COFRA UK SUB-GROUP TAX STRATEGY

February 2018

This tax strategy applies to the companies located in the UK that are subsidiaries of COFRA Holding AG (the "UK Sub-group"). It is extracted from the tax strategy applicable to the broader group of companies headed by COFRA Holding AG (the "COFRA Tax Strategy"). The main operations within the UK Sub-group are Bregal Investments and Redevco.

Documenting this strategy provides direction and control over the tax activity in the UK Sub-group. This strategy applies specifically to UK taxation, and is published in accordance with the duty to publish the tax strategy for the UK Sub-group in the current financial year under paragraph 19(2) of Schedule 19 of the Finance Act 2016.

GOVERNANCE

The Group CFO is responsible for the review and necessary revision of the COFRA Tax Strategy on an annual basis, or anytime upon the occurrence of substantial changes. The COFRA Tax Function supports the Group CFO as applicable.

MANAGEMENT OF TAX RISK

The COFRA Tax Function actively manages the existing tax risks (including operational tax risks) by implementing appropriate management and control procedures associated with their overall responsibility for specific taxes. Further, the COFRA Tax Function works within the risk management framework established by COFRA, and manages the tax risks in a controlled manner, i.e. taking into account a sound balance of risk and return whereby risk mitigation is always more important then return. Tax risks out of operating activities are not to be increased.

ATTITUDE TO TAX PLANNING

While always fully respecting the local tax laws and administrative practices, the COFRA Tax Function actively undertakes tax planning measures in order to achieve an optimal tax result for the COFRA group (including the UK Sub-group). The optimal tax result does not mean the lowest tax result possible in the short term but the optimal tax result taking into account sustainability and continuity of the position taken and COFRA's commitment to being characterised as a "good corporate fiscal citizen". Good reputation is more important than profit consideration. Notwithstanding this, tax planning to reduce tax charges where appropriate is to be used in accordance with best tax practices in the respective tax jurisdictions.

Concerning the upstream movement of interest and dividend payments to COFRA and to group finance companies, it is COFRA's aim to mitigate all withholding and corporate income taxes on these upstream flows.

To determine whether tax planning proposals that lead to a lower overall tax burden will be in accordance with the COFRA Tax Strategy, it is necessary for these proposals to be checked using a discounted cash-flow method in order to take into account the timing effect as well as the long-term effects and additional other non-tax costs.

In developing tax planning opportunities the flexibility of the COFRA's corporate structure should be taken into account to avoid lock-up situations. The corporate structure should therefore allow an outright sale to third parties at all times without substantial taxation.

ACCEPTABLE TAX RISK

COFRA entities do enter into tax planning, but only if there are business reasons for that tax planning, or the planning is in accordance with accepted practice and produces a fair tax rersult. Purely artificial and abusive tax structures shall be avoided.

COFRA entities do not seek permanent confrontation with tax authorities. However, it also recognises that tax authorities' view of legislation is not always correct, such that COFRA entities will engage in tax planning in order to reduce tax charges where appropriate. As such, some acceptable inherent tax risk will exist. Tax risk will be assessed prior to engaging in tax planning arrangements.

APPROACH TO DEALING WITH HM REVENUE & CUSTOMS ("HMRC")

COFRA entities (including the UK Sub-group) falling under the scope of the COFRA Tax Strategy should be fully compliant with the tax laws of every jurisdiction where COFRA entities do business or are subject to tax regulation. COFRA entities do not seek permanent confrontation with tax authorities (including HMRC) and aim for continuity in their relationships with tax authorities. COFRA entities aim to fulfil their administrative tax burden as efficiently as possible and therefore aim, wherever possible, to decrease their administrative burden, while remaining compliant with local laws and regulations.

It is COFRA's strategy to better avoid obvious confrontation by referring to existing interpretations adopted by tax authorities. As a general rule, differences of opinion are discussed and settled with the respective tax authority and not in court. Nevertheless, an issue of principle can be brought to court. This requires a cost benefit analysis of the alternatives settling or going to court before the decision to go to court is taken.