READYPOWER GROUP TAX STRATEGY

In accordance with Para 16 Schedule 19 Finance Act 2016 this document presents the Group's tax strategy in effect for the year ended 31 December 2023.

Tax Strategy Introduction

Readypower Group Limited and its subsidiaries (the 'Group') is one of the UK's leading suppliers of specialist rail infrastructure services in the highly regulated UK rail industry.

The Group is focussed on maintaining its reputation as professional and trustworthy, and remains highly committed to health and safety in all areas of the business, which is key to the Group's ongoing strategy of being one of the leading suppliers in the industry. Our tax strategy is designed to support our vision and reputation.

All entities in the Group are wholly tax resident in the UK, except Readypower Canada Ltd. which is tax resident in Ontario, Canada and was dormant for the year ended 31 December 2023.

Our Tax Strategy & Governance

Tax is part of the Finance function of the Group and it is the ultimate responsibility of the Chief Financial Officer (CFO) to ensure the Group's tax obligations are understood, complied with and managed appropriately. Day-to-day responsibility lies with the Group Financial Controller (GFC) and Management Accountants, with corporation tax submissions outsourced to the Group's tax advisors. All tax submissions made by our advisors are reviewed by the GFC and CFO prior to submission.

The CFO is the Group's Senior Accounting Officer (SAO), holding regular business risk review meetings to discuss present and future tax risks that the Group is exposed to and the controls in place to mitigate these risks. The SAO is responsible for the submission of an annual certificate to HM Revenue & Customs (HMRC) stating that the Group has appropriate tax accounting arrangements.

Any changes to the Group's tax strategy are reviewed and approved by the Board. A specific Risk Register is maintained by the Group's Compliance function, with all Finance risks being reviewed and updated regularly. If significant tax risks are identified these can be escalated and included in the Risk Register.

The Group's tax strategy broadly covers three key areas:

- Integrity in its tax compliance, planning and reporting
- Controlling and managing tax risk
- Enhancing shareholder value

Tax includes all core and non-core taxes affecting the Group currently or in the future; including but not limited to corporation tax, value added tax (VAT), income tax, national insurance contributions, capital gains tax and stamp taxes.

Professional Conduct & Responsibilities

The Group's tax strategy aims to guide all tax professionals (this includes any staff involved in tax matters) working for the Group when dealing with its tax affairs.

The Group has an obligation to pay the correct amount of tax legally due in the UK, in a timely manner and in adherence with UK statutory deadlines.

Staff involved in tax matters will aim to manage tax risk effectively by:

- Observing all applicable tax laws, rules, regulations and disclosure requirements, keeping the Board informed of material changes.
- Being diligent with their professional care and judgement in arriving at tax conclusions.
- Ensuring all tax decisions are taken at an appropriate level.
- Documenting all key decisions with evidence of the facts, conclusions and risks involved.
- Seeking appropriate written advice or confirmation where tax law is unclear or subject to interpretation, with a view to giving the Group improved certainty. Where certainty is unachievable, a robust risk assessment should be carried out and full disclosure made to HMRC.
- Establishing and maintaining good working relationships with HMRC (see below) and other third parties; and be professional, courteous and timely in all dealings with them.
- Undertaking regular tax training and keeping up to date with new legislation.
- Being compliant with all relevant Acts including the Proceeds of Crime Act 2002 (as amended by the Criminal Finances Act 2017) and the Bribery Act 2010.

Approach towards dealings with HMRC

The Group promotes an open, honest and collaborative relationship with HMRC. This is achieved by:

- Maintaining an open dialogue with HMRC through our ultimate parent company, Willow Topco Limited, and our tax advisors. Our parent company provides written updates and meetings which provide the opportunity to discuss business developments and the associated tax implications.
- Timely submission of tax returns and associated tax payments with prompt responses to any queries arising.
- Ensure tax disclosure is enhanced, transparent and balanced when communicating our tax affairs. This includes appropriate disclosure being made in tax returns where a material tax position is being adopted (e.g. where tax law is unclear and the Group has adopted a certain interpretation and the tax involved is substantial).

Tax Risk Assessment & Management

Good management of tax risk should minimise enquiries from tax authorities. However, excessive prudence in tax planning may contradict the enhancement of shareholder value. Establishing a good balance between the two is best achieved through:

- Continuous identification and regular review of tax risks in keeping with the Group's established risk registers and reporting processes.
- With the assistance of the Group's tax advisors, ensuring the Group always has a strong tax technical position, which is clear and well-documented. A strong tax technical position is one where the Group is confident that its interpretation of tax law would withstand a challenge from HMRC. The Finance function in partnership with our tax advisors must ensure the Group is in a position to robustly defend any tax position taken in its tax returns.
- Robust processes and review procedures to ensure the tax compliance is accurate and fit for purpose, both in the short and long-term. The group uses market leading software to meet its accounting and tax obligations. This ensures that appropriate systems, controls and safeguards are in place to enable accurate and complete reporting of the Group's tax liabilities.
- Ensuring all tax decisions are in keeping with the Group's corporate strategy.
- Fostering good working relationships with HMRC.

Tax planning initiatives should be evaluated with a view to minimising current and future Group tax liabilities. However, where any tax initiative is at risk of being considered 'aggressive' by HMRC, external tax technical advice must be obtained, and the Board briefed on the associated risks to the Group. All tax risk assessments should give due consideration to the Group's reputation, brand, and relationships with stakeholders.

External opinion is sought to assist in assessing the merit of technical positions. We would not pursue an interpretation of the tax legislation that is incompatible with the Group's objective to remain compliant with our tax obligations.

The Group's attitude towards tax planning

All tax planning and decisions must be driven by a commercial or business purpose, with due consideration given to the Group's corporate, legal and social responsibilities. The commercial reasoning behind a tax decision should be well-documented.

Input from the Group's tax advisors is necessary at the planning, implementation and documentation stages of:

- All business or share acquisitions/disposals.
- All changes in corporate structure.
- All significant new processes affecting tax compliance.

Based on the advice provided by the Group's tax advisors, the Finance function seeks to take the most tax efficient approach.

We do not engage in tax planning that is considered abusive or the sole purpose of which is to avoid tax. Where there is ambiguity about how a transaction or course of action is taxed, we will discuss in advance with HMRC.