

Newcastle Building Society Group Tax Strategy

Year ending December 2024

Approved by the Board of Directors, 30 January 2025

1. Introduction

As a responsible taxpayer, the Newcastle Building Society Group (the Group) is committed to paying the right amount of tax at the right time and maintaining an open and constructive working relationship with the tax authorities. The Group understands the corporate responsibility it has towards its Members, colleagues, and wider Society.

2. Our approach to tax risk management and governance

Risks arise in all areas of our business and tax is no exception. The Board is responsible for ensuring there is an appropriate framework in place for the identification and management of tax risk.

Tax risks are considered from a reputation, compliance and transaction point of view and are closely monitored with regular reviews of tax risks. The main tax risk mitigants are the employment of appropriately qualified staff within our Group Tax team and the close involvement of the team in the commercial decisions of the Group. External tax advisers support appropriate tax compliance, advise on legislative matters and provide best practice guidance.

The Group's appetite for tax risk is low. Specifically, the Group has no appetite for undertaking transactions solely for the tax benefits arising and which have no commercial purpose. Similarly, zero appetite is accepted for tax evasion or assisting the facilitation thereof, as well as for routine filing and payment obligation risks.

3. Our approach to dealing with HMRC

The Group seeks to maintain an open, honest and transparent relationship with HMRC. All enquiries from HMRC, and all correspondence and negotiations with HMRC, are managed on behalf of the Board by Group Tax, with support from management and external tax advisers as appropriate. The Group engages with HMRC where applicable to mitigate any uncertainty arising in relation to tax planning or compliance matters.