INTRODUCTION

This document sets out the policy and approach to dealing with tax risk and conducting tax affairs. Periodically this document is to be reviewed by the Group Tax Department and any amendments will be agreed by the Board of Directors. It is effective for the year ending 31st December 2017.

MacAndrews & Co Ltd is a primary logistics provider operating a multimodal network and managing customers’ supply chains. The company focuses on intra-European routes utilising ships (both owned and time-chartered) and supports the modal shift from road to more environmentally friendly seaborne services.

Our Board is committed to being a responsible taxpayer, being transparent and straightforward on all tax matters. We recognise the duty to protect shareholder value by controlling and managing our tax liabilities, while acting responsibly and with integrity in overall dealings with the tax authorities. We take our obligation of corporate governance and risk management seriously and ensure that, across the wide range of taxes we deal with, we have met all our continuing tax obligations.

As a large business and employer MacAndrews & Co Ltd accounts for and pays a wide range of taxes including Corporation Tax, VAT, and PAYE income tax and National Insurance for our employees. Up to 31/12/2017 MacAndrews & Co Ltd is enrolled in UK Tonnage Tax, which provides an alternative way of calculating taxable profits of companies operating qualifying ships that are strategically and commercially managed in the UK. The majority of profits incurred by MacAndrews & Co Ltd are taxable according to UK Tonnage Tax, instead of Corporation Tax. I note that from 01/01/2018 the trading activity will be merged with MacAndrews GmbH, another CMA Group company based in Germany. As such, MacAndrews & Co Ltd will no longer actively trade, and in the course of 2018 will no longer be enrolled in the UK Tonnage Tax regime. At this point Corporation Tax will apply to any residual profits or losses.

We are committed to ensuring we pay the right amount of tax in the UK when it falls due. Our tax strategy is designed to ensure that all the UK tax compliance and obligations of payment are met. The head of UK finance team is set as the Senior Accounting Officer (SAO) who is obligated to ensure that accurate accounting and appropriate processes are established.

Our strategy has the following key components:

- Tax Objective
- Tax Policy
- Tax Risk Management Framework
TAX OBJECTIVE

Key tax objectives for MacAndrews & Co Ltd are

1. To pay all the legally required taxes due and fully comply with all tax legislations in which jurisdictions it operates
2. To safeguard the group's reputation as a responsible taxpayer

TAX POLICIES

The Group’s approach to governance and risk helps define the key tax objectives to be achieved by MacAndrews & Co Ltd. Below is a number of principles outlined by the Board of Directors which it is committed to for a sustainable Tax policy:

• Calculation and Payment of taxes, tax returns and other tax obligations
  o Taxes should be calculated correctly and in accordance to the law, otherwise estimated based on reasonable forecasts, and paid when they fall due
  o Statutory tax returns should also be reviewed for correctness, contain accurate information and filled when due
  o All other tax obligations for the group should be fully complied with at the local entity

• Managing and controlling tax liabilities
  o Ordinary commercial transactions should be structured with clear and unambiguous legislative support, so that tax liabilities are controlled and minimised
  o Tax structuring that might reasonably be expected to have a negative impact on the group’s reputation will not be considered
  o Any tax structure which could generate a saving or increase the risk of the organisation will require Board approval and sign off of the appropriate tax, legal and accounting departments

• Dealing with Tax Authorities
  o As a large business in the UK within the UK Tax authority’s Large Business directorate, MacAndrews & Co Ltd are assigned a Customer Compliance Manager (CCM) within HMRC. We have an open relationship with our CCM, communicating on a regular basis through a combination of telephone calls and e-mail
  o We aim to be open, helpful and transparent in all our dealings with HMRC
  o Prior to submission of tax returns, details of key business changes and changes since the last tax return are highlighted to HMRC. Any errors or mistakes in tax returns will be fully disclosed and notified to the relevant tax authority as soon as practicable.
TAX RISK MANAGEMENT FRAMEWORK

The Groups code of conduct requires all employees to make decision that are ethical and in line with Group values as well as legal. Given the UK’s relatively low corporation tax rate in comparison with the rates of tax in other regions in which the group operates, there is very little focus on tax planning in the sense of avoiding or reducing UK Taxation. HMRC have made an assessment of the UK Groups tax affairs, based on the overall inherent and behavioural risk factors. There are two possible ratings, namely “LOW-RISK” and “NOT LOW-RISK”. The Inherent risk factors affecting the Group are the fact that the company is large and international in nature and therefore subject to continual change. Additionally the behavioural risk factor affecting the group is its stated tax strategy and willingness to give governance to reduce risk. HMRC has most recently rated the Group as “NOT LOW-RISK”. Where appropriate the Group seeks the advice and support from HMRC on proposed treatment of transactions.

The tax risk appetite is encompassed in the overall Groups risk appetite and involves the identification, evaluation and management of risk, including tax, to be review independently and regularly throughout the company.

MacAndrews & Co Ltd is an entity within the CMA CGM Group and regards this publication of this tax strategy as complying with the duty under paragraph 22 (2) Schedule 19 Finance Act 2016 to publish a tax strategy for the year ended 31 December 2017.