



UK TAX STRATEGY: FINANCIAL YEAR ENDING 31 DECEMBER 2019

A. INTRODUCTION

This document sets out the UK tax strategy of Sunrise Senior Living (“Sunrise”). This strategy applies to Sunrise and Gracewell UK companies (“UK Group”). Sunrise is headquartered in the United States and is an operator of assisted living and other homes for senior citizens. As of September 30, 2019, there are 327 Sunrise communities throughout the United States, Canada and the UK.

Sunrise has a long-standing commitment to excellence, integrity and ethical behavior in championing quality of life for all seniors. Our commitment is based on incorporating our mission, principles of service and core values into everything we do. This includes the relationships that we build with Sunrise residents, their families, our team members and business partners.

Our Code of Conduct & Integrity outlines the principles and core values that influence how we work together to accomplish our mission.

This tax strategy has been developed in compliance with Schedule 19 of the UK Finance Act 2016, which requires groups to publish their UK tax strategy, and sets out the strategic tax objectives for the UK Group.

The tax strategy and the strategic objectives set out in this document are aimed towards establishing a clear approach to the various aspects of tax reporting and compliance for the operations of Sunrise. Similar to our Code of Conduct & Integrity published on our website, compliance with this tax strategy is required of everyone who acts on behalf of Sunrise, including our directors, officers, employees and agents in relation to dealings with the group. Adherence to our Code of Conduct & Integrity and our tax strategy is critical, as it helps ensure that the UK group is acting in compliance with the law and at all times maintaining the group’s ethical standards.

B. TAX STRATEGY

At Sunrise, we strive to conduct our business ethically, honestly and in full compliance with all UK laws and regulations. All team members must obey the applicable laws and regulations and act with integrity.

The group’s tax strategy is to comply with the tax laws and regulations in the UK and all of the countries in which it operates, while considering any government sponsored tax reliefs and incentives available to it.

C. TAX RISK MANAGEMENT, GOVERNANCE AND ACCEPTABLE LEVELS OF RISK

The UK Board of Directors reviews the UK Group's significant risks, including operational, strategic, financial, legal, tax, environmental sustainability and regulatory risks. The Board meets at regular intervals with key members of management who have primary responsibility for risk management in order to review the group's significant risks, including any potential tax risks. Senior management is responsible for identifying, assessing and managing tax risks and periodic risk reviews are performed to review the likelihood of any adverse effects and the potential impact of those risks. All leaders play a role in identifying, addressing and preventing compliance issues and any compliance risks are reported to the Compliance Office.

The group has clear policies and principles embedded within the business. All employees proceed with their duties on the basis of a clear understanding of our fundamental principles. The Board of Directors is ultimately responsible for establishing the overall tax governance, and any issues would be escalated as appropriate.

Whilst the group does not have defined levels of acceptable tax risk, the group's appetite for tax risk is low and our main objective is to comply with all laws and regulations.

D. ATTITUDE TOWARDS TAX PLANNING

Sunrise is committed to complying with the tax laws and regulations of the UK, as well as the other countries in which it does business. The group believes that it should pay the right amount of tax legally owed in the UK. Sunrise will consider any government sponsored tax reliefs and incentives available, while minimising the risk that anything it does could be considered tax avoidance and all decisions will be based on commercial rationale. The group believes in certainty regarding tax decision-making and governance and seeks external advice when there is significant uncertainty or complexity in its tax obligations. The Code of Conduct & Integrity sets out our main principles and values that underpin how we work.

E. RELATIONSHIP WITH HMRC

The group seeks to be cooperative in all our dealings with HMRC and we seek to maintain a proactive relationship, encouraging open dialogue on a timely basis. Where any tax law is unclear or subject to interpretation, we will engage with external tax advisers to ensure we remain compliant in all operations. Where applicable we will work with HMRC to attempt to resolve any differences in a timely and professional manner.