



Nobia Holdings UK Limited Tax Strategy

This document approved by the Board of Nobia Holdings UK Limited, sets out the Group's policy and approach to conducting its tax affairs and dealing with tax risk, and is made available to all the Group's stakeholders. The document will be periodically reviewed by the Head of Corporate Compliance, and any amendments will be approved by the Nobia Holdings UK Limited Board of Directors. It is effective for the year ending 31 December 2017, and will remain in effect until any amendments are approved by the Nobia Holdings UK Limited Board of Directors.

This strategy applies to Nobia Holdings UK Limited and to all of its UK subsidiaries in accordance with paragraphs 19 of Schedule 19 to the Finance Act 2016. A list of the entities to which it applies is set out below.

Taxes covered by the strategy include Income Tax, Corporation Tax, PAYE, NIC, VAT, Insurance Premium Tax and Stamp Duty Land Tax.

The Head of Corporate Compliance partners with our businesses to ensure that:

1. The strategy is adopted and followed consistently across the Group, with clear lines of responsibility and accountability
2. There is alignment of the strategy with Nobia Holdings UK Limited Group's overall approach to corporate governance and risk management, and
3. Nobia Holdings UK Limited pays the right amount of tax required of it under the laws and regulations of the countries in which it operates.

1.0 Group Tax Policy

Nobia Holdings UK Limited is committed to conduct its tax affairs consistent with the following objectives, to:

1. Comply with all relevant laws, rules, regulations, and reporting and disclosure requirements, wherever we operate
2. Ensure the tax strategy is at all times consistent with the Group's overall strategy, its approach to risk, and the Group Core Values
3. Apply professional diligence and care in the management of all risks associated with tax matters, and ensure governance and assurance procedures are appropriate
4. Foster constructive, professional and transparent relationships with tax authorities, based on the concepts of integrity, collaboration and mutual trust
5. Nobia Holdings UK Limited will use incentives and reliefs to minimise the tax costs of conducting its business activities, but will not use them for purposes which are knowingly contradictory to the intent of the legislation.

2.0 Group Tax Code of Conduct

This Group Tax Code of Conduct (CoC) outlines the principles setting out how Nobia Holdings UK Limited people are expected to operate with respect to tax matters in support of the above Group Tax Policy. Non adherence to this CoC could constitute a disciplinary matter, potentially leading to sanctions up to and including dismissal. The Group Tax CoC is set out in detail below.

1. Compliance with laws, rules and regulations.

Nobia Holdings UK Limited is committed to observing all applicable laws, rules, regulations, and reporting and disclosure requirements, wherever there is a requirement to do so as a result of our business presence and transactions, in line with our Integrity Core Value.

Importantly, the Head of Corporate Compliance together with the Transaction Accounting Centre (Group Tax) will collaborate with the Group's businesses to provide advice and guidance necessary to ensure compliance, obtaining external advice where necessary. There are clear management responsibilities, backed up by regular monitoring and review, carried out by members of Group Tax with the necessary experience and skill set.

2. Consistency with Group strategy

Tax decisions will be made at all times in a manner which is consistent with and complements the Group's overall strategy. Key business decisions should be made cognisant of the tax consequences and with the aim of optimising the after-tax returns for the Group's shareholders. Group Tax will partner with the businesses to ensure there is that consistency.

3. Governance, Assurance and Tax Risk Management

Responsibility and accountability for the Group's tax affairs sits with the Head of Corporate Compliance, and decisions will be taken at an appropriate level.

Diligent professional care and judgement will be employed to assess tax risks in order to arrive at well-reasoned conclusions on how the risks should be managed. Where there is uncertainty as to the application or interpretation of tax law, appropriate written advice evidencing the facts, risks and conclusions may be taken from third party advisers to support the decision-making process.

In reviewing the risks of a tax action or decision, always bearing in mind the requirements of the Group Tax Policy, the following would be considered:

- the legal and fiduciary duties of directors and employees
- the requirements of our Group Core Values and policies such as the Group Code of Conduct Policy
- the maintenance of corporate reputation, having particular regard to the principles embodied in the Group's Social Responsibility Core Value regarding the way we interact with the communities around us
- the tax benefits and impact on the Group's reported result comparative to the potential financial costs involved, including the risk of penalties and interest
- the wider consequences of potential disagreement with tax authorities, and any possible impact on relationships with them.

Group Tax will employ various risk management processes and systems to provide assurance that the requirements of the Group Tax Policy are being met. This will include compliance and risk monitoring systems and internal audit reviews of tax compliance activity across the Group.

4. Relationships with tax authorities

Nobia Holdings UK Limited is committed to the principles of openness and transparency in its approach to dealing with tax authorities wherever we operate around the world. All dealings with the tax authorities and other relevant bodies will be conducted in a collaborative, courteous and timely manner. The aim would be to strive for early agreement on disputed matters, and to achieve certainty wherever possible.

5. Incentives and reliefs

Nobia Holdings UK Limited believes that it should pay the amounts of tax legally due in any territory. 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 judgement in determining the appropriate course of action, using available reliefs and incentives where possible.

6. UK context

On 9 December 2015, HMRC in the UK published a draft Framework for Cooperative Compliance in the UK, following a consultation process titled "Improving Large Business Tax Compliance". In particular, this addresses the relationship between large businesses and HMRC in the UK, and promotes best practice in a business' governance over its UK tax affairs. This Group Tax Strategy aligns with the published draft. In particular, Nobia Holdings UK Limited commits to:

- adopt open and collaborative professional relationships at all times with HMRC;
- engage in full, open and early dialogue with HMRC to discuss tax planning, strategy, risks and significant transactions;
- make fair, accurate and timely disclosure in correspondence and returns, and respond to queries and information requests in a timely fashion;
- seek to resolve issues with HMRC in real time and before returns are filed if possible, and where disagreements arise, work with HMRC to resolve issues by agreement (where possible);
- be open and transparent about decision-making, governance and tax planning;
- reasonably believe that transactions are structured to give a tax result which is not inconsistent with the economic consequences (unless specific legislation anticipates that result), nor contrary to the intentions of Parliament; and
- interpret the relevant laws in a reasonable way, and ensure transactions are structured consistently with a co-operative relationship;

List of entities covered by this Tax Strategy

- Nobia Holdings UK Limited
- Gower Furniture Ltd
- Magnet Limited
- Larkflame Limited
- Gower Group Limited
- Charco Ninety-Nine Limited
- Rixonway Kitchens Limited
- Rollfold Holdings Limited
- CIE PLC
- Commodore Kitchens Limited
- Essenza Interiors Limited
- Rollfold Group Ltd
- CIE UK (Holdings) Ltd
- Magnet (Isle of Man) Limited
 - Nobia UK Trustees Ltd
 - Flint Properties Ltd
 - Firenzi Kitchens Ltd
 - Magnet Group Ltd
 - Magnet Group Trustees Ltd
 - Eastham Ltd
 - Hyphen Fitted Furniture Ltd
 - Magnet Distribution Ltd
 - Magnet Furniture Ltd
 - Magnet Industries Ltd
 - Magnet Joinery Ltd
 - Magnet Kitchens Ltd
 - Magnet Manufacturing Ltd
 - Magnet Retail Ltd
 - Magnet & Southernns Ltd
 - Magnet Supplies Ltd
 - The Penrith Joinery Company Ltd
 - Aqua Ware Ltd
 - Addspace Products Ltd
 - Beverley Doors Ltd
 - Eurostyle Furniture Ltd
 - Gower Windows Ltd
 - Perfectshot Ltd
 - WOR Ltd
 - Working Systems Ltd
 - Gower Garden Furniture Ltd