

Persimmon Plc Tax Strategy

The publication of the Persimmon Plc Tax Strategy is required by Schedule 19 Part 2 Finance Act 2016 and applies to all subsidiaries in the Persimmon group of companies (Persimmon). Persimmon Plc is the ultimate holding company of the group and has prepared and published this Tax Strategy on behalf of Persimmon.

Persimmon Plc regards publication of this Tax Strategy as complying with the duty under Schedule 19 paragraph 16(2) Finance Act 2016 in the current financial year ending on 31 December 2018.

Persimmon is a UK housebuilding group operating across all regions in England, Scotland and Wales. All active Group subsidiaries are UK resident for tax purposes and have negligible exposure to overseas tax.

Tax Risk Management and Governance

The Board of Persimmon places the highest level of importance on ensuring the Group maintains proper controls to mitigate all business risks including tax. The approach to managing Persimmon's tax affairs is governed by an overarching principle of full compliance with tax legislation. Persimmon pays all taxes in full and on time.

The Level of Risk in Relation to UK Taxation Persimmon is Prepared to Accept

The level of risk in relation to UK taxation the group is prepared to accept is managed by the implementation of robust controls and procedures which include:

- The appointment of the Group Finance Director as the Senior Accounting Officer placing the management and oversight of the Group's tax affairs at Board level
- Authorisation of Persimmon's policies regarding tax compliance and strategy by the Board
- Significant investment in accounting and tax reporting systems which are used across all divisions in the Group
- Central management of tax reporting and provision of internal guidance through an in-house tax department of qualified professionals reporting directly to the Group Finance Director
- Regular review and assessment of controls and procedures by a separate internal Group Risk department which reports to the Audit Committee

Attitude to Tax Planning

Within the overarching principle of full compliance, the Board aligns its duty to maximise shareholder value by paying all appropriate taxes. The commercial activities of the Group are planned to ensure that statutory reliefs and allowances permitted by existing tax law are claimed. Professional opinions are sought from reputable independent external advisors on matters where the amount of tax involved is significant and the tax treatment is uncertain.

Dealing with HMRC

Current, future and past tax risks are discussed in regular meetings with HMRC in an open and transparent way. This includes discussion with HMRC where there is uncertainty over the interpretation of tax law or where the Group intends to undertake commercial transactions which may have a tax consequence.

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