CREST NICHOLSON HOLDINGS PLC TAX STRATEGY

Crest Nicholson Holdings plc ("Crest") is a public limited company incorporated in England and Wales which is listed on the London Stock Exchange. This strategy applies to Crest and all its subsidiaries (together, "The Group") from the date published until superseded and is in accordance with Schedule 19 of the Finance Act 2016.

Guiding Principles

Crest's guiding principles are to operate in a sustainable manner which considers our impact and relationships with our customers, communities, employees, the environment and our suppliers. Our principles ensure we behave in a responsible way that balances our strategic business objectives for growth with our responsibilities to a broad range of stakeholders.

As such our guiding principles are:

- To comply with all tax laws and regulations which apply to our activities (which are UK based);
- The maximisation of sustainable shareholder value;
- The protection of Crest's corporate reputation and brand.

Crest recognises that it is our obligation to pay all amounts of tax which are legally due by the due date and to ensure that all tax returns are filed to HMRC by the due date and in the correct form. Crest also has a responsibility to shareholders to ensure that it does not incur any unnecessary tax costs whilst meeting the Group's financial and commercial objectives.

Risk management and governance

As part of its responsibilities, the Board considers all risks and responsibilities to which the Group may be subject, including taxation, and our principal risks and uncertainties are published in our Annual Report. Where relevant, the effect on taxation of these risks and responsibilities is thoroughly considered in conjunction with our guiding principles to develop our Group Tax Strategy.

In addition to the Group's Tax Strategy, Crest has a Tax Policy document which has been agreed by the Board with management responsibility delegated to the Executive Management Team. The day to day management of tax matters for the Group is carried out by the Group Tax Executive. The work of the Group Tax Executive is overseen by the Group Financial Controller and the Group Finance Director (who is also the Group's "Senior Accounting Officer" as defined by Schedule 46 of the Finance Act 2009). The Group's trading operations are allocated between its various regional divisions, and its tax, risk management and accounting systems & controls are designed around this structure.

The overall governance approach is designed to ensure that reasonable care is taken across all the relevant processes that could materially affect the Group's tax compliance obligations.

The Group Tax Executive briefs the Group Finance Director on the Group's tax matters, both on an ad hoc basis and at formal monthly Tax Committee meetings. Where appropriate, matters are then referred on to the Audit Committee.

Tax planning

The Group has a low risk appetite and is mindful of its wider corporate reputation when considering tax planning arrangements. Consistent with the Group's obligation to shareholders the Group will seek to take advantage of all available tax claims, elections and reliefs where these are compatible with its wider commercial objectives. The Group will also consider the available options under the relevant legislation for minimising or deferring its tax payments.

Where the Group believes that it is legally possible and acceptable to take a position in relation to interpretation of tax law or guidance, which differs from HMRC's position (including, where considered appropriate, litigation), it may decide to do so where this is potentially advantageous for the Group. It will only do this:

- based on reasonable interpretation of accurate information;
- following a careful analysis of the applicable tax law;
- having taken appropriate advice (internally or externally); and,
- where material, after appropriate discussions at Board level.

The Group will obtain external tax advice when considered appropriate. For example, it may wish to access technical expertise in a highly specialised area, or to provide an additional level of checking. The Group's external auditor is prohibited from providing tax services to the business.

Risk in relation to UK taxation

The Group's general approach to business risk is that it does not necessarily seek to eliminate 100% of all risks (as this may involve the rejection of many worthwhile projects), but rather to manage risk and ensure that it is kept at an acceptable level.

Risk is managed with the objective of ensuring that the Group complies with all relevant legislation so that the right amount of tax is paid at the right time. The Group's approach to tax risk, while it is aligned with this wider business approach, is to have a low risk appetite in relation to any tax planning and only in support of genuine commercial activity. Accordingly, the Group's approach to tax risk follows the approach prescribed by the "Senior Accounting Officer" tax legislation, namely that the Group takes all reasonable steps to ensure that it establishes and maintains appropriate tax accounting arrangements. Such arrangements are those which enable the Group's tax liabilities to be calculated accurately in all material respects.

Dealings with HM Revenue & Customs

The Group values its interactions with HMRC, and the Company aims to engage with HMRC in a spirit of co-operative compliance and on the basis of full disclosure of all relevant information. Any inadvertent errors in submissions made to HMRC are fully disclosed and corrected as soon as practically possible after they are identified.