

LABEYRIE FINE FOODS SAS AND ITS ASSOCIATED UK AFFILIATES | UK TAX POLICY AS AT 30 JUNE 2018

This document sets out the tax strategy of Labeyrie Fine Foods' Group and its associated UK entities in fulfilling the responsibilities of Schedule 19 Finance Act 2016 for the financial year ended 30 June 2018.

This is the Group's first published tax strategy. This strategy will be reviewed and updated annually.

1. INTRODUCTION

Labeyrie Fine Foods' Group, headquartered in France, is one of the major European producers of delicatessen, seafood products, blinis and spreadables. The Group sells its products in more than 40 countries and owns 20 production sites in France, the United Kingdom, Belgium and The Netherlands. Its activity consists in the purchase, processing and sale of food products (such as salmon, smoked fish, foie gras, etc.)

In the UK, through two entities - Farne Salmon & Trout Limited and Lyons Seafoods Limited – the Group manufactures and provides major retailers with food products in the UK and abroad.

The Group is committed to the delivery of the tax strategy and the Group's Deputy Chief Financial Officer, in conjunction with the Group Tax Manager newly appointed, will monitor this. This tax strategy applies to all both direct and indirect taxes, and the key principles of the strategy are:

- The Group is committed to paying the correct amount of tax due in the operated jurisdictions whilst maximising available reliefs in the way legislation intended.
- The Group has a low appetite for tax risk, and seeks certainty through open and collaborative dialogue with the relevant tax authorities.
- The Group is proactive in its management of tax risk and, in the course of this, its interactions with tax authorities.

2. TAX GOVERNANCE & TAX RISK MANAGEMENT

Tax is the ultimate responsibility of the Group's Deputy Chief Financial Officer.

To support him, a group tax function has been internally set-up as from February 2018, and is under the responsibility of the Group Tax Manager. The group tax function acts as business partners and provides analysis of relevant tax issues in key transactions or strategies. This includes situations where there is ambiguity or uncertainty regarding the interpretation of a law, as well as with significant or non-routine transactions. If this is insufficient to achieve certainty or to address the complexity, the Group may seek external tax advice where appropriate or engage directly with HMRC or any relevant tax authorities to better understand the application of the law and ensure compliance.

The day-to-day management of for the conduct of the tax affairs is delegated to the financial officer of each company within the Group. This enables to ensure we meet our tax compliance obligations in every jurisdiction in which we operate.

3. TAX PLANNING AND RISK APPETITE

Labeyrie Fine Foods' Group appetite for tax risk is low, as we only structure our affairs based on sound commercial principles.

Tax planning is designed to reflect the Group's commercial and economic business, and to effectively comply with legal and tax obligations existing in the jurisdictions it does business such as the UK.

The group seeks to operate its business in the most efficient manner by making use of exemptions and incentives put in place by the relevant tax authorities applying them in the manner intended.

The Group adheres to relevant tax law and seeks to minimize the risk of uncertainty or disputes. Transactions between group's affiliates are conducted on an arm's-length basis and in accordance with current OECD principles, ensuring appropriate remuneration where the value is created.

Finally, the group and its UK affiliates do not enter into artificial or abusive arrangements in order to reduce its liability to UK taxes.

4. RELATIONSHIP WITH HMRC

Labeyrie Fine Foods' Group seeks to have a constructive, transparent and cooperative relationship with HMRC.

UK affiliates ensure there is adequate access to relevant and necessary information. As the case of a difference of opinion may happen, we work proactively with HMRC to explain our position in a timely manner. Any inadvertent mistakes in submission of tax returns are spontaneously disclosed as soon as reasonably practicable after they have been identified.

As at 30 June 2018, Labeyrie Fine Foods' Group has no pending tax litigation in the UK.