# Automobile Association ("AA") Tax Strategy

## Introduction

This tax strategy applies to all Basing ConsortiumCo Limited group companies including the AA Limited group. Our business activities generate a substantial amount and variety of taxes. We pay corporate income taxes, irrecoverable VAT, employment and other taxes. In addition, we collect and pay employee taxes as well as indirect taxes such as VAT and IPT.

## Context and commitment to compliance

We seek to comply with tax law and practice in the UK, which is our main place of business, and any other territories in which we may operate. Compliance for us means paying the right amount of tax in the right place in line with the applicable laws and practices. It also involves disclosing all relevant facts and circumstances to the tax authorities and claiming reliefs and incentives where available and operating in line with the commitments of this strategy. The publication of this strategy statement is regarded as satisfying the statutory obligation under Para 16(2), Schedule 19, Finance Act 2016 for all companies within the Basing ConsortiumCo Limited group.

In complying with this strategy the AA is committed to the following:

- Satisfying all statutory requirements with regards to payment, filing and reporting obligations;
- Maintaining a good working relationship with the tax authorities based on trust and transparency and have an on-going open and professional dialogue with them;
- Considering the tax effects of business initiatives, transactions and commercial developments at the earliest opportunity and provide appropriate advice and support to the wider business;
- Identifying and supporting implementation of business changes, whilst only undertaking tax planning in association with wider commercial transactions. Tax planning arrangements, having no purpose other than tax avoidance, will not be entered into; and
- Seeking advice from external professional firms to supplement internal expertise as required.

## Attitude toward tax planning

In structuring our commercial activities we will consider, among other factors, the tax laws of the countries within which we operate with a view to maximising value on a sustainable basis for our shareholders. Any tax planning undertaken will have commercial and economic substance and will have regard to the potential impact on our reputation and broader goals. External advice may be sought in relation to tax planning or areas of complexity or uncertainty to support the group in complying with its tax strategy.

## Level of tax risk accepted

Given the scale of our business and volume of tax obligations, it is expected that risks will inevitably arise from time to time in relation to the interpretation of tax law and nature of our compliance arrangements. We proactively seek to identify, evaluate, manage and monitor these risks to ensure they remain in line with the group's tax risk appetite. We report on a periodic basis to the group risk committee on the status of any tax risks in line with group risk assessment procedures. Tax risks are assessed against the same risk matrix criteria as any other risks, financial or otherwise, within the organisation. The main assessment criteria include the potential impact on reputation, customers, financial results, legal/regulatory requirements, management effort and business interruption. In this way the group Audit & Risk Committee provides governance and oversight of tax risks. Where there is significant uncertainty or complexity in relation to a risk, external advice may be sought.

## Approach to dealing with tax authorities

Our aim is to engage with tax authorities, including HMRC, with honesty, integrity, respect and fairness and in a spirt of co-operative compliance. We actively seek periodic meetings with HMRC to assist in their understanding of our business, to assess the quality of the relationship and reduce potential uncertainties. Where we disagree with a ruling or decision of a tax authority, we will first seek to resolve any disputed matters through pro-active and transparent discussion and negotiation.

## Governance and risk management

This strategy is aligned with our group values and business strategy and is approved, owned and overseen by the AA Limited Board. The Group's tax strategy is reviewed by the AA Limited Audit & Risk Committee annually. It is supported by a formal governance framework, together with the group risk and control framework. The governance of tax risk is incorporated into the group risk management process which involves periodic review, control testing and monitoring to enable full oversight by the AA Limited Audit & Risk Committee.

*This strategy is published in respect of the year ended 31 January 2027.*