

Marex Spectron Group Tax Policy

For the Financial Year ending 31 December 2018

Introduction

Marex Spectron Group ('Marex' or 'the Group') is a leading independent global commodities brokerage group headquartered in the United Kingdom with a global network spanning North America and Asia.

The Group has an operational presence in many different tax jurisdictions where we contribute through various forms of direct taxation, including corporation tax, payroll taxes, withholding taxes, and stamp duties, as well as indirect taxes, such as Value Added Tax and sales taxes levied on our trade activities.

Responsibilities

Under paragraph 16(2) of Schedule 19 of the Finance Act 2016 the Board of Directors are required to ensure that the Groups Tax Policy for the current financial year is prepared and published on behalf of the Group. The CFO is then responsible for administering the policy and ensuring that the guiding principles laid down are adhered to.

The CFO will report regularly to the Board of Directors (via the Audit and Compliance Committee) on the relevant tax matters as detailed within this policy.

The CFO delegates the daily management of the Group's taxes to the Tax Department, but retains responsibility, as the Senior Accounting Officer, for the Group's tax affairs. The Tax Department must perform these duties with consideration to, and in compliance with, the guidelines of this policy and report any concerns to the CFO on a timely basis.

Guiding Principles / Policy

Marex operates in a highly regulated environment and our tax policy aims to reflect and support our business in complying with the rules and regulations in the jurisdictions in which the Group operates, whilst mitigating future tax risks in a timely and efficient way.

Marex recognises taxation as a consequence of doing profitable business in a jurisdiction. Marex has not, and will not, engage in artificial schemes to lower our corporate taxes and aim to maintain a low risk outlook.

The Group maintains a simple and transparent legal entity structure. We will be compliant with the legislation within the countries in which its group companies operate. Whilst we may take advantage of legitimate business allowances and reliefs available in each jurisdiction, we also believe that, as a good corporate citizen, paying our fair share of tax is an important social responsibility.

Marex will use a wide network of external professionals, as necessary, to assist our in-house Tax Department manage and control our worldwide compliance obligations in line with best practice.

The Marex 'Transfer Pricing Policy' will follow the Organisation for Economic Co-operation and Development ('OECD') guidelines and will be under ongoing review to ensure we are following best practice and maintain adherence to OECD principals and guidance.

Being a responsible corporate citizen, Marex will only maintain Permanent Establishments within jurisdictions where we have commercial activities or a regulatory requirement to do so.

Marex will have a professional and transparent relationship with all tax authorities in all jurisdictions / countries in which we operate and will always endeavour to respond promptly to any queries or concerns that they may have.

In the United Kingdom, the Group will maintain an open line of communication with all tax authorities, including the UK tax authority, HM Revenue & Customs ('HMRC').

All provisions for taxes will be made in line with best practice to allow for accurate calculations of payments on account, where due, and all provisions will be disclosed in line with relevant accounting standards.

Where Marex has uncertain tax positions, or potentially contentious tax issues, professional advice will be obtained and an open dialog with the relevant authorities maintained to ensure that we comply with our statutory obligations.

All tax returns will be prepared and filed on a timely basis. In the rare event that any filing is late, we will communicate with the authorities as soon as practicable. We will investigate the reason for any late filing and ensure the correct resources are allocated and processes are improved to prevent the issue recurring.

All tax payments will be made on a timely basis in line with our obligations and requests for refunds will be made where overpayments arise to minimise any impact on the Group's cash flow.

Information systems and controls

The CFO will implement and monitor the necessary accounting policies, procedures and processes to ensure a robust system of internal control exists in respect of the accounting and finance functions of the Group.

Standard accounting processes will be automated, where possible, for efficiency and to reduce risks of human error in processing large volumes of data.

The Legal Entity Control ('LEC') team will prepare monthly financial management review packs for each entity. These reports will contain detailed analysis of the business, including taxation matters, which enable the CFO to monitor performance in line with the requirements of this policy. The LEC team will prepare annual financial statements that are subject to external statutory audit.

The UK VAT group operates a Partial Exemption Special Method ('PESM') due to certain VAT exempt activities within the VAT Group. Any changes to the UK group's business activity will be monitored by the CFO and Group Head of Tax to ensure the agreed methodology is still relevant and being applied correctly. External advisors may be used to assist in reviewing, maintaining and requesting amendments to the agreed methodology where necessary to reflect the UK group's ongoing business activity.

The LEC team will prepare a monthly provision for irrecoverable VAT and this will be used by the Group Head of Tax to monitor the operation of the PESM. The LEC Team will also prepare quarterly and annual VAT returns, which will be reviewed by the Group Head of Tax and then reported to the CFO prior to submission.

Monthly current and deferred taxation provisions will be prepared by the Group Head of Tax once the LEC team have confirmed the accounting period has closed. The Group Head of Tax will have no posting rights in the general ledger to ensure segregation of duties with all provisions posted and controlled by the LEC team.

All tax returns and payments are to be reviewed by the Group Head of Tax and must then be approved by the CFO, or another Director if the CFO is unavailable, prior to submission and payment being made.

The Group Head of Tax will have regular meetings with the CFO to discuss any tax issues as they arise and both will work closely together to ensure the Group remains compliant with the Marex tax policy.

Review of Marex Spectron Group Tax Policy

The above guiding principles / policy will be reviewed on a regular basis and any changes will be approved by the Board of Directors prior to publication and implementation.

This Group Tax Policy was approved by the Board of Marex Spectron Group Limited on 25 September 2018.