

UK TAX STRATEGY

Background

ForFarmers UK Holdings Ltd is the parent company of the ForFarmers UK group of companies (the “UK Group”), the UK sub-group of ForFarmers NV (“ForFarmers”). The UK tax strategy is published to meet the reporting obligations of the UK Group under Paragraph 19(2) Schedule 19 Finance Act 2016 for the financial year ended 31 December 2018 and provide internal and external stakeholders with details of the approach to managing their UK tax affairs. This strategy will be periodically reviewed and updated, as appropriate, by ForFarmers UK Holdings Ltd.

The ForFarmers group tax strategy is available on the global website:

https://www.forfarmersgroup.eu/en/bestanden/ForFarmers_Group/Corporate-Policies/NL/46958-2/Tax_strategy_2019.pdf

ForFarmers believes that paying taxes is an integral part of companies’ responsibility to society at large. ForFarmers accordingly does not use contrived or abnormal tax structures that are intended for tax avoidance, have no commercial substance, or do not meet the spirit of local or international tax law. ForFarmers does not have any companies that are located in countries that are identified as tax havens by the OECD.

This document provides more information about the tax policy, principles, risk management, and tax knowledge of ForFarmers and the UK Group. More information as available in the Annual Report:

http://forfarmers-annualreport2018.eu/docs/FF_JV_2018/index.php?nr=0&language=en&r_code=FF_JV_2018



Tax principles:

ForFarmers and the UK Group commit to:

- Act in accordance with all applicable tax laws at all times and in compliance with international standards (such as OECD Guidelines). ForFarmers aims to take account of the letter as well as the spirit of the tax laws and regulations;
- Be tax compliant and pay taxes when they are due and owed;
- Prepare and file all tax returns in the form specified and within the time required;
- Prepare and retain the documentation required by the tax laws, or which may be needed to answer any questions raised by HM Revenue & Customs (“HMRC”);
- Have an open and transparent communication line to the HMRC;
- Ensure that tax is aligned with the business, and that there are no tax driven structures that are not in line with the business operating model and tax regulations;
- Pay the correct amount of tax according to where value is created within the normal course of commercial activity and apply transfer pricing calculation using the ‘arm’s-length’ principle.

Tax Governance

ForFarmers acknowledges the importance of good internal risk management and control systems, and strives for a high level of risk awareness in the organisation by actively monitoring risk management.



This system is entrenched in the organisation, all the way from the Executive Board and the Executive Committee, under supervision of the Supervisory Board, to all operational and financial departments. ForFarmers uses the methodology for the control and management of the different risks, which is based on the model formulated by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

ForFarmers has low risk appetite for risks regarding compliance with legislation and regulations, including taxes. A Tax Control Framework ("TCF") has been designed in 2018 to control the risks related to corporate income tax, VAT and wage/labour taxes. For each risk to be mitigated, control measures have been determined and implemented. These are regularly assessed to ensure they are effective and fall within the desired ForFarmers risk appetite. The TCF is being implemented in the Netherlands, and will subsequently be implemented in the UK.

External auditors verified that the financial statements prepared by the UK Group represent a true and fair view of the financial position of the organization. The UK Tax Manager discussed key transactions as well as any relevant correspondence with HMRC with the external auditors.

ForFarmers' Managing Board is responsible for establishing the approach to taxation under the supervision of the Audit Committee of the Supervisory Board. The UK Finance Director, being the UK Group Senior Accounting Officer, is responsible for a correct and timely tax filing, supported by the UK Tax Manager. In addition each filing is reviewed centrally by the Group Tax Manager, Director Accounting, Tax and Treasury and the CFO.



Tax knowledge

Employees involved in the various direct and indirect taxes attend seminars and trainings to stay up-to-date on tax law and regulatory changes.

To enable effective commercial decision making, it is essential that all the tax implications of a proposal are clearly understood by the key stakeholders. It is possible that such proposals may have several different tax outcomes. In such cases the UK Tax Manager will provide advice to ensure that proposals are undertaken in a tax efficient manner whilst ensuring ForFarmers continues to comply with tax laws.

In case there is insufficient tax expertise within ForFarmers or the legislative impacts are unclear, ForFarmers may seek external advice to support the decision making process.


Relationship with HMRC

The tax principles, detailed above, govern the way the UK Group interacts with HMRC, but specifically the UK Group commits to:

- establish a collaborative professional relationship with HMRC;
- discuss tax planning, strategy, risks and significant transactions in a transparent and timely manner with HMRC;
- respond to queries and information requests in a timely fashion and keep HMRC informed of progress on responses relating to complex matters;
- work with HMRC to resolve issues in real time and before returns are filed if possible, and where disagreements arise resolve issues by agreement where possible; and



- be open and transparent about decision-making, governance and tax planning.



17/12/19

Richard Holdcroft

Senior Accounting Officer and Finance Director
ForFarmers UK Holdings Ltd
17th December 2019

