

# Amtico UK Tax Strategy

## Introduction

Amtico was established in the United Kingdom in 1964, with head office and manufacturing operations in Coventry and a sales office in Solihull. The group manufactures and sources flooring products for sale in both the UK and International markets. Amtico UK sells to fellow subsidiaries in Germany, France, Sweden, Australia, Hong Kong, a branch in Spain and through Business partners in other territories.

This document sets out the strategic tax objectives for Amtico UK. The strategy applies to all Amtico UK companies and all UK taxes and duties.

This strategy is approved by the Operations Board of Amtico UK and fulfils our requirements under Schedule 19 of the Finance Act 2016. The Strategy applies from the date of publication until it is superseded.

The tax strategy sets out the group's general tax arrangements as well as the policy and approach to tax risk management, attitude to tax planning and working with HM Revenue & Customs (HMRC).

Andrew Elsby-Smith (Group Finance Director) and Simon Parker (Group Financial Controller) are responsible for the delivery of this strategy and for day-to-day management of the UK tax affairs, with support from the finance team.

## Aim and Alignment with group policy

Amtico UK is a subsidiary of Mannington Mills, Inc. a privately owned US flooring company. The Amtico UK tax strategy is aligned to the wider Group tax strategy which is reviewed on an annual basis.

Pat Burke (Mannington, Chief Financial Officer) is responsible for managing the group's tax strategy.

## Guiding principles

We aim to act as a responsible global corporate tax citizen and comply with applicable tax law and regulations in the regions in which we operate.

We encourage ethical and transparent business practices and do not engage in strategies solely designed to avoid tax.

We encourage an open and honest dialogue between those involved with the company's tax affairs and the business and we actively engage in the development of a rule based international tax framework.

We report and disclose our tax positions in accordance with applicable regulations and requirements in the jurisdictions in which we operate.

The tax strategy and strategic objectives are intended to establish a clear and unequivocal approach to all aspects of tax reporting and compliance in whichever country the company operates.

The tax strategy is focused on ensuring that taxes (and tax risks) are managed to provide outcomes consistent with commercial reality and are within the parameters of the Group's strategic objectives. The strategy also requires that all tax obligations are complied with in the UK and other relevant jurisdictions.

## **Tax risk management**

Amtico UK's tax affairs and tax risk management procedures are reviewed to ensure that processes and measures are up-to-date so that we are able to identify, assess, manage and mitigate tax risk as well as being aligned with the Amtico Group's business strategy and governance framework.

We meet internationally recognised standards by applying transfer pricing policies such as the arm's-length principle. This approach is consistent, taking in all countries that Amtico operates in, and ensuring appropriate remuneration where the value is generated.

The increasing complexity and uncertainty in the international and national tax systems requires us to have mechanisms in place that ensure all policies and regulations are adhered to. It is our primary objective to act in accordance with the respective tax laws in the countries we operate in. Amtico UK utilises tax reliefs and allowances available in the manner in which intended by HMRC and statute. There will, however, be circumstances where this amount may not be clearly defined, or where alternative approaches may result in differing tax outcomes. The Group will use its best judgment in determining the appropriate course of action, using available reliefs and incentives where possible and liaising with HMRC where appropriate.

The day-to-day management of Amtico UK tax affairs is provided by the UK finance team who take advice from external advisers where necessary. A risk register is maintained to identify key risks and ensure mitigating controls are in place. These key risks are monitored annually for changes in business and legislation and processes and controls are updated accordingly.

## **Approach to tax planning and acceptable level of tax risk**

Amtico UK does not engage in artificial tax arrangements and ensures that tax outcomes are consistent with commercial realities. We do not engage in tax planning strategies solely designed to avoid tax.

Amtico UK's appetite for tax risk is low and we only structure our affairs based on sound commercial principles. We are committed to complying with our tax obligations and maintaining good relationships with HMRC. To do this we only engage in reasonable tax planning that is aligned with our commercial, economic and reputational goals and in accordance with relevant tax legislation.

External advice is sought where appropriate by the UK finance team.

## Relationship with HMRC

We have an open and honest working relationship with HMRC. Tax returns and tax computations are submitted on a timely basis. Where errors are identified, they are fully disclosed and corrected for as soon as reasonably practicable.

HMRC are contacted if significant or unusual tax matters require agreement. We recognize that there may be areas of differing interpretations between ourselves and HMRC and if this occurs we will engage in proactive discussion to bring matters to as rapid a conclusion as possible.