



CWT Group Tax Strategy

1. Introduction

a. Background

CWT Group's tax strategy has been created to articulate and communicate the Group's worldwide tax strategy and strategic tax objectives. CWT Group's approach to tax seeks to align with the long-term interests of all its stakeholders, including employees and governments.

This tax strategy complies with the requirements of Schedule 19 of the UK Finance Act 2016. Specifically, this tax strategy is prepared and published to comply with the obligations under paragraph 16(2) of schedule 19 of the UK Finance Act 2016 to annually publish our tax strategy. It is effective from the financial year ending 31 December 2019 and financial periods after 31 December 2019 until it is superseded.

b. Scope

This tax strategy is applicable for all the companies that are controlled by CWT Pte Limited.

The tax strategy encompasses a range of taxes including corporate income tax, indirect taxes, employment taxes and similar levies applicable to CWT Group ("CWT").

c. Code of Conduct

The code of conduct shall ensure that CWT conducts the business in an honest, ethical and lawful manner. It outlines the behaviours and ways of working that CWT Group members must commit to.

d. Tax Policy Statement

CWT's goal is to take care of the interests of its stakeholders, to nurture a growing trust and generate more and better business. CWT seek to build trust with its stakeholders, including tax authorities, by acting in an open and transparent manner. CWT strives to have an open and honest relationship with the local tax authorities in all countries where it operates. In situation where tax law is unclear, we will engage external tax advisors to ensure compliance and that we meet our statutory and legislative tax obligations.

2. Governance, Structure and Organisation

CWT is committed to meeting high standards of corporate governance and has therefore created a structure for responsibility and governance. CWT's governance ensures value creation for CWT and serves to protect stakeholder's interests.

The responsibilities and roles within CWT in relation to the tax strategy are as follows:

- Tax strategy is approved by the Board of Directors;
- The Group Chief Financial Officer (“GCFO”) is responsible for the tax strategy, the supporting governance framework and tax risk management;
- The Assistant Group Chief Financial Officer (“AGCFO”) is responsible for the execution of this policy and report to GCFO;
- The head of finance of each entity is responsible for its local tax compliance, which will be reviewed regularly by the head of finance of each business subgroup;
- The Group or head of finance of each entity will engage external advisors (i.e. reputable tax advisors) when it is deemed prudent to obtain suitable third party’s expert view on specific issue.

3. Tax Risk Management

CWT operates in many countries which includes Singapore, China, Netherlands, UK, Switzerland and United States is exposed to a variety of tax risks. The tax risks are grouped under the following headings:

a. Tax compliance and reporting risks

This covers risks associated with compliance failures such as submissions of late or inaccurate income tax returns, failure to submit claims, failures to comply with local rules and regulations, failure to maintain sufficient systems and controls in place to support tax compliance.

b. Transactional risks

This arise where transactions are carried out or actions are taken without appropriate consideration of the potential tax consequences or where advice taken are not correctly implemented.

c. Reputational risks

The risk that non-compliance with local tax rules and regulations will impact our relationships with stakeholders, clients, tax authorities, partners and the general public.

CWT ensures that appropriate risk management and internal control systems are in place to identify, manage and monitor tax risks. Group tax is led by the AGCFO to communicate group tax policy to all head of finance, develop internal control to monitor tax risks, and report to GCFO on key tax risks and tax issues. AGCFO is constantly engaged with external tax advisors to ensure that CWT is updated with the latest development of tax rules and transfer pricing developments.

4. Relationship with Tax Authorities including HM Revenue & Customs

- CWT Group entities (including UK entities) aim to have a timely, open and collaborative dialogue with tax authorities and HMRC;
- CWT Group entities aim to keep the tax authorities including HMRC informed about our business developments and its impact on the relevant tax position where necessary; and
- CWT Group entities would seek clarifications of areas of concern in cases where interpretations of tax laws are uncertain.

5. Tax Planning

CWT recognises its responsibility to fulfil all its obligations relating to tax compliance matters, such as complete and accurate tax declarations in filing tax returns and making tax payments, in accordance with statutory timelines in each of the jurisdictions in which it operates.

CWT aims to balance this with its responsibility to our stakeholders and clients to deliver value in an efficient manner. Accordingly, CWT may utilise tax incentives or other tax savings opportunities to achieve tax efficiencies where these:

- are not against any laws and regulations;
- are not considered to carry significant reputational risk;
- are aligned with the intended policy objectives; and
- are aligned with our business objectives.

CWT will engage reputable tax consultants for advices in relation to tax planning or areas of complexity or uncertainty to support the Group in the implementation of its tax strategy.

CWT's transfer pricing methodology is set up in accordance with Organisation for Economic Cooperation and Development ("OECD") transfer pricing guidelines.

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Approved by : **Board of CWT Pte. Limited**