

# UK TAX STRATEGY

## Introduction and scope

HPS Investment Partners (“HPS”) is a global investment firm which is headquartered in New York.

This document sets out HPS’ approach and strategy in relation to UK tax for the year ending 31 December 2024. It covers HPS’ approach and strategy in relation to handling the UK tax affairs of, and managing UK tax risks for, relevant UK businesses that are required to publish their tax strategy under Schedule 19 to the UK Finance Act 2016, including the UK branch of HPS Investment Partners, LLC, HPS Investment Partners (UK) I, Ltd and HPS Investment Partners (UK) II, Ltd (each such UK business being a “HPS UK Entity” and, together, “HPS UK”). It applies to all applicable UK taxes.

HPS UK regards the publication of this UK tax strategy as complying with section 161 and paragraph 16(2) and/or paragraph 22(2) (as applicable) of Schedule 19 to the UK Finance Act 2016.

This UK tax strategy is updated annually. It is reviewed and approved annually by the board of directors (or equivalent) of each HPS UK Entity.

## UK tax risk management and governance

HPS UK is committed to complying with all UK tax laws which apply to it. HPS UK is committed to ensuring that its UK tax returns and payments are accurate and made by the applicable deadlines. HPS UK is committed to ensuring that it pays the appropriate amount of UK tax. HPS UK has a robust internal compliance and governance framework to ensure compliance with all applicable UK tax laws.

The boards of directors (or equivalent) of each HPS UK Entity oversee HPS UK’s UK tax strategy. They are supported in this regard by HPS’ internal finance and tax teams, which report regularly to senior management. HPS’ internal finance and tax teams work with HPS’ business teams to identify, assess, mitigate and manage tax risks.

The HPS tax department is responsible for the day-to-day management and implementation of HPS UK’s UK tax strategy. Where appropriate, HPS UK engages external advisers to provide tax compliance assistance, as an additional measure to ensure tax compliance and reduce tax risks. HPS UK also engages external advisers to review its internal tax compliance processes and procedures.

To the extent possible, HPS UK seeks certainty on the tax positions it adopts. HPS UK obtains tax advice from external advisers where the tax treatment of transactions is complex, unclear or uncertain under UK tax law.

HPS UK has a zero tolerance approach to tax evasion and the facilitation of tax evasion. Following the enactment of the corporate criminal offences of failure to prevent the facilitation of tax evasion under the UK Criminal Finances Act 2017, HPS UK has put in place appropriate procedures and controls designed to prevent any person acting on its behalf from facilitating tax evasion.

## **UK tax planning**

When considering proposed transactions, HPS UK considers and takes account of the tax consequences of those transactions as part of its overall decision-making process. Whilst the tax consequences of proposed transactions are considered, transactions are driven by commercial motives rather than tax planning motives.

HPS UK may take advantage of available tax reliefs or well established and accepted arrangements in relation to tax, where this is provided for by law and in line with HPS UK's approach to tax planning and tax risk.

HPS UK does not use aggressive or marketed tax avoidance arrangements or schemes. Structures that are artificial or lack commercial substance are avoided.

Decisions in relation to tax planning are made within the tax risk management and governance framework described above.

### **Approach to UK tax risk**

HPS UK has a low risk tolerance in relation to tax and regulatory risk. This low risk tolerance is set by HPS UK senior management and reflects the material adverse effect any tax or regulatory shortcomings could have on HPS UK's reputation and business and its relationships with stakeholders (including staff and clients).

### **Approach to working with HMRC**

HPS UK seeks to maintain a constructive, open and transparent relationship with HMRC. Wherever possible, HPS UK seeks to work collaboratively with HMRC to respond to any HMRC queries and resolve any areas of disagreement or uncertainty.

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