

W. P. CAREY'S APPROACH TO TAX

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General Tax Policy

W. P. Carey (WPC) intends to continue to operate as a REIT and maintain its tax status as a REIT. Our tax policy is to comply with the tax laws and regulations in all of the countries in which we operate, while maintaining our REIT status and maximizing shareholder returns.

Tax risk management and governance arrangements

WPC maintains internal policies and procedures to support its tax control framework and provides training to its personnel to manage tax risk.

Regarding roles and responsibilities: the CFO is ultimately responsible for WPC overall tax risk, while the management of tax risks is performed by the company's Global Director of Tax, and the Head of International Tax is responsible for the day-to-day management of the international tax risks (including in the UK). WPC uses external service providers on a selective basis, for example where it requires additional resource or expertise.

Compliance means to us paying the right amount of tax in the right jurisdiction at the right time, including disclosing relevant facts and claiming reliefs and incentives where available and appropriate.

Tax planning

WPC complies with tax rules and regulations on a worldwide basis, including in the UK, and only engages in tax planning that is aligned with its commercial business activities. WPC adheres to applicable Double Tax Treaties, EU Directives and the relevant guidance issued by the Organization for Economic Co-operation and Development (OECD) for international tax matters. WPC does not engage in artificial tax arrangements.

Tax risk

WPC tax arrangements are based on its commercial business and economic activities and the regulations imposed by the US REIT regime. WPC monitors and reviews its operations in the UK and elsewhere to realign its tax arrangements when necessary to be compliant with the tax rules and regulations, including transfer pricing guidelines.

WPC does not prescribe acceptable levels of tax risk. WPC seeks clarity within the law and escalates tax risks and uncertainties to the relevant level within WPC to determine the appropriate decision.

WPC aligns its transfer pricing policy with the OECD guidelines as well as the guidelines of the jurisdictions in which WPC operates. WPC applies the arm's length standard to ensure the parties to intercompany transactions are appropriately remunerated. Consistent with WPC tax policy, it regularly seeks opinions and advice from independent professional advisors on tax matters.

Relationship with tax authorities

WPC is committed to the principles of openness and transparency with tax authorities and adheres to these principles in its dealings with them, including with Her Majesty's Revenue and Customs (HMRC).

With respect to the UK, WPC regards the publication of this statement as complying with its duty under Paragraphs 19(2) and 22(2) of the UK Finance Act 2016. This statement is updated and renewed annually and applies to all of our UK subsidiaries. It was last published in May 2019.