

UK Tax Strategy

This page sets out the strategic tax objectives for Deluxe UK. This strategy applies to all Deluxe UK entities. In this strategy, references to 'Deluxe UK' are to all Deluxe UK companies and branches. This strategy is not designed to be an operational manual with detailed instructions on the execution of the processes. The processes and controls which support the delivery of the strategic tax objectives are regularly reviewed by the Finance Director EMEA.

Our tax strategy is reviewed annually. The Chief Financial Officer and VP of Tax are responsible for management of the tax affairs of the group.

This strategy applies from the date of publication until it is superseded. References to 'UK taxation' are to the taxes and duties in the UK which include:

1. All corporate income taxes
2. Indirect taxes (VAT, Stamp Duty Land Tax)
3. Employment taxes (PAYE / National Insurance)
4. Other applicable tax matters

Aim and Alignment with group policy

As part of a multinational group we are aligned with and follow the wider Deluxe guiding principles, code of conduct and tax policy for the group.

Guiding principles

We act as a responsible global corporate tax citizen in compliance with applicable tax law and regulations. We encourage ethical and transparent business practices and do not employ legal entities for purposes of tax avoidance. We encourage an open and honest dialogue between tax policy makers and the management of the business. We actively engage in the development of a rule based international tax framework. We consider the tax implications of every important business decision. We report and disclose our tax positions in accordance with applicable regulations and requirements.

Tax code of conduct and tax policy at Deluxe

We are committed to provide transparent and accessible information to tax administrations in order to facilitate an understanding of our tax strategy and the underlying business models. We promote an open and honest dialogue between tax policy makers and businesses as the basis of our daily work.

We see the strict compliance with the legal framework set by national legislators as our obligation.

We meet internationally recognised standards by applying transfer pricing policies such as the arm's-length principle. This approach is consistent taking in all countries that Deluxe operates in and ensuring appropriate remuneration where the value is created.

It is our primary objective to act in accordance with the respective tax laws in the countries we operate in.

We are committed to complying with our tax obligations and maintaining good relationships with HMRC. To do this we only engage in reasonable tax planning that is aligned with our commercial, economic and reputational goals. We keep HMRC informed of business activities, results and key developments and pro-actively disclose and resolve issues, risks and uncertain tax positions.

Deluxe in the UK

Tax strategy and strategic objectives

Deluxe operates across various segments of the media business and are established in three divisions namely Distribution, Creative and Technologies.

Generally the tax strategy and strategic objectives are intended to establish a clear approach to all aspects of tax reporting and compliance in which every segment the company operates.

The tax strategy is focused on ensuring that taxes (and tax risks) are managed to provide outcomes consistent with commercial reality and are within the parameters of the Group's strategic objectives. The strategy also requires that all tax obligations are complied with in the UK and other relevant jurisdictions.

With the tax landscape constantly changing, Deluxe UK's tax affairs and tax risk management procedures are regularly reviewed to ensure that processes and measures are up-to-date so that we are able to identify, assess, manage and mitigate tax risk as well as being aligned with the Deluxe's business strategy and governance framework.

Tax risk management and risk appetite

The day to day management of Deluxe UK tax affairs is provided by the Finance Director EMEA.

Processes relating to different taxes are allocated to appropriate specialist functions within the Finance team who carry out a review of activities and processes to identify key risks and mitigating controls in place. These key risks are monitored for changes in business and legislation and processes and controls are updated accordingly.

Deluxe seeks to reduce the level of tax risk arising from its operations as far is practically reasonable by implementing various internal tools for the various business units to follow.

Deluxe UK utilises tax reliefs and allowances available in the manner in which intended by HMRC and statute. There will, however, be circumstances where this amount may not be clearly defined, or where alternative approaches may result in differing tax outcomes. The Group will use its best judgment in determining the appropriate course of action, using available reliefs and incentives where possible and liaising with HMRC where appropriate.

Deluxe UK does not engage in artificial tax arrangements and ensures that the outcomes are consistent with commercial realities.

Deluxe UK's appetite for tax risk is low and we only structure our affairs based on sound commercial principles and in accordance with the Deluxe Group policy, relevant tax legislation and after discussions

with Deluxe's tax advisors. Aggressive tax planning is not proactively considered and external advice is sought where appropriate.

Relationship with HMRC

It is Deluxe UK's general policy to be transparent and proactive in all interactions with HMRC through regular communications with HMRC.

We have an open, honest and positive working relationship with HMRC. We are committed to prompt disclosure and transparency in all tax matters with HMRC. We recognize that there will be areas of differing legal interpretations between ourselves and HMRC and where this occurs we will engage in proactive discussion to bring matters to as rapid a conclusion as possible.

Any inadvertent errors in submission of tax returns and tax computations to HMRC are fully disclosed as soon as reasonably practicable after they have been identified.