

Baker & Baker Group UK Tax Strategy Statement

The purpose of this statement is to satisfy UK regulatory requirements of paragraph 19(2), Schedule 19, Finance Act 2016 for the year ended 31 December 2021. This document sets out Baker & Baker's strategic approach in conducting its tax affairs and for managing its tax risks in those countries in which it operates. This statement applies to all Baker & Baker group entities and will be subject to periodic review by executive management of the Company.

Baker & Baker is committed to the following code of conduct in managing its tax affairs:

1. We will comply with all relevant laws, rules, regulations, and reporting and disclosure requirements in those countries where we are located.
2. We will ensure that Baker & Baker's tax strategy is aligned with the corporate governance framework.
3. We will apply professional diligence and care in the delivery of tax reporting and compliance obligations.
4. We will engage with tax authorities including Her Majesty's Revenue & Customs ("HMRC") with respect and integrity in conjunction with a spirit of cooperation. Baker & Baker will communicate with tax authorities in a professional and transparent way including those times where the Company may disagree with a tax authority's decision, assessment or ruling.

Risk management and governance in relation to taxation in the UK and other jurisdictions:

1. Responsibility for the tax strategy, the supporting governance framework and management of tax risk ultimately resides with the Chief Financial Officer ("CFO"). Baker & Baker's Group Financial Controller is responsible for the day to day management of the world wide tax affairs and reports directly to the CFO.
2. The Group Financial Controller and his corporate tax team (Group Tax) will collaborate with Baker & Baker's businesses to provide advice and guidance. Outside resources will also be made available, if necessary, to ensure timely and accurate compliance obligations are satisfied, to pursue tax planning initiatives and to engage in tax controversy defence.
3. Baker & Baker's policies and governance framework are designed to operate in a way that ensures compliance with tax laws and regulations in all jurisdictions in which we operate. This provides assurance that we are able to identify and mitigate tax risks in a timely manner.
4. Tax risk is managed much like other areas of operational risk where the appropriate level of management will take the lead role in identifying, managing and monitoring risks within the business with guidance from the executive team. The Group deploys various risk management control processes and systems to provide assurance that the requirements of this Tax Strategy are met.
5. Baker & Baker actively supports and comply with the UK's Corporate Criminal Offence ("CCO") legislation; including communicating the CCO requirements to key stakeholders. Baker & Baker has a zero tolerance approach to evasion and the facilitation of tax evasion.

Tax planning affecting taxation in UK and other jurisdictions:

1. In conducting our business we consider numerous commercial factors including the tax laws of the countries in which we operate with a view to maximising after tax profits. Any tax planning that we engage in will have economic substance, have a business purpose and will be aligned with the Company's values as well as being sensitive to any potential impact to Baker & Baker's business reputation.
2. We will not undertake tax planning that is contrived or artificial. Any plan that is implemented will be supported by reasonable positions that have been vetted with our outside tax and legal advisors.

3. Our intercompany transactions are conducted following arm's length principles, in accordance with OECD guidelines or country specific tax laws.

Dealings with HMRC and other tax authorities:

1. Baker & Baker is committed to the principles of honesty and transparency in its approach to dealing with tax authorities wherever we operate around the world. All dealings with the tax authorities and other relevant bodies will be conducted in a collaborative, professional and timely manner.
2. Our goals are to ensure timely tax compliance including the filing of accurate returns and complying with applicable disclosure requirements.
3. The Group will collaborate with Baker & Baker's UK affiliates to make timely and accurate tax filings, tax related disclosures, and respond to queries and information requests.
4. Baker & Baker seeks to resolve issues with HMRC in a respectful manner.