

Flint Group - 2018 Annual Tax Strategy

1. Introduction

Flint Group is one of the largest suppliers to the printing and packaging industry worldwide. With a strong customer focus, unmatched service and support, and superior products, Flint Group strives to provide exceptional value, consistent quality and continuous innovation to customers around the world.

In this document Flint Group sets out its strategy for conducting its tax affairs and managing tax risks. The tax strategy is published and in accordance with the measures contained in section 161 and Schedule 19 of Finance Act 2016. The strategy has been approved by the Group CFO and will be reviewed annually.

The tax strategy reflects the status of the Flint Group UK entities (refer to Appendix 1) as UK Limited companies, which require an appropriate governance and consideration of Flint Group's reputation, while delivering returns to our shareholders. The tax strategy also reflects the nature of our business and the according compliance with local laws, regulations and guidance.

2. Tax principles

Flint Group's policy is to comply with all relevant laws, regulations, reporting and disclosure requirements and to pay the right amount of tax legally due. The Group manages its tax affairs in line with Flint Group's Code of Conduct. Further tax principles are

- Interpreting the tax law using relevant guidance and discussing such interpretation with tax authorities where appropriate;
- Managing our tax affairs so as to protect shareholder value, whilst ensuring the wider reputation of the Group is not compromised;
- Only undertaking tax planning which is aligned with a genuine commercial rationale.

3. Tax compliance and risks

Each of our entities should be fully compliant with the local tax law in the territories in which they operate. This especially includes

- Filing timely and accurate tax returns;
- Paying the appropriate amount of tax at the right time;
- Full disclosure of the relevant facts in order to enable tax authorities to obtain an accurate view of any tax affairs of the business; and
- Retention of appropriate documentation in relation to tax compliance filings and support transactions for the required statutory time limit.

Where tax compliance obligations or any tax issues are material to the Group (in terms of scale, administrative burden, complexity) the group tax team will be involved. Usual day-to-day tax issues will be settled by local teams.

The group tax team provides support to the entities as requested, or where material risks are identified, and are involved in any significant tax issues such as, but not limited to, material tax audits, assessments raised by local tax authorities and extraordinary tax issues. In areas where tax law is complex or new, where the treatment may be uncertain and the amount of tax involved is material, Flint Group obtains advice from external advisers.

The Group CFO is responsible for management of the Group's tax affairs and approval of the tax strategy. He is directly supported by the CFO EMEA as well as several employees from the group tax team, which is supervised by the Global Head of Tax.

Flint Group follows a policy of continuous improvement to identify and review key tax risks and to enhance tax systems and processes in support of Flint Group's fiscal obligations. In this context, a monthly reporting to the Group CFO where significant tax issues are discussed takes place. Furthermore, Flint Group monitors its global tax compliance obligations, such as filing and payment deadlines, with appropriate software and tools.

4. Relevant transactions and tax planning

Flint Group's tax team is involved in material and relevant transactions and advises on tax effects of those transactions before they take place to ensure consistency across the Group and that appropriate conclusions on acceptable levels of tax risk can be made. Relevant transactions include, but are not limited to, changes in corporate structure, M&A, cross border flows of goods and services and any other transaction in which tax is a significant consideration.

Transactions undertaken should fulfill the following criteria:

- Consideration of:
 - o Impact on tax risk of the Group;
 - o Relationship with tax authorities;
 - o Reputation of the Group; and
 - o Wider contribution of the Group to the territories in which we operate.
- Transactions implemented must be:
 - o Aligned with genuine commercial purpose;
 - o Fully disclosed to the relevant tax authorities as required by law; and
 - o Fully compliant with all laws, rules and regulations.

Flint Group will interpret tax laws in a reasonable way and in a way that is consistent with Flint Group's intention. However, due to the nature of tax law, we recognize that different interpretation by the tax authorities cannot be excluded from time to time. Where this is likely to be the case, different approaches may take place, e. g.

- support by advice from a specialist external tax advisor providing a strong level of certainty as to the tax consequences of the transaction and / or
- disclosure and discussion of any relevant facts or legal requirements / interpretations with the competent tax authorities and from case to case by a (binding) ruling or Advance Pricing Agreement.

Furthermore, relevant transactions are reviewed and maintained to ensure, that

- Implementation is correct and is as intended;
- Changes in tax law are identified and action is taken where necessary; and
- Changes to facts, circumstances and commercial rationale are monitored.

5. Relationship with HMRC

Flint Group is committed to acting with integrity at all times and maintaining a transparent, collaborative and open relationship with HM Revenue & Customs, governments and related third parties. Thus, Flint Group's tax strategy is aligned with the following principles:

- Promote collaborative professional work building an open, transparent and trusted relationship;
- Engage in open and early dialogue to discuss tax planning, strategy, risks and significant transactions and to disclose any significant uncertainty in relation to tax matters;
- Respond to queries, information and clearance requests in a timely manner and to ensure that tax authorities are informed about the progress of tax related issues;
- Make accurate and timely disclosure in tax returns and correspondence;
- Work proactively with the tax authorities to resolve any disagreements over tax that may arise by agreement where possible;
- structure transactions in a way which will have tax results that are not inconsistent with the underlying consequences (unless specific legislation is intended to give that result) and by interpretation of the relevant tax laws in a reasonable way and ensure transactions are structured in a way that is consistent with a relationship of cooperation with the tax authorities.



Appendix 1 – Companies covered by Flint Group Tax Strategy

ANI Holding Limited
Arrowhead Investments (UK)
Coilbay Limited
Day International TM (UK) Limited
Day International (UK) Holdings
Day International (U.K.) Limited
Druckfarben Limited
Duco Holdings Limited
Duco International Limited
Flint Group UK Limited
Flint Ink Europe
Flint Ink (U.K.) Limited
Harper Printing Inks Limited
Mander Brothers Limited
Punch Graphix Limited
Punch Graphix UK Limited
Varn Products Co. Limited
Xeikon Limited