

Background and Strategy

This strategy applies to Pacific Neptune Lines (UK) Limited. ("PNLUK").

In accordance with Schedule 19 paragraph 22(2) in Finance Act 2016, this document sets out PNLUK's UK tax strategy for the year ended 31 December 2023 and applies to all UK taxes and duties.

The main focus of the PNLUK's tax strategy is to file all of the required filings in a complete, timely and accurate manner so as to remain in compliance with all tax laws of each jurisdiction in which it operates.

Further details relating to the tax strategy are provided below.

1. Risk Management and Governance Arrangements

The effort of PNLUK's Finance Department is directed toward paying the fair, right and proper tax due and to fulfill our obligations as set out by relevant tax legislation. The mission is to accomplish this while supporting PNLUK's business decisions.

- The company's Finance Department actively seeks to identify, manage and minimise any tax risks and inefficiencies by adhering to PNLUK's defined policies and controls for tax which support the delivery of the UK tax strategy and aim to ensure that it remains compliant with UK tax legislation. Supporting this is PNLUK's ongoing monitoring of internal controls relating to tax which contribute to the identification, management and minimization of tax risks. These actions are part of, and in addition to, general guidelines and procedures required for risk management (including Sarbanes-Oxley).

The Finance leadership of PNLUK is regularly updated on tax matters by staff and external advisors (as necessary). Through this open and regular communication, the Finance department highlights the importance of tax compliance and managing the tax function for PNLUK.

The Finance Department also has regular communications with the tax department to ensure that any potential cross border risks which may arise are monitored and minimised.

2. Attitude Towards Tax Planning and Level of Risk Appetite

The attitude to tax planning of PNLUK is to minimise tax risks and inefficiencies and to ensure that it remains in compliance with all legal requirements. Tax planning may be undertaken where it is supported by genuine commercial rationale. Where alternative routes exist to achieve the same commercial result, the most tax efficient approach, in compliance with all relevant laws, will be considered. Tax risk is one of the commercial risks that the business experiences. The company is not prescriptive on the level of acceptable tax risk, but aims to manage tax risk to ensure payment of the right amount of tax within the jurisdictions in which PNLUK operates. Contrived tax planning, where the tax benefit is disproportionate to the nature of the transaction, will not be undertaken.

Understanding the business operations is vital in order to manage tax risks and inefficiencies. This understanding enables the Finance Department to review and analyse the required compliance and tax reporting matters.

The tax department seeks to be involved in all key transactions, issues and strategies. This allows for the appropriate engagement with the relevant departments within the business.

Following a complete understanding of the facts, a summary and review of the matters will typically be prepared or discussed with the relevant business team. Further conversations and recommendations may take place with the President, Chief Financial Officer, Finance Director, General Counsel, Human Resources Director or other relevant senior executives within both the UK and wider global group, as appropriate.

The tax department also works closely with external advisors when complex and/or specialist areas of tax require additional expertise.

3. Relationship with HMRC

PNLUK seeks to have an open and positive relationship with HMRC. PNLUK is also committed to making appropriate disclosures of all relevant tax issues through the submission of tax returns and in responding to information requests in a timely manner.

PNLUK aims to always exhibit a co-operative approach to HMRC enquiries. Further, should any inadvertent errors be identified, PNLUK seeks to amend these as soon as reasonably possible.