

UK Tax Strategy

RUAG AMMOTEC UK LTD

RUAG Ammotec UK Ltd is part of the Ammotec Division of the RUAG International Group and indirectly owned by the ultimate parent BGRB Holding Ltd, registered in Switzerland. In 2020, the former RUAG Group was separated in two independent sub-holdings under the umbrella of BGRB Holding Ltd. Hence, RUAG Ammotec UK Ltd is indirectly owned by RUAG International Holding Ltd, the holding company of the RUAG International Group (“RUAG International”).

RUAG Ammotec UK Ltd distributes a wide selection of products (i.e. firearms, ammunition and related sporting equipment) to the retail trade in the UK but also directly to law enforcement and defence customers (e.g. police and Ministry of Defence). RUAG Ammotec UK Ltd’s tax affairs are managed in a way which takes into account the RUAG International group’s wider reputation, its shareholder structure and standards of governance.

This document, approved by the RUAG International Group Executive Board, sets out RUAG International’s policy and approach to conducting its UK tax affairs and dealing with tax risk. It is available to all RUAG International’s stakeholders. This document will be periodically reviewed by the RUAG International Internal and External Tax teams, and any amendments will be approved by the RUAG International Board of Directors.

The range of UK taxes that RUAG Ammotec UK Ltd pays includes Corporation Tax, VAT, PAYE and some other ad-hoc taxes. The document is intended to comply with the requirements of Schedule 19 of the Finance Act 2016.

In order to protect the interests of RUAG Ammotec UK Ltd and its shareholders, the RUAG International Group strives to comply with tax law and practice in all of the territories in which it operates, including the UK. Compliance for RUAG International means paying the right amount of tax in the right place at the right time, and involves disclosing all relevant facts and circumstances to the tax authorities and claiming government reliefs and incentives where available and operating in line with the commitments of this strategy.

This strategy statement is split into four sections: Governance; Planning; Risk and the approach to HMRC.

Governance:

RUAG International’s executive management are guided by external and internal tax specialists, as is appropriate and applicable, for each of the regions in which it operates. Internal policies and procedures are regularly reviewed and amended to ensure adherence to relevant tax laws, rules and regulations. The tax strategy is aligned to RUAG International values and code of conduct.

Planning:

In structuring the RUAG International Group commercial activities, various factors are considered including but not limited to the tax laws of the countries within which RUAG International operates.

RUAG Ammotec UK Ltd’s attitude to tax planning

UK Tax Planning objectives: RUAG Ammotec UK Ltd aims for certainty regarding the tax positions adopted by the Group. Incentives and reliefs afforded by tax law will be claimed to appropriately

mitigate tax costs of conducting its business activities. RUAG Ammotec UK Ltd will not knowingly enter into arrangements that are contrived or artificial.

Tax planning is based on commercial business activity, and RUAG Ammotec UK Ltd does not implement or utilise tax avoidance strategies that exploit gaps and mismatches in tax rules to artificially shift profits to low or no-tax locations.

Most of the RUAG Ammotec employees work at production facilities in Switzerland, Germany, Hungary, Sweden and the United States. There are also numerous sales companies throughout Europe, thereof RUAG Ammotec UK Ltd designated for the market in the UK. The RUAG Ammotec group structure is considered standard, with a number of production facilities and distribution entities, the latter to aid selling to the local market. Where there is uncertainty as to the application or interpretation of tax law, appropriate advice is taken from third party advisers.

Risk:

How RUAG Ammotec UK Ltd manages tax risks

RUAG Ammotec UK Ltd's tax strategy is aligned to RUAG International's overall risk strategy. Given the scale of business and volume of tax obligations, risks will inevitably arise from time to time in relation to the interpretation of tax law and nature of various compliance arrangements. RUAG International believes that by approaching the control of risk in a strategic and organised manner, risk factors can be reduced to a level that is acceptable given its likelihood and impact. RUAG Ammotec UK Ltd proactively seeks to identify, evaluate, manage and monitor these risks to ensure they remain in line with the Group's tax risk strategy. Where there is significant uncertainty or complexity in relation to a risk, external advice may be sought.

Senior executive management and the senior leadership team are responsible for assessing risk and any mitigation taken.

Centralisation of control systems aid both governance and performance reporting.

The business's internal governance has evolved such that, where there is significant uncertainty or complexity in relation to a risk, external advice may be sought.

Approach to HMRC:

Due to the relative small size of the business and lack of complexity in its tax affairs, RUAG Ammotec UK Ltd does not have a Customer Relationship Manager (CRM) at HMRC. Correspondence with HMRC is through external UK tax adviser. The RUAG International Group strives to engage with HMRC with honesty, integrity, respect and fairness and in a spirit of co-operative compliance.