

## **NORMA UK Ltd.**

### **Tax Strategy – Year ending 31st December 2017**

#### **Introduction**

This document has been approved by the Board of NORMA UK Ltd. and sets out NORMA UK's policy and approach to conducting its tax affairs and dealing with tax risk for the year ending 31st December 2017. The document will be annually reviewed and any amendments will be approved by the Board.

#### **Compliance with the Law**

NORMA UK is committed to full compliance with all relevant laws, rules as well as regulations and full disclosure to tax authorities. The company must therefore be satisfied that any tax initiative undertaken by it is legal.

#### **Tax strategy and attitude to tax planning**

NORMA UK Ltd. will ensure that the tax strategy is at all times consistent with NORMA Group's overall strategy, its approach to risk, and NORMA Group's Core Values.

NORMA UK Ltd. will not undertake transactions wholly motivated by tax avoidance or from which there is no economic benefit to the Company other than tax savings.

NORMA UK Ltd. does not adopt an aggressive interpretation of tax legislation which by their nature have associated high risks of failure or reputational damage.

Furthermore, NORMA UK Ltd. has to follow the following NORMA Group attitude to tax planning:

- To comply with all relevant national laws, regulations and reporting requirements, wherever we operate.
- NORMA Group seek to interpret tax legislation consistently with both the spirit and intention of the law and will not seek to exploit ambiguity. If the group does not have in-house resource for such interpretation it will seek clarity from relevant external providers.
- NORMA Group does not adopt extreme or aggressive interpretations of law which by their nature have associated high risks of failure or reputational damage.
- NORMA Group use incentives and reliefs efficiently where appropriate to sustainably support our business, reflecting the commercial substance of operations. We will not undertake transactions wholly motivated by tax avoidance or from which there is no economic benefit to the company other than tax savings.
- NORMA Group will not seek to exploit tax regimes considered to be harmful or secretive.

#### **Risk management**

NORMA UK Ltd. complies with documented policies and procedures in relation to tax risk management. Where appropriate, based on NORMA UK's Management Board judgment, this should include obtaining external professional opinions to verify and support the Company's conclusions.

In an increasingly complex international corporate tax environment, a degree of risk is inevitable and uncertain tax positions will arise leading to tax risks. Such tax risks are

reviewed by the Board, the Regional Management (CEO and CFO of NORMA Groups EMEA Region) and the Board of the ultimate shareholder quarterly.

### **Tax Governance**

Tax is part of the Finance function of NORMA UK Ltd. The Finance Controller of NORMA UK Ltd., who reports to the Board of NORMA UK Ltd. and dotted line to the CFO of Region EMEA, is responsible for the management of all tax matters.

Tax strategy and policies are reviewed on an on-going basis by Group Internal Audit of NORMA Group SE. Reporting directly to the Senior Management Board of NORMA Group SE.

### **Working with the HMRC**

NORMA UK Ltd. aims to foster an open and constructive relationship with tax authorities that is based on integrity, honesty and mutual respect. Therefore pro-active and transparent communication with tax authorities is maintained to ensure that all information reporting required under taxation laws is readily available on a timely basis. NORMA UK Ltd. makes fair, accurate and timely disclosures in correspondence and returns. NORMA UK Ltd. is timely in responding to any queries and seeks independent third party advice where necessary.