



Groupe Roullier - UK Tax Strategy

Financial Year ended 31 December 2017

30th December 2017

Perimeter of the UK tax strategy

- This document is published by out Groupe Roullier (hereinafter: “The Group”) on behalf of the Group UK entities (hereinafter: “the UK entities” or “Companies”) on 30th December 2017 in order to comply with its duty under Paragraph 16(2) of Schedule 19 of Finance Act 2016 to publish a group tax strategy for the year ended 31 December 2017.
- This document sets out The Group tax strategy and how Timab Industries UK, Timac Finance UK and Timac Agro UK manage its tax affairs in line with this strategy.

Business description (1/4)

The Group is a global market leader and got subsidiaries in 56 countries over Europe, Asia, Americas and Africa. The Group distributes its products in 102 countries through approximately 3,000 sales forces. It has 89 production units which are belonged to support the distribution activity. Since 1959, the Groupe Roullier teams have been meeting the real needs of industry in the sector. A major operator in Animal and Plant Nutrition for 57 years, the Group has always continued to develop its expertise and skillsets. While fertilizers represent over two thirds of turnover, the Group has also compiled a highly diversified business portfolio, including a range of products and services for industry as well as a specialised food production hub. Each of its subsidiaries is experts in their respective business lines, characterised by solid industrial capital and a strong capacity for innovation. Having always been committed to improving agricultural performance and environmental protection, the Group has been able to cultivate its independence and set about winning over global markets, all while respecting local identities and the various territories in which the Group operates. For over 57 years, the Groupe Roullier has been evolving within the framework of its own unique values; continued growth comes as a direct result of its capacity to work across borders.

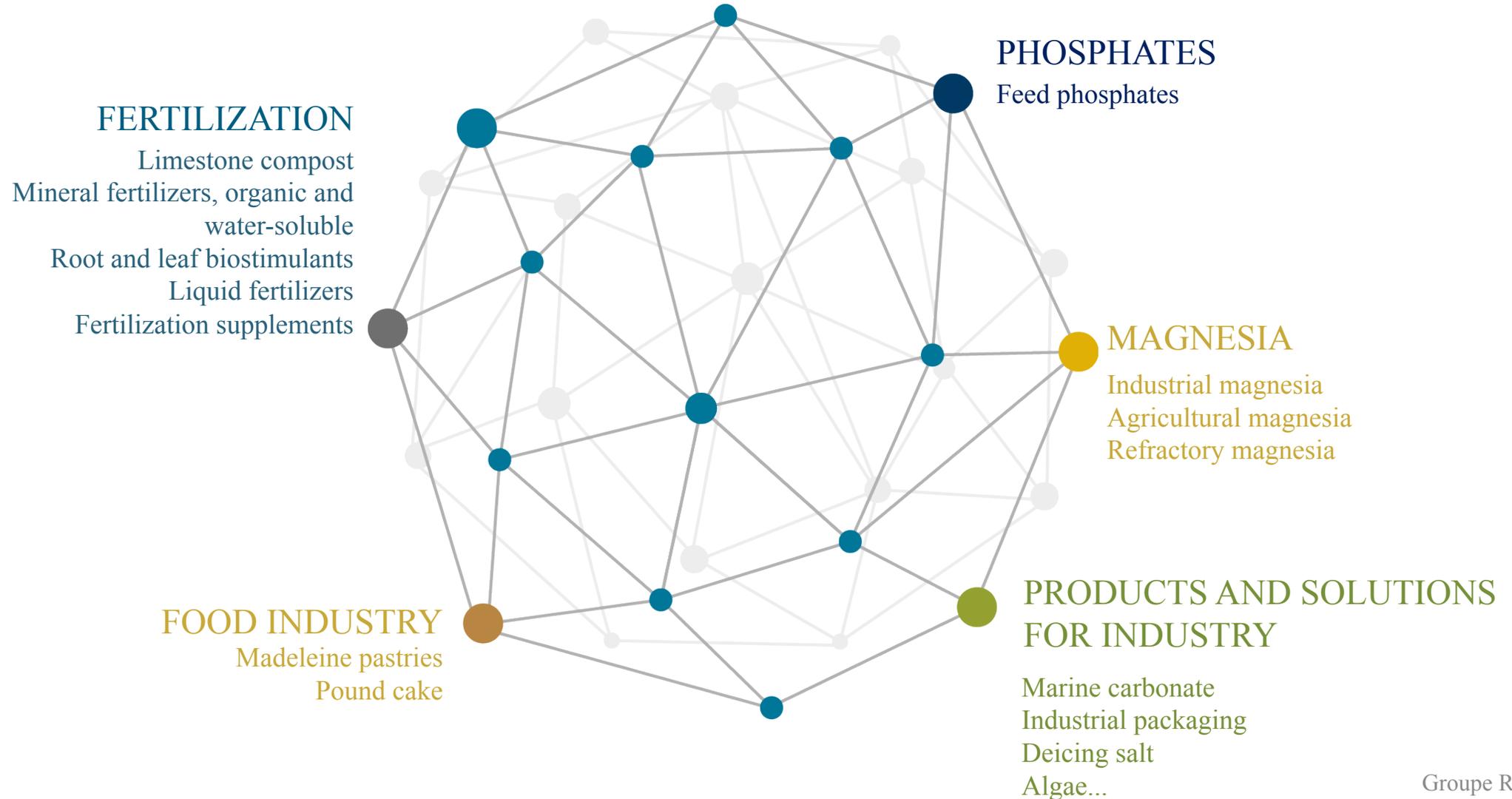
Business description (2/4)

The Group is proud of its principles which are:

- **Placing innovation at the heart of its development:** A key driving force behind its performance, innovation is an integral part of Group's DNA.
Every day, through determination, collaboration and experimentation, Group's researchers and engineers strive to meet the nutritional challenges of the future. Their key strength lies in their ability to incorporate Group customers' key concerns into the process of developing fertilizers.
- **Preserving harmony between mankind and the environment:** Group working objective has remained the same for over 57 years that is to create and experiment with ever-more innovative products and technologies while implementing the key principles of sustainable, high-performance agriculture. This is a truly global challenge that will involve and affect future generations. It is for this reason that Group policy of investment in research and development remains constant and is unique throughout the world in its scope.

Business description (3/4)

The product lines are described as below:



Business description (4/4)

In the UK, the main business unit activities are summed-up in the following table with an overview:

Business line	** Group Turnover repartition	*** <i>Part of the branch turnover in UK</i>	** Workforce
Agro-Supply	64%	1%	5 800
Phosphate	11%	1%	300
Magnesia	7%	4%	500
Industrial products and Food	4%	2%	280
Hygiene*	8%		620
Other	4%		500
Total	100%		8 000

**Branch sold in FY 2016*

***Sources : Roullier website portal*

****Sources : from reporting aggregates FY 2016*

Tax Strategy

The Group recognizes its responsibility which is to deliver value to shareholders, as well as pay taxes arising from its business activities that contribute to the societies where it operates.

The Companies' UK tax strategy applies to UK taxation and taxes of all other countries in which they operate, in respect of businesses they control. Where the UK entities have material interests in businesses but do not have control of them, the Companies will, where possible, exercise its influence as shareholder to ensure that those businesses' tax strategies are aligned to. The Group and its UK subsidiaries require that all tax obligations (direct and/or indirect tax obligations) are complied with in the UK and other relevant jurisdictions. In addition, Group's aim is to align the tax payment outcomes with the commercial reality and where profits are generated. Regarding tax affairs, the Companies aim to be transparent, sustainable and well governed. This strategy applies from the date of publication until it is superseded. References to 'UK taxation' are to the taxes and duties in the UK which include:

- ✓ All corporate income taxes
- ✓ Indirect taxes (VAT, Stamp Duty Land Tax)
- ✓ Employment taxes (PAYE / National Insurance / Construction Industry Scheme)
- ✓ Other applicable tax matters

Tax decision making process and internal governance (1/2)

As part of a multinational group Companies are aligned with and follow the wider Groupe Roullier guiding principles.

The Group is committed to provide transparent and accessible information to tax administrations in order to facilitate an understanding of its tax strategy and the underlying business models.

The Groupe Roullier is responsible for the compliance of tax issues in the countries it operates in. The Group has a central tax department including highly skilled tax professionals. The director leads this tax team with high level professional knowledge. This team seeks to provide a supporting assistance in terms of tax and structural approach for local team when solicited.

In terms of the internal approval procedure, internal tax team holds the decision-making power for regulatory tax related matters.

With the constantly changing tax environment (driven by OECD BEPS Action Plan, EU and UN regulatory work and oversee etc.), Group's tax affairs and tax risk are regularly reviewed. Group aims is to keep up-to-date with the relevant knowledge and skills to identify, assess, manage and mitigate tax risk in order to be complied with the relevant tax legislations.

Tax decision making process and internal governance (2/2)

Groupe Roullier follows the strict compliance with the legal framework set by national legislators as its obligation. It always meets internationally recognised standards by applying transfer pricing policies such as the arm's-length principle (as set by the OECD TP Guidelines 2017). This approach is consistent taking in jurisdictions that the Group operates in and ensuring appropriate remuneration where the value is created. In light of 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.

The Companies' day to day management regarding the tax affairs is provided and overseen by the finance team.

Responsibility for this tax strategy, policies and risk management rests with the local and branch CFOs, but ultimately the business board remains responsible for any action and decision related to tax matters.

Attitude to tax planning and management

The Group does not have any tax planning and does not seek any profit optimization tax planning strategy in the future. The Group has a strong focus on tax compliance as compared to tax planning.

It aims to

- ✓ act as a responsible global corporate tax citizen in compliance with applicable tax law and regulations;
- ✓ consider the group's reputation, brand and corporate and social responsibilities in terms of tax;
- ✓ meet all legal requirements, submit all relevant tax returns and make accurate tax payment on time;
- ✓ consider tax as part of every major business decision;
- ✓ work with HMRC and other relevant tax authorities in order to fully complied with the local tax rules; and
- ✓ with the assistance of external advisors (when it is required), keep up to date with any recent development in tax.

Tax risk appetite and key risks (1/2)

As part of a multinational group, UK entities are aligned with and follow the wider Group guiding principles. The Group UK entities have low tolerance for accepted tax risk and they always aim to have low tax risk and tax is not a driver of its business decisions.

The Companies have low tolerance for tax risk for errors or omissions on and/or late submission of tax returns/ tax payments for routine and established tax compliance obligations.

The key tax risks for Roullier Group and its UK subsidiaries are:

- **Compliance risk**

Non-compliance with the relevant tax rules in jurisdictions where Groupe Roullier operates is a key risk which we are actively managing.

As the business grows, for example bringing in new service lines, product lines or expanding/penetrating into new territories/regions, there could be potential tax implications along these new business opportunities. In order to avoid unnecessary additional tax related costs or reputational damage, it is necessary for the Group to understand/manage the tax implication, exposure and manage its tax obligations in line with the domestic and international taxation rules.

Tax risk appetite and key risks (2/2)

- **Changes in tax legislation and other regulations**

New regulations or changes, whether they are directly or indirectly linked to changes in tax treatment (such as Brexit, OECD BEPS driven changes and EU new law), are taken seriously by the Group.

Group seeks professional advice and guidance, thus it actively works with external professional bodies by obtaining appropriate updates, attending relevant seminars and having continuous discussion with consultants with technical expertise.

Working with HMRC and other tax authorities

The Group's ultimate objective is to have an open, proactive, transparent and cooperative relationship with HMRC and other tax authorities.

In the UK, the Companies do not have an appointed CRM with HMRC. They have regular correspondence with HMRC. The Group UK Entities are committed to prompt disclosure and transparency in all tax matters with HMRC and also recognize that there will be areas of different legal interpretations between the Company and HMRC. In such situation, UK entities always will engage with HMRC in the most proactive manner to achieve an early resolution and common solution.



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