SEACO
TAX POLICY

Preface

As one of the world's leading container leasing firms, Seaco (the "Group") is committed to the highest level of compliance in legal, tax and regulatory obligations. In line with the Group's Business Ethics and Compliance Policy, this Policy (the "Policy") presents the underlying approach to manage tax risks across the Group. The successful implementation of the Policy requires a consistent and systematic approach to tax risk management at all levels of the Group's operations.

Tax Planning and Principles

The Group undertakes tax planning with the belief that it should pay an appropriate amount of tax in the jurisdictions in which it operates. The Group does not undertake aggressive tax planning for the purpose of tax avoidance. Any tax planning initiative will have underlying commercial and economic substance.

As part of Group's tax planning objective to effectively identify and deliver value to the Group's shareholder, the Group accesses relevant tax incentives, where provided under the applicable local tax laws.

In pursing the strategy, the Group is guided by the following key principles:

- Commitment to ensure full compliance to all statutory obligations in every jurisdiction that the Group operates

- Maintain good working relationships with tax authorities; acting in a professional, transparent, co-operative, and timely manner when dealing with tax departments and other relevant bodies

- Conduct business on sound commercial rationale

- Observe arm's length principle in the transactions between the Group's related parties

Scope of the Policy

This Policy applies to all employees who are involved in or whose actions impact the management of the Group's tax matters. This include:

- Senior Management in particular the CFO, Deputy CFO and Group Financial Controller
- All members of the Tax Team

- Group Reporting Director (Finance and Accounting) and any Finance Managers who support or manage tax matters
- All Country Finance Controllers and their reports that have responsibilities for managing and supporting tax matters
- Members in the GENPACT team that supports tax matters
- Any employee that has responsibility for managing or supporting tax matters

Code of Conduct

In line with the Group's Business Ethics and Compliance Policy, any employee who is within the scope of the Policy mentioned above should comply with the following:

- Obey all relevant laws and regulations governing business conduct around the world
- Be honest, fair and trustworthy in all Company activity
- Adhere to the highest standards of honesty and integrity when dealing with tax authorities and relevant bodies
- Observe the Group's anti-bribery policy
- Properly record, preserve and report financial information as stipulated in the financial controls and records policy
- Engage the CFO and the Tax Team on tax issues encountered in the territories that the Group operates
- Consider the context of the Policy when dealing with all tax matters of the Group

Tax Risk Areas

As the Group operates in numerous jurisdictions, it is faced with a range of tax risks.

- Tax compliance and reporting risks – Risks associated with the failure to file tax returns on time, or inaccurate returns submitted.
- Transactional risks – Risks associated with activities or transactions that are undertaken without appropriate consideration of the tax implications and consequences.
- Reputational risks – Risks associated with the damage to the Group's brand and reputation and the adverse impact to the relationship with stakeholders, including shareholders, tax authorities and customers.

The Group manages these risks through its tax risk management policies.

Tax Risk Management Policies

Roles and Responsibilities

- The role of the Senior Management towards tax risks management of the Group include approving the Group's tax policy and strategy, and setting an appropriate tone at the top, so as to influence the culture of tax risk management and control within the Group.

- The CFO, being a member of the Senior Management who reports to the CEO, has overall responsibility for the oversight of material tax matters in the Group's business and ensuring that the Group maintains an effective tax risk management process. He is supported by the Deputy CFO and Group Financial Controller, and sub-delegates this authority to the Tax Team who has overall responsibility at the operational level.

- All staff are responsible for encouraging good risk management practice within their areas of work. Staff roles and responsibilities for ensuring the Group's tax obligations are clearly defined and are documented in the individual's job description. A matrix of reporting line in the company's organizational structure is available to all staff so that material tax issues can be properly escalated.

New Business Activities and Transactions

- All business units should involve the CFO or the Tax Team at the strategic level at an early stage of projects and throughout from planning, implementation to documentation for all of the following new business transactions:

    - Merger and acquisition and other business restructure
    - Changes in corporate structure or significant new processes affecting tax compliance
    - Acquisition and disposals of Shares, Real Property etc.
    - Cross-border financing arrangements and other capital raising activities
    - New business ventures or projects
    - Asset domestication, domestic business or other non-routine operations concerning customs and importation charges

- The Tax Team will work closely with the business partners to provide relevant inputs so as to ensure that the tax implications and consequences are clearly communicated and understood.

Tax Risk Control Measures

- Accounting and audit processes

  The Group undertakes periodic financial accounting reconciliation, independent external audit examinations as well as internal control audit exercises to maintain a high degree of financial data integrity, including tax information. Any material tax risks or deviation identified in the process must be escalated to the Tax Team, CFO and Senior Management and if need be, to the Board.

- Maintaining relationship with tax authority

  The Tax Team manages the relationship with the tax authorities and other relevant bodies, in a professional, transparent and truthful manner, to resolve issues amicably and to minimize the risk of challenge and dispute that may result in compromising the Group's credibility and reputation. Regular conversations are held with HMRC to provide updates on business developments and discuss any relevant changes to tax legislation.

- Seeking external professional advice

  Where tax law is unclear, highly complex and contentious, subject to interpretation or when the transactions are material, written advice or confirmation shall be sought as appropriate. All decisions on material tax positions are to be taken at an appropriate level and supported with clear documentation of facts and circumstances, conclusions and risks involved.

- Staying connected with tax law changes

  The Tax Team monitors changes in relevant tax law and practice in order to assess, document and communicate any consequences for the Group, with the aim of minimizing any adverse impact. Also, appropriate training or updates are undertaken to ensure the relevant tax laws and regulations are understood and the designated staff possess the skills and expertise to manage Seaco's tax affairs competently.

Tax Risk Assessment Process

The Group's tax risk assessment process involves the following stages of assessment: -

- Identification of tax risks
- Analysis of tax risks
- Analysis of existing control effectiveness

- Communication and treatment of tax risks that can adversely affect the performance and financial standing of the Group.

As a guideline, the risk assessment documentation should comprise but not limited to the following: -

- A full description of the facts and circumstances surrounding the issue
- An evaluation of the financial costs and benefits of all potential scenarios, where possible
- An assessment of the non-financial costs and benefits including an assessment of the nature and amount of resources to secure the benefit
- An assessment of the probability of the risk crystallising
- Commentary on the likely process of dispute resolution, if applicable
- Recommendations

Tax Risk Appetite

The Group's tax policy does not have a prescriptive level of acceptable tax risks or an absolute definition of a "material" risk, but the Group generally has a low appetite towards tax risks.

The Group has zero tolerance for any tax planning initiatives which has the sole purpose of tax avoidance, and low tolerance for tax risks resulting from errors or omissions and/or late submission of tax returns and payments for routine tax compliance reporting.

Where there is considerable doubt to a tax treatment of a material transaction or when the tax law is unclear and subject to interpretation, the Group would seek advice from external tax professional.

The level of acceptable tax risk is generally not influenced by the Group's stakeholders, namely the investors, customers, shareholders and the employees.

Policy Updates

This document is effective for the financial year ending 31 December 2019.

The Group considers the publication of this document as complying with the duty stipulated under Paragraph 16(2) of Schedule 19 of the Finance Act 2016. This statement applies to the Group's UK entities, specifically Seaco Global Limited, Seaco British Isle Limited and Cronos Containers Limited.