



## **Tax Strategy**

### **Scope**

This strategy applies to Affinion International Holdings Limited and to the group of companies headed by Affinion International Holdings Limited in accordance with paragraph 19(2) of Schedule 19 to the Finance Act 2016. A list of the entities to which it applies is set out below:

- Affinion International Holdings Limited
- Affinion International Limited
- Affinion International Travel Holdco Limited
- Affinion International Travel Limited
- Loyalty Ventures Limited
- Webloyalty International Limited
- Cims Limited
- Credit Card Sentinel Limited
- Entertainment Publications Ltd

In this strategy, references to 'Affinion International Holdings Limited' or 'the group' are to all these entities. The strategy is being published in accordance with paragraph 19(4) of the Schedule.

This strategy applies from the date of publication until it is superseded. References to 'UK Taxation' are to the taxes and duties set out in paragraph 15(1) of the Schedule which include Income Tax, Corporation Tax, PAYE, NIC, VAT, Insurance Premium Tax, and Stamp Duty Land Tax. References to 'tax', 'taxes' or 'taxation' are to UK taxation and to all corresponding worldwide taxes and similar duties in respect of which the Group has legal responsibilities.

### **Aim**

The group is committed to full compliance with all statutory obligations and full disclosure to relevant tax authorities. The group's tax affairs are managed in a way which takes into account the group's wider corporate reputation in line with its overall high standards of governance.

### **Governance in relation to UK taxation**

- Ultimate responsibility for the group's tax strategy and compliance rests with executive management of Affinion Group Holdings, Inc. (AGHI) which is the ultimate parent of the group;
- Day to day management of the group's tax affairs is delegated to the heads of the respective functions that are responsible for the taxes concerned, who ultimately report to the executive management of AGHI;
- The UK Tax team is staffed with appropriately qualified individuals and provided with external advisors when necessary;
- Executive management of AGHI ensures that the group's tax strategy is one of the factors considered in all investments and significant business decisions taken.

### **Risk Management**

- The group operates a system of tax risk assessment and controls as a component of the overall internal control framework applicable to the group's financial reporting system;
- The group seeks to reduce the level of tax risk arising from its operations as far as is reasonably practicable by aiming for the application of reasonable care to all processes which could materially affect its compliance with its tax obligations.
- Processes relating to different taxes are allocated to appropriate process owners, who carry out a review of activities and processes to identify key risks and put mitigating



controls in place. These key risks are monitored for business and legislative changes which may impact them and changes to processes or controls are made when required.

- Advice is sought from external advisors where appropriate.

### **Attitude towards tax planning and level of risk**

The group manages risks to ensure compliance with legal requirements in a manner to pay the right amount of tax.

When entering commercial transactions, the group seeks to take advantage of available tax incentives, reliefs and exemptions in line with tax legislation. The group does not undertake tax planning unrelated to such commercial transactions.

The level of risk which the group accepts in relation to UK taxation is consistent with its overall objective of achieving certainty in the group's tax affairs. At all times the group seeks to comply fully with its regulatory and other obligations and to act in a way which upholds its reputation as a responsible corporate citizen. In relation to any specific issue or transaction, executive management of AGHI is ultimately responsible for identifying the risks, including tax risks, which need to be addressed and for determining what actions should be taken to manage those risks, having regard to the materiality of the amounts and obligations in question.

### **Relationship with HMRC**

When submitting tax computations and returns to HMRC, the group discloses all relevant facts and identifies any transactions or issues where it considers that there is a potential for the tax treatment to be uncertain.

Any inadvertent errors in submissions made to HMRC are fully disclosed as soon as reasonably practicable after they are identified.

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