

SMBC Aviation Capital (UK) Ltd

UK Company Tax Strategy in respect of period ended 31 March 2024

Company Tax Principles

Tax Planning

- The Company recognises its social responsibility to pay all applicable taxes in the countries in which it does business and will not engage in inappropriate tax planning strategies to avoid such tax liabilities.
- The Company considers tax planning strategies to be inappropriate if:
 - They are not related to genuine commercial activities;
 - They produce a tax result that is contrary to the intentions of relevant lawmakers – in this respect we aim to follow the spirit as well as the letter of the law; or
 - They carry a significant risk of successful challenge or reputational damage.

Tax Compliance

- The Company aims to achieve full tax compliance by making all required tax filings and disclosures on an accurate and timely basis, and to make all tax payments when due.
- The Company adopts the arm's length principle in pricing all internal dealings to ensure compliance with international transfer pricing regulations.
- The Company employs suitably qualified staff or engages reputable professional advisors to ensure that its tax policy objectives are met.

Avoidance and Evasion

- The Company does not provide or promote products to customers which either have or are intended to produce tax results that are contrary to the intentions of law makers or which are likely to result in tax controversy when disclosed to relevant tax authorities.
- The Company recognises its responsibility as a financial intermediary to prevent any form of tax evasion - we put controls in place that seek to identify and prevent facilitation of any such criminal activities and will report suspicious activity to the appropriate authorities.

Working with Tax Authorities

- The Company's servicing entities should adopt a proactive, open and transparent approach in all dealings with tax authorities on behalf of the Company. .

UK Tax Risks

As part of a large multi-national organisation, UK Companies are exposed to a variety of tax risks which can be categorised as follows:

Tax Compliance and Reporting Risks

The risk associated with compliance failures such as submission of late or inaccurate returns, the failure to submit claims and elections on time, and the failure of finance and operational systems to meet tax compliance and reporting requirements.

Transactional Tax Risks

The risk that transactions are executed or actions taken without appropriate consideration of the tax consequences, or where tax advice is not correctly implemented.

Reputational Risks

The risk that tax planning and governance arrangements fail to prevent tax outcomes that have a negative impact on our relationships with stakeholders, including shareholders, customers, tax authorities and the general public.

The Company Tax Principles and UK Tax Governance arrangements that are set out in this UK Tax Strategy are intended to mitigate each of these risks and are reviewed on a regular basis to ensure their effectiveness. The subjective nature of many tax rules makes it impossible to fully mitigate all tax risks. We do not set specific limits on acceptable tax risk, but seek to manage our affairs in a way that maximises long term shareholder value through a compliant, transparent and prudent approach to tax risk management.

UK Tax Governance

The UK Company's operations are managed by the SMBC Aviation Capital group (the "AC group"). Ultimate responsibility for tax strategy, the supporting governance framework and management of tax risks sits with the senior management of the AC group.

The senior management of the AC group has identified a Senior Accounting Officer (SAO) to take responsibility for ensuring appropriate tax accounting arrangements are maintained to ensure timely and accurate tax compliance for all UK operating entities. The SAO is required to certify that they have met their responsibilities on an annual basis.

The Company has, via its servicer SMBC Aviation Capital Limited, established a tax function, staffed by qualified tax professionals. In addition to its oversight role, the tax function provides tax advice to the Company, undertakes or assists with tax filings, manages relationships with HMRC and assists with various forms of tax and financial reporting.

External tax advisors are engaged where appropriate to assist with UK tax compliance matters and provide technical support on more complex tax matters.

All new products and material business transactions are subject to review by management to ensure that they are consistent with the Company Tax Principles.

Working with HMRC

Consistent with the Company Tax Principles, the Company seeks to maintain a proactive, open and transparent relationship with HMRC. This takes the form of discussing material developments in our UK business, providing timely and accurate responses to all enquiries and, where appropriate, seeking advance clearances or entering into formal agreements in respect of material tax issues.

Definitions:

UK Company

SMBC Aviation Capital (UK) Limited