Background and Strategy

This strategy applies to FTD UK Holdings Limited and all Interflora UK entities in its group (the “Group”).

In accordance with Schedule 19 Finance Act 2016, this document sets out the Group's UK tax strategy for the year ended 31 December 2018 and applies to all UK taxes and duties.

The main focus of the Group's tax strategy is to file all of the required filings in a complete, timely and accurate manner so as to remain in compliance with all of the relevant and applicable tax laws of each jurisdiction in which it operates.

The tax strategy of the Group is aligned with that of the ultimate parent company, FTD Companies, Inc., a U.S publicly traded company on the New York Stock Exchange.

Further details relating to the tax strategy are provided below.

1. Risk Management and Governance Arrangements

The effort of the Group’s UK Finance Department is directed toward paying the fair, right and proper tax due and to fulfill our obligations as set out by relevant tax legislation. The mission is to accomplish this while supporting the Group's worldwide business decisions.

• The UK Finance Department actively seeks to identify, manage and minimise any tax risks and inefficiencies by adhering to the Group’s defined policies and controls for tax which support the delivery of the UK tax strategy and aim to ensure that it remains compliant with UK tax legislation. Supporting this is the Group’s ongoing monitoring of internal controls relating to tax which contribute to the identification, management and minimization of tax risks. These actions are part of and in additional to general guidelines and procedures required for risk management (including Sarbanes-Oxley).

The Finance Director of the Group is regularly updated on tax matters by his staff and external advisors (as necessary). Through this open and regular communication, the Finance department highlights the importance of tax compliance and managing the tax function for the Group.

The UK Finance Department also has regular communications with the tax department located in the U.S, to ensure that any potential cross border risks which may arise are monitored and minimised.

2. Attitude Towards Tax Planning and Level of Risk Appetite

The attitude to tax planning of the Group is to minimise tax risks and inefficiencies and to ensure that it remains in
compliance with all legal requirements. Tax planning may be undertaken where it is supported by genuine commercial rationale. Where alternative routes exist to achieve the same commercial result the most tax efficient approach, in compliance with all relevant laws, will be considered. Tax risk is one of the commercial risks that the business is subject to. The company is not prescriptive on the level of acceptable tax risk but aims to manage tax risk to ensure payment of the right amount of tax within the jurisdictions in which the Group operates. Contrived tax planning, where the tax benefit is disproportionate to the nature of the transaction, will not be undertaken.

Understanding the business operations is vital in order to manage tax risks and inefficiencies. This understanding enables the UK Finance Department to review and analyse the required compliance and tax reporting matters.

The tax department is involved in all key transactions, issues and strategies. This allows for the appropriate engagement with the relevant departments within the business.

Following a complete understanding of the facts, a summary and review of the matters will typically be prepared or discussed with the relevant business team. Further conversations and recommendations may take place with the President, Chief Financial Officer, Finance Director, General Counsel, Human Resources Director or other relevant senior executives within both the UK and wider global group, as appropriate.

The tax department also works closely with external advisors when complex and/or specialist areas of tax require additional expertise.

3. Relationship with HMRC

The Group has an open and positive relationship with HMRC which is maintained through communications. The Group is also committed to making appropriate disclosure of all relevant tax issues through the submission of tax returns and in responding to information requests in a timely manner.

The Group aims to always exhibit a co-operative approach to HMRC enquiries. Further, should any inadvertent errors be identified, the Group seeks to amend these as soon as reasonably possible.

Further Information

The Group is proud to be one of the world’s most recognised brands. Our Mercury Man emblem is recognised worldwide and eight out of ten people in the UK and Ireland think of Interflora when expressing life’s most important sentiments. Our network includes more than 1,500 expert florists, making us the UK and Ireland’s largest, longest serving and most trusted flower delivery network. We offer the widest range of products, delivery options, and the highest service levels in the U.K. and Ireland.
Our parent company, FTD Companies, Inc., is a premier floral and gifting company. Through our diversified family of brands, we provide floral, specialty foods, gifts and related products to consumers primarily in the United States and the United Kingdom. We also provide floral products and services to retail florists and other retail locations throughout these same geographies. FTD has been delivering flowers since 1910 and the highly-recognized FTD® and Interflora® brands are supported by the iconic Mercury Man logo®, which is displayed in nearly 35,000 floral shops in over 125 countries. In addition to FTD and Interflora, our diversified portfolio of brands includes the following trademarks: ProFlowers®, ProPlants®, Shari’s Berries®, Personal Creations®, RedEnvelope®, Flying Flowers®, Ink Cards™, Postagram™ and Gifts.com™. FTD Companies, Inc. is headquartered in Downers Grove, Ill.

For more information, please visit www.ftdcompanies.com.