

Our Commitment to Tax Transparency

For many years the Grosvenor Group has published Annual Reviews and Financial Statements, consistent with UK and International accounting and reporting standards. As a privately owned business there is no legal obligation for us to do this, yet we choose to be transparent. Grosvenor's approach to taxation aims to be consistent with our reputation for quality, integrity and social responsibility.

First, we ensure the appropriate management of all compliance obligations by seeking to apply the spirit as well as the letter of the law. Second, 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. We therefore welcome the UK legislative requirements for companies to publish their tax strategy and to report information about their global activities in accordance with the final recommendations from the OECD Base Erosion and Profit Shifting project.

For many years we have had a tax policy which lays down our approach to taxation matters. This has been shared with UK tax authorities.

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 2018.

The Grosvenor Tax Policy

The objective of the tax policy is to ensure we fully comply with our obligations to pay tax and make tax filings in accordance with Grosvenor's reputation for social responsibility and to fully meet the legal and compliance obligations in each relevant jurisdiction whilst recognising the legitimate requirements of all stakeholders.

This objective will be met by ensuring:

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.

Tax Contribution

In applying the 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.

In 2017, our economic tax contribution totalled £100.9m. Over the last three years, our economic tax contribution totalled £306.8m. The charts below provide a breakdown by type of tax and location.

