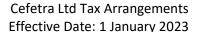


Cefetra Ltd Tax Strategy





Introduction

Under the Finance Act 2016 Cefetra Ltd is regarded as a company that is required to publish on its website the tax strategy for its UK group (Cefetra UK).

In this context it needs to be noted that Cefetra UK is part of a MNE, the international operating Cefetra Group, which refers to a group of companies under a common management structure in the agriculture segment of the BayWa Group headed by its ultimate parent company BayWa AG with its head office in Munich, Germany. As such, Cefetra UK is bound by the policies & procedures enacted by the management of Cefetra Group and ultimately BayWa AG. The tax strategy and more specifically the tax risk management requirements of Cefetra Group have been laid down in the Cefetra Group Tax Risk Management Policy. Cefetra UK is engaged and committed to comply with this policy.

In addition, and in light of the official guidance in this matter, the following information represents the publication of Cefetra UK's tax arrangements in respect of its UK activities.

1. Cefetra UK's approach on managing tax risks

The principal risk for Cefetra UK is non-compliance with tax legislation through oversight or error.

To mitigate this, employees dealing with routine transactions are suitably trained to do so. Corporation tax returns are prepared by external professional advisors and are reviewed internally by the finance team in each entity. Significant or unusual transactions are advised on by Cefetra Group's Group Tax department and/or external experts where appropriate, and finally approved by the Finance Director.

Appropriate documentation is maintained in order to comply with tax legislation and as required to ensure good corporate governance.

Advice from Cefetra Group's Group Tax and/or external advice is routinely sought where the internal finance team is unfamiliar with the nature of the tax implications of a transaction or with new legislation.

Key roles within Cefetra UK's tax function are:

- Finance Director (Cefetra Ltd and UK Subsidiaries);
- Financial Controllers (Cefetra Ltd and UK Subsidiaries);
- Finance Assistants (Cefetra Ltd and UK Subsidiaries).

The professionals outlined above will aim to:

- Effectively manage risk by application of components of the Cefetra Group Tax Risk Management Policy;
- Observe all applicable laws, rules, regulations and disclosure requirements;
- Apply diligent professional care and judgment to arrive at well-reasoned conclusions;



Cefetra Ltd Tax Arrangements Effective Date: 1 January 2023

- Ensure all decisions are taken at an appropriate level and supported with documentation that evidences the facts, conclusions and risks involved:
- Be compliant with all anti-bribery legislation.

Cefetra UK is committed to:

- Following all applicable laws and regulations relating to its tax activities;
- Maintaining an open relationship with the tax authorities based on transparency and mutual trust and understanding;
- Applying diligence and care in our management of the processes and procedures by which all tax related activities are undertaken, and ensuring that our tax governance is appropriate;
- Using incentives and reliefs to minimize the tax cost of conducting our business while
 ensuring that these reliefs are not used for purposes which are knowingly contradictory to
 the intent of the legislation.

Cefetra Group provides Cefetra Limited with its core trading and accounting systems which are designed to manage commercial and financial aspects of the business whilst also ensuring compliance with applicable tax law relevant to each trade. Continued internal investment is made to keep systems up to date with changing regulations.

Cefetra UK's Finance Director is a member of the board of directors in the UK. This ensures that relevant tax issues affecting the business are brought to the attention of and discussed by the board of directors as and when required.

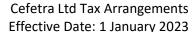
2. Cefetra UK's attitude to tax planning

In line with Cefetra Group's tax planning Cefetra UK aims to support the commercial needs of the business by ensuring that the companies' affairs are carried out in the most tax efficient manner whilst remaining compliant with all relevant laws. Where alternative routes exist to achieve the same commercial results the most tax efficient approach in compliance with all relevant laws will be recommended. Cefetra UK's tax function is therefore involved in commercial decision-making processes and provides appropriate input into business proposals to ensure a clear understanding of the tax consequences of any decisions made.

Cefetra UK has clearly defined lines of responsibility for its tax affairs, with decisions being taken in line with Cefetra Group's tax authority decision making rules and bylaws, ensuring that they are taken at an appropriate level.

3. Cefetra UK's tax risks

Cefetra Group has a low threshold regarding acceptable tax risk as it follows the "more likely than not" principle for making decisions on tax matters. For example, when concluding on the tax treatment of a transaction, Cefetra Group entities should not undertake it unless it is at least more likely than not that the proposed treatment would stand up to examination by tax authorities. Applying this principle Cefetra UK's aim is to minimize and mitigate tax risk so far as is reasonably possible.





4. Cefetra UK's way of working with HMRC

Cefetra Group aims to maintain the highest level of transparency, trust and understanding in its dealings with local tax authorities and thus also in respect of HMRC, and seeks to cooperate fully with a view to ensuring it remains fully compliant with relevant legislation.

Cefetra Group's policy is full cooperation with and disclosure to HMRC should any instances of non-compliance be identified. Cefetra UK regularly seeks advice from the group's HMRC customer relationship manager and delegated specialists in respect of unusual transactions where higher risks arise.

Cefetra UK are committed to the principles of trust, understanding and transparency in their approach to dealing with HMRC, and in particular they commit to:

- Make fair, accurate and timely disclosure in correspondence and returns, and respond to queries and information requests in a timely fashion;
- Seek to resolve issues with HMRC in a timely manner, and where disagreements arise work with HMRC to resolve issues by agreement where possible;
- Be open and transparent about decision-making, governance and tax planning;
- Reasonably believe that transactions are structured to give a tax result which is not inconsistent with the economic consequences (unless specific legislation anticipates that result), nor contrary to the intentions of Parliament;
- Interpret the relevant laws in a reasonable way, and ensure transactions are structured consistently;
- Ensure all interactions with HMRC are conducted in an open, collaborative and professional manner.