

TAX STRATEGY 2018

Introduction

Dress Holdco A Limited is a wholly owned subsidiary of The Foschini Group Limited (“TFG”), a South African retail group listed on the Johannesburg Stock Exchange. It is the holding company for the group’s United Kingdom (“UK”) operations which include the Phase Eight, Hobbs, Whistles, Studio 8 and Damsel in a Dress brands.

This tax strategy statement is made available in accordance with Schedule 19 of Finance Act 2016 and outlines the approach of Dress Holdco A Limited and its UK subsidiaries (together “TFG London”) to the management of its tax affairs for the year ended 31 March 2018.

Our Business

TFG London is a retail fashion group operating through over 225 stores and approximately 700 concessions worldwide (both within the UK and overseas)¹, as well as through a strong online presence.

TFG London’s principal brands are Phase Eight (acquired in January 2015), Whistles (acquired in March 2016) and Hobbs (acquired in November 2017). Phase Eight’s main trading company, Phase Eight (Fashion & Designs) Limited, also owns two further brands, Studio 8 and Damsel in a Dress.

Phase Eight is a premium womenswear brand operating in over 20 countries¹. Together with its subsidiaries, it trades from over 120 stores and 480 concessions worldwide¹, as well as through its own websites and a number of concession partner websites.

Hobbs is an affordable luxury womenswear brand operating in the UK, Ireland, United States and Germany¹. Hobbs operates from over 60 stores and outlets, and over 120 concessions worldwide¹, as well as through its own websites and a number of concession partner websites. In addition, Hobbs owns a shoe factory in Italy that supplies footwear both to Hobbs and to third party customers. Its main trading company is Hobbs Limited.

Whistles is a modern, contemporary fashion brand operating in 7 countries¹. Its main trading company is Whistles Limited. Together with its subsidiaries, Whistles trades from over 45 stores and approximately 100 concessions worldwide¹, as well as through its own websites and a number of concession partner websites.

Our approach to risk management and governance arrangements in relation to UK taxation

TFG London is committed to being a responsible and compliant taxpayer in the countries where we operate. We seek to achieve and maintain a low risk tax profile in the UK and equivalent internationally.

This tax strategy statement has been approved by the board of directors of Dress Holdco A Limited, which has ultimate responsibility for TFG London’s tax affairs. TFG actively monitors and manages risk across the wider group, with regular dialogue between TFG London and TFG’s Head of Tax in South Africa. Day-to-day responsibility for UK tax matters is delegated to the Hobbs Head of Finance in respect of the Hobbs group of companies² and Whistles Head of Finance in respect of the Whistles group of companies². The Phase Eight Director of Group Finance & Tax

has day-to-day responsibility for the tax affairs of the Phase Eight group of companies² and TFG London's other UK holding companies. Where appropriate, TFG London obtains advice from leading professional advisers to evaluate risk, adhere to complex tax laws and implement best practice.

Our attitude to tax planning, so far as it affects UK taxation

TFG London aims to comply with all applicable tax laws, rules and regulations. It is committed to paying UK corporation tax in line with all requirements, using group relief where taxable losses are available and claiming appropriate reliefs and incentives where available. TFG London is similarly committed to paying VAT, customs duties, employer's national insurance contributions, excise duties, business rates and other indirect taxes in line with all requirements. As concerns transactions between TFG London group companies, as well as with other related companies, TFG London is committed to complying with OECD guidelines on transfer pricing.

The commercial needs of the business are paramount and all tax planning is undertaken in this context. All transactions undertaken by TFG London have a commercial or economic substance. TFG London is committed to acting with integrity and transparency on all tax matters and complying fully with UK tax law.

The level of risk we are prepared to accept in relation to UK taxation

TFG London's appetite for tax risk is low, acknowledging that tax risks will arise from time to time in relation to the interpretation of tax law and the nature of our tax compliance arrangements, given the size of our business. Tax risks are identified, evaluated, managed and monitored on a case by case basis to ensure they remain in line with TFG London's overall low risk appetite. Where there is significant complexity or uncertainty in relation to a specific risk, external advice is sought from TFG London's professional advisers.

We structure our tax affairs based on sound commercial principles and in accordance with relevant tax laws, with the objective of complying with legal requirements in a manner which ensures submission of tax returns on time and payment of the right amount of tax in the right place at the right time.

Our approach to dealings with HM Revenue & Customs ("HMRC")

TFG London engages with HMRC in an open, collaborative and honest manner. We share information about our commercial developments or transactions, especially where there are complex tax implications, and seek to resolve any disputed matters promptly, through proactive and transparent discussions with HMRC.

The team at TFG London seek to fully respond to information requests from HMRC, whether formal or informal.

The publication of this tax strategy statement is regarded as satisfying the statutory obligation under Paragraph 16(2) of Schedule 19 to the Finance Act 2016.

Date of publication: 29 March 2018

¹ As at 31 January 2018

² Hobbs Fashion Holdings Limited and its subsidiaries

³ Whistles Holdings Limited and its subsidiaries

⁴ Phase Eight (Fashion & Designs) Limited and its subsidiaries