



Phoenix House | Slade Green Road | Erith | Kent, DA8 2HY | UK

FNH UK – UK Tax Strategy

FNH UK, part of the Belgium-based Herstal Group, designs, develops, manufactures and sells a complete range of state-of-the-art groundbreaking solutions developed around small caliber firearms and associated ammunition. These are deployed by military, security and special forces worldwide.

Our prosperity and sustainable development is based on the confidence placed in the company by its customers, staff, suppliers and partners. Our Charter of Ethics reiterates the Herstal Group's joint commitment to the need to build upon this confidence and to uphold its reputation for honesty and integrity.

The following policy applies specifically to FNH UK Ltd and all UK entities in the Herstal Group. Our tax policy comprises of the following five components:

1. Commitment to compliance

Section 3 of our Charter explains that “The Herstal Group and its staff members throughout the world must comply with the laws and regulations in force in the context of their professional duties.” FNH UK adopts this same attitude to compliance in our approach to our tax affairs and our tax strategy. Compliance for us means paying the right amount of tax in the right place at the right time, and involves disclosing all relevant facts and circumstances to the tax authorities and claiming reliefs and incentives where available and operating in line with the commitments of this strategy.

2. Attitude towards tax planning

In structuring our commercial activities, especially our relationships with other Companies within the Group, we aim to ensure that our tax position in any planning activity is consistent with the spirit as well as the letter of tax laws of the countries in which we operate. Any tax planning undertaken will have commercial and economic substance and will have regard to the potential impact on our reputation and broader goals. We will not undertake planning that is contrived or artificial.

FNH UK Ltd

www.fnhuk.com



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3. Level of tax risk accepted

Given the scale of our business and volume of tax obligations, risks will inevitably arise from time to time in relation to the interpretation of tax law and nature of our compliance arrangements. In accordance with the Group's risk management approach, we actively seek to identify, evaluate, monitor and manage risks that may arise in relation to the interpretation of complex tax law to ensure they remain consistent with the group's risk appetite. Where there is uncertainty third-party external written advice is sought to support our decision making.

4. Approach to dealing with UK tax authorities

FNH UK is committed to engaging with HMRC with honesty, integrity, respect and fairness and wherever possible, we do so on a real time basis. We recognize that there will be areas of differing legal interpretations between ourselves and HMRC and where this occurs we will engage in proactive discussion to bring matters to as rapid a conclusion as possible. Any inadvertent errors in submission of tax returns and tax computations to HMRC are fully disclosed as soon as reasonably practicable after they have been identified.

5. Approach to tax risk management and governance arrangements

This tax policy is aligned with the Herstal Group's Charter of Ethics and is approved and owned by the Board.

FNH UK Ltd regards this publication as complying with the duty under Part 2 of Schedule 19 of the 2016 Finance Act.

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