

Our Commitment to Tax Transparency

For several years, Grosvenor Group has published Annual Reviews and Financial Statements that are consistent with UK and International accounting and reporting standards.

As a privately owned business there is no legal obligation for us to make this information public, yet we believe in the importance of accountability and choose to be transparent.

Alongside the publication of information about the taxes we pay around the world, for many years we have also had and complied with a tax policy which lays down our approach to taxation matters. Its contents are reviewed annually by the Group Board.

We make, where we are able, a positive, informed and objective contribution to the debate on taxation matters as they affect our industry. We support measures aimed at enhancing the tax transparency of multinational corporations.

Our tax policy is published below in compliance with Part 2, Schedule 19 Finance Act 2016, in relation to the current financial year ending 31 December 2019.

The Grosvenor Tax Policy

The objective of our tax policy is to ensure that we fully comply with our obligations to pay tax and make tax filings, fully meeting the legal and compliance obligations in each relevant jurisdiction whilst recognising the legitimate requirements of all stakeholders.

We ensure:

1. That realised economic income, gains and profits are taxed, after claiming allowable deductions or tax relief for real economic costs or losses, in accordance with the legislation of the country or countries with taxing rights (taking any double tax treaty or unilateral relief into account).
2. That no transaction is entered into, or implemented in a manner, which is considered high risk or likely to be characterised as abusive for tax purposes.
3. Full tax compliance (in terms of both appropriate and timely disclosure of information, filings and payment of liabilities) in all relevant jurisdictions.
4. Co-operation with tax authorities in the spirit of mutual trust, openness and transparency.
5. That relevant personnel are suitably forewarned and informed about forthcoming changes of legislation, policy or practice which will need to be respected and/or implemented in accordance with this policy.
6. Where possible, and reflecting our experience, knowledge and abilities, we engage in appropriate dialogue with relevant authorities or bodies, with the objective of helping to improve the appropriateness and quality of the taxation regimes in which we operate.

In applying our tax policy, we respect not only the letter of the law but its underlying intention. In the case of real estate, the underlying premise is simple – property should be taxed in the jurisdiction in which it is located. We pay taxes on realised economic, gains and profits in accordance with the applicable laws.

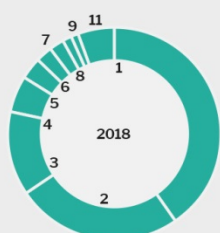
Tax Contribution

In 2018, our economic share of tax payments totalled £97.7m. Over the last three years, our economic tax contribution totalled £326.4m.

Tax contribution



| Taxes borne | 2018 | | Three years to 2018 | |
|---|--------|-----|---------------------|-----|
| 1 Corporate income tax paid in the year | £49.8m | 51% | £192.9m | 59% |
| 2 Annual property taxes | £17.7m | 18% | £44.2m | 14% |
| 3 Property transaction taxes paid in the year | £12.7m | 13% | £38.8m | 12% |
| 4 Employer taxes and social security costs | £10.3m | 11% | £29.6m | 9% |
| 5 Irrecoverable VAT (UK only) | £7.2m | 7% | £20.9m | 6% |



| Taxes borne by country | 2018 | | Three years to 2018 | |
|----------------------------|--------|-----|---------------------|-----|
| 1 United Kingdom | £40.8m | 42% | £135.2m | 41% |
| 2 United States of America | £23.2m | 24% | £56.8m | 17% |
| 3 Canada | £12.2m | 13% | £27.0m | 8% |
| 4 Portugal | £5.5m | 6% | £16.5m | 5% |
| 5 Spain | £3.2m | 3% | £5.6m | 2% |
| 6 Japan | £2.4m | 2% | £8.7m | 3% |
| 7 Australia | £2.3m | 2% | £9.9m | 3% |
| 8 Hong Kong | £1.3m | 1% | £12.6m | 4% |
| 9 Brazil | £1.2m | 1% | £4.8m | 2% |
| 10 Ireland | - | 0% | £37.4m | 12% |
| 11 Other | £5.6m | 6% | £11.9m | 3% |