

Mondrian Group

Tax Strategy

This tax strategy document applies to Mondrian Investment Partners Limited and all UK entities in its group for the year ended 31 December 2020.

Mondrian regards the publication of this tax strategy as complying with the duty under paragraph 16 (2) of Schedule 19 of the Finance Act 2016 to publish the group strategy in the current financial year.

The following UK companies are covered by this tax strategy:

- Mondrian Investment Partners Limited
- MIPL Group Limited
- MIPL Holdings Limited
- Mondrian Investment Partners Holdings Limited

Company background

Mondrian, a wholly-owned subsidiary of Mondrian Investment Partners Holdings Limited, is a leading investment manager of global equities and fixed income securities. The Company uses a disciplined long-term value-oriented investment philosophy, which has generated a strong record of performance. Founded in 1990, Mondrian has carefully managed its asset growth for over twenty-five years under the leadership of an experienced senior management team.

Approach to risk management and governance arrangements in relation to UK taxation

The overall responsibility for risk management and oversight sits with Mondrian's Board of Directors. Day-to-day responsibility for risk management rests with business managers who are ultimately responsible for identifying, assessing and managing the risks within their areas on an ongoing basis and reporting this to the Board of Directors who meet on a quarterly basis.

Business, operational and control environment risk management is achieved through a three pillar approach consisting of Compliance (Regulatory Risk), Internal Audit (Oversight) and Operational Risk (Business Process).

Mondrian's Compliance, Internal Audit and Risk functions operate independently and maintain a good working relationship via frequent joint oversight meetings. Each of these functions report either directly, or via a formal committee structure to Mondrian's Board.

Mondrian looks to manage tax risk in a similar way to any area of operation risk across the Group. Mondrian is committed to compliance with tax law and practice in the UK.

The responsibility for the tax strategy, the supporting governance framework and management of tax risk ultimately sits with the Chief Operating Officer (COO) who is also the Mondrian Group Senior Accounting Officer (SAO). The COO provides updates on material tax matters as part of the regular updates to the Board.

Day-to-day responsibility for the UK tax compliance, including managing our tax affairs and monitoring tax risks, sits with the Finance team led by the Senior Finance Manager, who report to the COO. The Finance function at Mondrian has responsibility over the systems, processes and controls in place to produce financial reporting information for internal and external stakeholders.

Mondrian has an ongoing engagement with its external tax advisors who assist with the UK tax compliance for the Group. Mondrian recognises that using external tax advisors adds value, particularly when providing specialist expertise, providing second opinions on significant transactions, helping understand new tax legislation or providing insight on industry practice. All advice provided is reviewed by the Finance team and where relevant, agreed with the SAO and the Board, to ensure any resultant action is in line with the Group's tax strategy, thereby, assisting Mondrian in taking a prudent approach towards tax risk.

Risks will inevitably arise from time to time in relation to the interpretation of relatively complex tax law. Mondrian actively seeks to identify, evaluate, monitor and manage these risks to ensure they remain in line with its objectives.

Attitude towards tax planning

The management of Mondrian tax affairs reflects the regulatory, legal and commercial environment in which our business operates.

Mondrian seeks to organise its business in order to ensure that it makes best use of tax incentives, reliefs and exemptions, where available, under UK tax legislation in the manner in which the legislation was intended.

External advice may be sought in relation to tax planning or areas of complexity or uncertainty to support Mondrian in complying with its tax strategy.

Mondrian will not put in place any arrangements that are contrived or artificial. All transactions must have a business purpose and a commercial rationale. Mondrian does not tolerate tax evasion, nor does it tolerate the facilitation of tax evasion by anyone acting on its behalf.

Approach towards our dealings with HMRC

Mondrian engages with HMRC with honesty, integrity, respect and fairness and in a spirit of co-operative compliance. In addition, all communications with tax authorities are undertaken in a courteous, collaborative and timely manner.

The Finance function represents Mondrian in its communication with HMRC. Should any issues arise, they seek to resolve these in real time through open, transparent and constructive dialogues.

Mondrian is committed to adopting a similar approach through open and transparent relationships with tax authorities in overseas jurisdictions in which it operates.

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