

Kronospan- Tax Strategy

Introduction

This document, approved by the Board of Kronospan Holdings Limited sets out the Group's approach to conducting its tax affairs and dealing with tax risk. The document will be reviewed periodically and any amendments approved by the Kronospan Holdings Limited Board of Directors. It is effective for the year ending 30 September 2017 and will remain in effect until any amendments are approved by the Board of Directors.

The Group takes its obligations to report to relevant tax authorities, and collect and pay taxes, very seriously.

The aim of the Group is to optimise the after-tax returns for the Group's shareholders, but to pay the right amount of tax required in accordance with the laws and regulations under which it operates.

For the purposes of this Tax Strategy, Kronospan should be understood to mean Kronospan Holdings Limited and its UK subsidiaries and related parties in the UK.

Strategy

Kronospan's UK tax strategy maintains consistent principles whilst recognising the changing requirements of tax legislation and regulation on an on-going basis.

We aim to provide transparency on all tax related matters and operate with integrity in recognising our tax obligations.

We will look to make use of available tax incentives and reliefs available to the business as long as this is does not knowingly contradict the intention of legislation.

Tax risk management

Kronospan is subject to a broad range of areas of taxation and takes appropriate steps to ensure on-going compliance and management of risk. Whilst it is not possible to eliminate risk entirely, we seek to mitigate these risks as fully as possible through our internal procedures which includes appropriate use of the 4 eyes principle.

Appropriately qualified officers are appointed to deal with tax matters and a correct level of training is provided to employees that have an influence on data, activities and records affecting tax.

Where appropriate, external advice is sought to help to fully understand and manage certain risks.

Tax Planning

Tax planning involves structuring and operating Kronospan's business in such a way as to optimise the amount of tax we pay within the confines of the law.

We will look to make use of available tax incentives, allowances and exemptions that are expressly available to us through legislation on taxes.

Significant planning is always taken to senior management at board level for approval.

Where necessary, Kronospan will make use of external tax advisers to take advantage of technical expertise on complex tax matters.

Tax Compliance

Tax returns and payments are submitted in a timely fashion to ensure all deadlines are met whilst taking advantage of the maximum period available to submit payments to support working capital management.

Relationship with HMRC

Kronospan tries to maintain a professional, courteous and collaborative approach to its dealings with HMRC.

Correspondence, returns and responses to queries and requests for information are handled in a timely, accurate and open manner with a correct level of transparency.

Where there is uncertainty on an issue affecting taxation, Kronospan will enter into a dialogue with HMRC at an appropriate level to seek clarification.

If disputes arise the aim is to strive for early agreement.