



## **The Wendy's Company**

### **UK Tax Strategy**

#### **Introduction**

This policy has been published in compliance with the duty imposed under paragraph 19(2) of Schedule 19 to the Finance Act 2016. This strategy applies from the date of publication until it is superseded. The Wendy's Company and its subsidiaries ("Wendy's") operate, develop, and franchise a system of quick-service restaurants in the hamburger segment, with restaurants in over 30 countries. Wendy's owns and operates approximately 5% of the restaurants in the system, while the remaining 95% are owned and operated by franchisees.

Wendy's is subject to a wide variety of taxes, including corporate income tax, sales & use tax, VAT & GST, customs duties, excise tax, real estate tax, payroll, and other taxes. Wendy's continually strives to ensure timely and accurate compliance with all applicable tax laws, including timely payment of taxes due in each country in which it operates.

#### **Tax in our Annual Report (Form 10-K)**

The Wendy's Company is a publicly traded U.S. company, and its consolidated financial statements are prepared in accordance with U.S. Generally Accepted Accounting Principles (US GAAP). The Wendy's Company's consolidated financial statements are audited and filed publicly in the United States. The Company provides extensive information on tax positions in its annual report, Form 10-K.

#### **Tax Governance and Risk Management**

The Wendy's Tax department is part of the Company's Finance organization, and reports to the Chief Financial Officer ("CFO"). The Vice President of Tax is responsible for all matters relating to taxation, and regularly updates the CFO about significant tax matters including new legislation, audits, tax risks, and potential tax impacts of Company initiatives. The Vice President of Tax and CFO regularly provide updates to the Audit Committee of Wendy's Board of Directors.

The Company maintains a robust tax internal control framework to meet the requirements of applicable regulations such as Sarbanes-Oxley 404 and ASC740. Members of the Tax team review the control framework and communicate potential tax risks as part of the Company's Enterprise Risk Management (ERM) Program to ensure that tax risks are effectively assessed and mitigated. These policies and procedures are subject to internal and external audit.

In addition, Wendy's is committed to the highest standards of integrity and fair dealing in all its activities and compliance with both the letter and spirit of the law. Wendy's maintains a comprehensive Code of Business Conduct and Ethics and requires its employees to review and certify compliance with the Code on an annual basis.



## **Tax Planning and Company Approach to Tax Risks**

Wendy's strives to comply with all applicable tax rules, regulations, and guidelines on a worldwide basis. The Tax department provides analysis on the tax impacts of relevant transactions and strategies aimed to support the business and reflect its commercial and economic activity. Wendy's does not engage in artificial tax arrangements. Wendy's seeks to minimize the risk of uncertainty and disputes and solicits the advice/guidance/agreement of external advisors and, in certain circumstances, the relevant tax authorities when uncertainty exists.

Consistent with our approach worldwide, Wendy's takes a low-risk, fact-based approach with regard to tax planning and compliance in the UK that is intended to reflect the commercial and economic nature of the business.

## **Relations with Tax Authorities**

Wendy's maintains its worldwide headquarters in the U.S., and annually discloses all material transactions to the United States Internal Revenue Service. Wendy's annually reviews and updates its transfer pricing policies and documentation for all its intercompany group activities to ensure that the transactions are based on an arms-length standard. These documents are presented annually to U.S. tax authorities for review along with the Company's consolidated U.S. tax return.

Wendy's is committed to developing and maintaining open and transparent relationships with all tax authorities in countries in which we do business. Wendy's aims to conduct its communications with HMRC in a courteous, open, and honest manner. Wendy's intends to engage in early dialogue to discuss tax planning, strategy, and risk in order to minimize the risk of future challenge and work together to resolve issues where disagreements arise.

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