



## **RENK AKTIENGESELLSCHAFT - UK ENTITIES**

### **TAX STRATEGY 2020**

#### **Overview**

The following document sets out RENK Aktiengesellschaft (“RENK”) position in relation to tax in the UK and represents how tax is undertaken within the business. The strategy applies to the following entities:

- Permanent Establishment of RENK Aktiengesellschaft, Augsburg, Germany
- Horstman Holdings Limited, Bath, UK
- Horstman Defence Systems Limited, Bath, UK

RENK manage their tax affairs based on 5 core principles:

#### **1. Compliance**

The fundamental principle underlying all the tax decisions within the RENK group in the UK as well as on a global level is that of paying the right amount of tax in the right place at the right time. It involves disclosing all relevant facts and circumstances to the tax authorities and claiming reliefs and incentives where these are made available by tax legislation.

#### **2. Open and transparent approach to engaging with HMRC**

RENK in the UK regarding its entities seeks to build transparent and collaborative relationships with the UK Tax Authorities to create and maintain “Good Corporate Citizenship”. We aim to achieve this by engaging with HMRC with honesty, integrity, respect and fairness.

HMRC is kept informed about business developments to the extent they have a tax impact, through regular correspondence. We will always seek to disclose all relevant facts to HMRC to enable them to understand fully the issue in question, and to enable the correct tax treatment to be applied.

In the event that a disclosure is required, these are made voluntarily or with full co-operation from the business.

#### **3. Management of Tax**

Ultimate responsibility for the tax affairs of each company sits with the Board of Directors. Each Board has assigned a director with overall responsibility for its ongoing tax affairs.



The company works closely with external advisors to ensure tax risk is adequately managed and that the company remain up to date with the latest tax changes that may affect the business.

#### **4. Risk Management**

Given the size and global nature of our business, tax risks will arise. The individuals responsible for tax are appropriately skilled to handle these matters and receive regular tax updates to ensure knowledge is always up to date. This enables the teams to identify, monitor and manage tax risks within the business. External advisors are used to help manage the risk and ensure that the company meets its tax obligations. Advisors are also used to assist the business in achieving its core tax principles as outlined in this document.

#### **5. Attitude to arranging our tax affairs**

The primary tax objective of RENK in UK is to pay the correct amount of tax at the point at which it is properly due. RENK will utilise exemptions and reliefs that are legitimately available and in accordance with the wording and spirit of the law.

The group is mindful of its reputation in the marketplace and seeks to operate in a manner of a responsible taxpayer.

Transactions between group companies are conducted on an arm's-length basis and in accordance with OECD principles. The group do not undertake profit allocation on the basis of tax rates, and profit follows the business activities of the group.

Where tax incentives are implemented by the Government to support investment, employment and economic development, RENK will only ever seek to implement these in the manner intended.

Engagement in artificial tax arrangements (those without commercial substance) is not undertaken. Where a point is unclear or uncertain, the companies may seek clarification from HMRC, external advisors or the judiciary as appropriate. This is done in order to ensure that the companies comply with their primary tax objective. Tax is not the commercial driver for decision making within the group nor a key performance indicator.

RENK Aktiengesellschaft, Augsburg, Germany regarding its entities regards its publication of the tax strategy as compliant with the duty under Finance Act 2016, Schedule 19 paragraph 22(2).