

Tax Strategy for CargoLogicAir Ltd.

London, August 2018

Scope

This Tax Strategy sets out the approach of the CargoLogicAir Ltd. (“CLA”, “Company”) to compliance, planning, risk management and governance arrangements in relation to taxation.

This Tax Strategy applies to all taxes relevant to the business and takes effect from the date of publication until superseded or otherwise replaced.

In making this Tax Strategy available, CLA is fulfilling its obligations under paragraphs 19 and 22 of Schedule 19 of the UK Finance Act 2016.

Introduction

CLA is a company resident in the United Kingdom which operates in an ethical and compliant manner, in accordance with national and international tax practices, laws and regulations.

CLA is committed to paying the right taxes at the right time, and to act with integrity in all tax matters by working openly with the tax authorities. Our policies and procedures furthermore seek to ensure that tax obligations are understood internally, requirements are complied with, and to provide clarity on taxation to our stakeholders.

The approach of the Company to risk management and governance arrangements in relation to UK taxation

CLA has organised its affairs so that:

- The Board of Directors understand the importance of tax compliance and how it is achieved.
- There is a constant dialogue between the Board and those individuals tasked with the operation of the finance function, regarding the way the business manages its tax risk.

- The business portrays a positive view towards tax compliance and the importance of meeting its obligations.
- CLA keeps under review how it meets its tax obligations by seeking professional external tax advice where necessary.

As a result, CLA manages its tax obligations in a way that is:

- Transparent
- Aligned with the business strategy
- Justifiable to the tax authorities

CLA has appropriate arrangements and structures in place which are designed to ensure compliance with the Company's tax obligations in the UK and in other jurisdictions in which it operates. Support in compliance and technical issues is provided by professionally qualified external advisors as and when required.

Attitude to Tax Planning

Tax planning is limited to structuring the company's affairs in a manner that is wholly consistent with both the letter and spirit of the law, the resultant outcome being one that reflects the commercial and economic reality of the Company's activities. Transactions with affiliated companies are conducted on an arm's length basis and in accordance with internationally recognised principles.

CLA will not undertake any structuring that is contrived or artificial or based solely on tax merits.

Level of risk in relation to UK taxation that the Company is prepared to accept

Taxation outcomes are considered together with other factors as part of any commercial business decision. Once the business decision has been made, the most efficient tax treatment that is consistent with applicable laws and regulations will be applied.

Where there is uncertainty surrounding the interpretation of tax laws, we will seek second opinions from professionally qualified external tax advisers, having established our own understanding of the position, and/or seek to resolve the uncertainty by dialogue with tax authorities.

We do not enter into artificial arrangements in order to avoid taxation or to defeat the stated purpose of the legislation.

The approach of the Company towards its dealings with HMRC

CLA seeks to develop and maintain professional and transparent relationships with HMRC in accordance with the Com's tax principles as set out below:

- Adopt open and collaborative professional relationships at all times with HMRC.
- Make fair, accurate and timely disclosure in correspondence and returns, and respond to queries and information requests in a timely fashion.
- Seek to resolve issues with HMRC in real time and before returns are filed if possible, and where disagreements arise work with HMRC to resolve issues by agreement where possible.
- Take a proactive approach and take appropriate action in the event we discover errors or omissions; disclosing to HMRC, implementing remediation as quickly as is reasonably achievable and putting in place measures and controls to prevent recurrence.
- Be open and transparent about decision-making, governance and tax planning.
- Reasonably believe that transactions are structured to give a tax result which is not inconsistent with the economic consequences (unless specific legislation anticipates that result), nor contrary to the intentions of Parliament.
- Interpret the relevant laws in a reasonable way, and ensure transactions are structured consistently with a co-operative relationship.