

# TAX POLICY

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## INTRODUCTION

SimCorp Group's tax policy is founded on our commitment to comply with local and international tax legislation. The policy is aligned with the Group's core values, our 'Corporate Governance Guidelines' as adopted by our Board of Directors, and our commitment to corporate sustainable development, which is based on combining financial performance with socially responsible behavior and environmental awareness. The tax policy reflects the principle that, as a corporation, SimCorp's role in society is to run a profitable business hereby generating tax and GDP contribution.

As part of our commitment to the UN Sustainable Development Goals, the tax policy supports in particular target 16.6 on the development of effective, accountable, and transparent institutions.

The tax policy covers corporate income tax, payroll taxes, and indirect taxes. The policy includes the obligation to mitigate tax risk to the extent possible and ensure compliance with local income tax legislation, safeguarding proper and adequate transfer pricing as well as the underlying assumptions for calculating the taxable income for the locations where SimCorp operates.

Wherever possible, we seek to develop cooperative relationships with tax authorities, based on mutual respect, transparency, and trust.

SimCorp Group's tax policy is approved by its Board of Directors and applies to all SimCorp companies. The policy is reviewed annually by the Board of Directors.

## CORPORATE INCOME TAXES

### Solutions and services

The software solutions sold by the SimCorp Group include SimCorp Dimension, SimCorp Coric, SimCorp Sofia, and SimCorp Gain. In addition, professional implementation and operational services related to the solutions are sold separately.

## Locations

SimCorp is headquartered in Copenhagen, Denmark. SimCorp pays income tax on profits in the locations where value is created within the normal course of business activity.

Transactions between the SimCorp Group entities are conducted based on arm's length principle and in accordance with current OECD guidelines.

The intellectual property rights (IPR) for the SimCorp Dimension software are owned by the Danish parent company, SimCorp A/S. The IPR for SimCorp Coric software are owned by SimCorp Coric Ltd., UK, the IPR of SimCorp Sofia software are owned by SimCorp Italiana, Italy, and the IPR of SimCorp Gain software are owned by SimCorp Gain Austria GmbH, Austria.

SimCorp's global presence is driven by its market potential in particular regions. Primarily, SimCorp operates through legal entities in the regions, where it distributes its solutions.

The overall Transfer Pricing method applied is the Transactional Net Margin Method (TNMM), with the distributing entities as the tested parties, ensuring an EBIT margin within the interquartile range of the relevant benchmark studies.

## Compliance

Our ambition is to apply best practices and act in accordance with applicable legislation on tax computation and tax reporting, to ensure that we pay the right amount of tax at the right time in the locations where we operate. SimCorp strives to be compliant with local and global tax requirements.

Complying with tax regulation can be complex as the interpretation of legislation and case law may not always be clear-cut and may change over time. Where the law is unclear or subject to interpretation, we will seek the advice of tax advisers. Where possible and relevant, we will seek to minimize uncertainties regarding tax through binding rulings or bilateral advance pricing agreements with tax authorities. We strive to mitigate and manage any arising tax risk.

SimCorp will not enter into aggressive tax reduction and or evasion schemes, and we do not use tax havens to avoid taxes. Tax planning that is undertaken will be based on a sound commercial rationale.

## **INDIRECT TAXES**

SimCorp will at all times strive to comply with local indirect tax legislation (VAT, sales taxes, withholding taxes etc.).

## **PAYROLL TAXES**

### **Local tax compliance**

SimCorp will ensure that employee withholding taxes are paid directly to local tax authorities as part of the salary payments made in the jurisdictions where SimCorp is operating. It is not the responsibility of SimCorp to monitor or control potential employee tax affairs. SimCorp will merely subtract the income taxes payable based on the tax information provided by the employees and/or local revenue authorities.

### **Tax compliance related to global mobility**

The global nature of SimCorp's business will create circumstances where employees of SimCorp's various legal units will travel and perform work on behalf of their own unit and other group units as well as to clients in jurisdictions outside the local legal entity by which the employees are employed. This will create situations where SimCorp's employees will assume partial tax liability in countries outside their home country.

SimCorp's policy is to require that all employees comply with relevant tax regimes which require employees from time to time to pay tax in more than one country. SimCorp will ensure to the best of its capabilities that such instances are correctly managed and reported. SimCorp will facilitate external tax advice is obtained in such cases and SimCorp will bear the related cost.

## ABOUT SIMCORP

SimCorp provides integrated, best-in-class, multi-asset investment management solutions to the world's leading asset managers, fund managers, asset servicers, pension and insurance funds, wealth managers, central banks, sovereign wealth funds, and treasury. Deployed on premise or in the cloud, SimCorp's core solution, SimCorp Dimension®, alongside SimCorp Coric®, SimCorp Gain™, and SimCorp Sofia™ form a powerful and complete solution. Together with a range of managed services, they support the entire investment life cycle, based on a market-leading IBOR. SimCorp invests around 20% of its annual revenue in R&D, helping clients develop their business and stay ahead of ever-changing industry demands. Listed on Nasdaq Copenhagen, SimCorp is a global company, with regional offices across Europe, North America, and Asia Pacific.

For more information, please visit [www.simcorp.com](http://www.simcorp.com)

## ONE SYSTEM FOR A COMPLEX WORLD



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