible for identifying the risks, including tax risks, which need to be addressed and for determining what actions should be taken to manage those risks, having regard to the materiality of the amounts and obligations in question.

Relationship with HMRC

OS Phoenix Midco Group seeks to have a transparent and constructive relationship with HMRC through regular meetings and communication in respect of developments in OS Phoenix Midco Group's business, current, future and retrospective tax risks, and interpretation of the law in relation to all relevant taxes.

OS Phoenix Midco Group ensures that HMRC is kept aware of significant transactions and changes in the business and seeks to discuss any tax issues arising at an early stage. When submitting tax computations and returns to HMRC, OS Phoenix Midco Group discloses all relevant facts and identifies any transactions or issues where it considers that there is potential for the tax treatment to be uncertain.

Any inadvertent errors in submissions made to HMRC are fully disclosed as soon as reasonably practicable after they are identified.

List of entities covered by this Tax Strategy

OS Phoenix Midco Limited	OS Phoenix Holdco Limited
OS Phoenix Bidco Limited	OS Phoenix Acquisition Limited
Outsourcing Strategies 4 Limited	Outsourcing Strategies 5 Limited
Reconomy (UK) Limited	Valpak Holdings Limited
Valpak Limited	Valpak Scotland Limited
Valpak Retail WEEE Services Limited	Valpak Recycling Limited
Advanced Waste Solutions Limited	Nationwide Services Group Limited
Prisimm Limited	Cauda Limited
Reconomy Group Limited	Skip Hire UK Limited
Helistrat Group Holdings Limited	Helistrat Management Services Limited
Waste Check Limited	Network Waste Limited
U.K. Nationwide Skip Hire Limited	Skips@Home Limited
Just Hire UK Limited	Just Skips Limited
Waste Hire Services Limited	Reconomy Recycling Services Limited
Countrywide Waste Management Limited	MT Waste Management Limited
Valpak Ecohub Limited	Closed Loop Compliance Limited
Recycle-more Limited	WEEE Connect Limited
Outpace Limited	