

UPP Group Holdings Limited ("UPP") Tax Strategy

This document is published by the Board of UPP Group Holdings ("the Board") in accordance with Paragraph 16, Part 2, Schedule 19 of Finance Act 2016 and applies from date of publication until it is superseded.

Summary

- The governance of our business, including tax matters, is led by our Board
- UPP and its subsidiaries are members of a Real Estate Investment Trust ("REIT") and accordingly profits in respect of our property rental business are exempt from UK corporation tax. UPP pays other taxes in the same way as other non-REIT businesses and all UPP entities are UK tax resident
- We always work to maintain an open relationship with HMRC
- UPP has a low tolerance for tax risk and uncertainty; we aim to meet all our tax compliance responsibilities in a timely fashion and pay the right tax at the right time

Introduction

UPP is a direct 100% subsidiary of UPP REIT Holdings Ltd ("REIT Holdings") a close-ended UK REIT incorporated in Jersey on 18 April 2017 and admitted to the Official List of The International Stock Exchange (TISE) on 28 February 2018. REIT Holdings is UK tax resident.

Principal activities of UPP are the development, funding, construction and operation, including facilities management of residential student and

academic accommodation under the University Partnerships Programme.

UPP is REIT, which means that profits in respect of our property rental business are exempt from UK corporation tax. REIT status arises by election under a UK government implemented statutory regime that acts to replicate the tax position for shareholders as if they held direct ownership of UPP property, provided certain conditions relating to the business, funding and distribution are met. Any non-property business profits in UPP are subject to UK corporation tax in the normal way.

Group Tax Policy

UPP has a low tolerance for tax risk and uncertainty; maintenance of REIT status for the REIT Holdings group, is a key objective of the tax strategy.

We plan for taxation on the basis that the tax outcome of our business activity reflects both the commercial and economic outcome and is compliant with tax legislation and HMRC expectations.

Where there is any uncertainty, external advice is sought, and issues are raised on a real time basis with HMRC including seeking clearance where appropriate.

UPP has an internal tax function, reporting to the CFO who reports in turn to the boards of UPP and REIT Holdings on a regular basis. The tax function is responsible for UK tax reporting as well as the provision of tax advice on business matters.

All UPP properties are held by UK tax resident entities.

The Board has considered the implications of legislation to prevent the criminal facilitation of tax evasion contained in Part 3 of the Criminal Finance Act 2017 and risk assessments have been completed to ensure appropriate controls are in place.

Relationship with HMRC

As noted above, UPP is committed to a productive, open and constructive relationship with HMRC. Due to the size of the business and our REIT status we have a HMRC Customer Relationship Manager (“CRM”) who is responsible for the relationship between HMRC and UPP in respect of all taxes. Regular communication with the CRM team is important to the success of our business.



Henry Gervaise-Jones

Approved by the Board of UPP
23 August 2019