

# Statement of Tax Strategy in the United Kingdom

## INTRODUCTION

Perry Ellis International, Inc. (“PEI”) is publishing this strategy statement in relation to its approach and that of its United Kingdom (U.K.) subsidiary, Perry Ellis Europe Limited, to tax risk management and attitude to tax planning in the U.K. This statement is for the fiscal year ending 3 February 2018 and is made in compliance with the requirements outlined in Part 2 of Schedule 19 of the Finance Act 2016.

PEI is a global leader in the design, manufacturing, marketing and distribution of branded lifestyle apparel and accessories. We are one of the largest apparel companies in the world with a portfolio consisting of nationally and internationally recognized lifestyle brand names, some of which have a heritage dating back over 100 years.

## 1. TAX PLANNING

PEI acknowledges its responsibility to pay an appropriate amount of tax in each of the jurisdictions in which it operates and, accordingly, engages in efficient tax planning that supports the business and reflects commercial and economic activity. PEI will not undertake any tax planning unless PEI believes that the strategy is compliant and more likely than not to succeed. Tax incentives and exemptions are sometimes implemented by governments and fiscal authorities in order to support investment, employment and economic development. Where those incentives and/or exemptions exist, we seek to apply them in the manner intended by the relevant authorities.

## 2. RISK MANAGEMENT

PEI strives to understand and comply with the legal and regulatory obligations that relate to its operations in the U.K. Where there is significant uncertainty or complexity relating to an identified risk, external professional tax advice is sought. PEI uses reputable tax advisers to assist it meet its tax compliance responsibilities where it does not have appropriate local resources internally. We have adopted a conservative approach to risk which causes us to aim to minimize the level of risk in relation to U.K. taxation. PEI is not prepared to accept a level of risk that will expose it to reputational harm. Our primary objectives are to provide accurate and timely submission and acceptance of all our returns and payments, ensure all tax filing positions are supported with appropriate documentation, confirm our tax team is adequately resourced, and maintain key personnel to manage our tax compliance obligations. The board of directors and executive officers view compliance with tax legislation as critical to managing PEI’s reputational and tax risk.

## 3. RISK LEVEL AND DEALING WITH HMRC

PEI seeks to foster an open, honest, transparent, and constructive relationship with HMRC and other governmental and fiscal authorities. Where there is a difference of opinion, we will work collaboratively with those authorities to resolve disputes and to achieve early agreement and certainty.

This U.K. tax approach strategy will be reviewed and updated accordingly.