

Tax Strategy

Introduction

This policy document sets out the UK Tax Strategy for Asset Management One International Ltd. ('the company'), a wholly owned subsidiary of Asset Management One Co., Ltd. which is part of the Mizuho Financial Group, Inc., established in Japan. This document also addresses the following:

- The company's approach to risk management and governance arrangements in relation to UK taxation;
- The company's approach to conducting its tax affairs, including its attitude to tax planning; and
- The company's approach towards dealing with HMRC.
- The level of risk in relation to UK tax that the company is prepared to accept

Tax Strategy

The company's Tax Strategy is to ensure that the tax affairs are managed in a straightforward manner, "paying what we owe" at the right time in order to comply with our tax obligations.

Governance in relation to UK taxation

The ultimate responsibility for compliance with the Tax Strategy rests with the Board. The Board approves the tax strategy document. However, under the company's delegated authorities:

- The company's Management Committee is tasked with ensuring adherence to and the effective operation of the Tax Strategy.
- The Chief Executive Officer ('CEO'), a member of the Board and Management Committee, has functional responsibility for tax affairs. The CEO has the responsibility for taking reasonable steps to ensure the business establishes and maintains appropriate accounting systems for company UK taxation matters.
- The Finance team report directly to the CEO, and are responsible for ensuring that the company complies with all of its tax requirements, with the exception of payroll taxes for which Human Resources are responsible. The Human Resources department report to CEO.
- The Management Committee review the key risks that affect the company, and together with each business area have developed key controls that mitigate those risks, including controls around tax processes. The design and operational effectiveness of these controls is monitored continuously, and senior department heads attest to the accuracy of this monitoring on a monthly basis. Any ineffective controls require identified action plans to outline their eventual proposed resolution, and performance against these action plans is monitored at Management Committee.

- Internal Audit, Compliance and Governance monitor the company's systems for financial reporting and the control environment in which they operate. A key role for these departments is to monitor the progress of remedial action undertaken when weaknesses or other issues affecting the control environment, are identified by either internal or external audit.
- The Operating Committee has oversight of any tax issues and escalates any issues to Management Committee.
- The Client and New Business Committee is primarily responsible for escalating matters relating to new product approvals. Specifically the Committee mandate is to:
 - Perform a critical review of all new products and businesses to ensure that risks are identified, assessed, mitigated and procedures are established where necessary to control those risks.
 - Recommend the approval of the new products and businesses to the Management Committee.
 - Ensure the governance rules surrounding new products and businesses are followed.
 - Perform a review of the product and or business once commenced to identify any concerns or issue.
 - This committee ensures that the Tax Strategy and tax treatment is taken into account in its business decision-making.

Risk Management

The Board maintains a low risk appetite ensuring that the company operates safely and in a manner that supports sustainable business development and growth. This culture underpins its approach to risk management with clear and identifiable principles and tolerance for risk established.

The company has the following types of tax risk, and the following mitigants against this risk:

Operational risk – risk that tax accounting is misstated across period, or incorrect payments are made to the tax authorities

Mitigant – Finance ensure that there are preventative controls around the monthly VAT process, and Corporation tax preparation by the company. These processes are also reviewed by the external auditor as part of the audit of the annual financial statements. In addition, any issues or errors over a certain amount are escalated to the Management Committee, and a full action plan drawn up for resolution.

Operational risk – failure to meet tax reporting or compliance obligations

Mitigant – Finance team seek external professional advice for any complex tax issues that are identified.

Product risk – risk that new business produces adverse tax consequences or new manual processes

Mitigant – the CEO is a member of the Board and has to sign off on all new products/businesses/structures. As part of this, a risk assessment is performed which identifies any issues by different type of tax, and also addresses any new process or resource requirements arising out of new products.

Attitude to tax planning and level of risk

The company manages its tax risks and complies with statutory requirements in a manner that ensures payment of the appropriate amount of tax that is due. When undertaking commercial transactions, the company takes advantage of available tax incentives, reliefs and exemptions in line with, and in the spirit of prevailing tax legislation.

The company does not engage in tax planning other than that which supports genuine commercial activity.

Through its new product approval process the company ensures that tax policy is taken into account in its business decision-making

The company complies with the Corporate Criminal Offence legislation that passed into law on 30th September 2017.

Relationship with HMRC

We are committed to complying with our tax obligations and maintaining good relationships with HM Revenue & Customs. We have an open, honest and positive working relationship with HMRC and we are committed to prompt disclosure and transparency in all tax matters.

Our corporate structure and operating model ensure that our tax affairs are transparent and easy to explain to the tax authorities.

The company is committed to observing all applicable laws, rules, regulations, reporting and disclosure requirements.

Approval and Effective Date

Asset Management One International Ltd. considers that the above statements satisfy the Qualifying company requirements of Schedule 19 of Finance Act 2016 (Part 2 paragraph 22).

This strategy document was approved by the Board on 24th March 2021.