

Dunelm Group plc

Policy on tax compliance

The Board acknowledges its responsibility to set clear and consistent standards to ensure that the Group meets its obligations in respect of all aspects of tax.

We aim for our tax affairs to be transparent and sustainable in the long term.

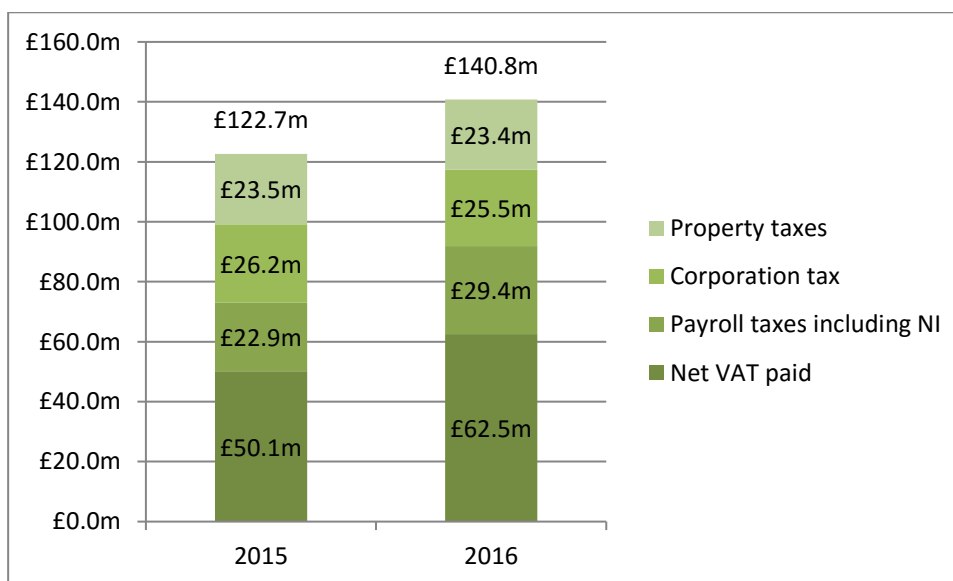
Our tax policy is reviewed annually by the Board and management of tax risks rests with the Chief Financial Officer, who is also the Group's Senior Accounting Officer.

Key principles underpinning the Group's tax policy are:

- We aim to comply with all relevant tax legislation and pay all taxes due, in full and on time.
- We will actively manage our tax affairs and only engage in tax planning where this is aligned with commercial and economic activity and does not lead to an abusive result.
- We respond to tax incentives and exemptions as appropriate.
- We interpret relevant tax laws in a reasonable way, consistent with a relationship of 'co-operative compliance' with HMRC.
- We aim to be open and transparent with HMRC concerning our tax affairs, and to provide all information necessary for HMRC to review possible risks.
- We will maintain a robust system of internal controls to enable us to put into practice the above principles.

Our risk rating with HMRC is 'low risk'.

Our effective rate of corporation tax for FY16 is 20.6% (FY15: 21.6%) and tax payments for the last two years break down as follows:



Last reviewed and approved by the Board on 7 September 2016.