

## ***Kent Corporation & Subsidiaries UK Tax Strategy***

Kent Corporation (“Kent”) has two UK subsidiaries, FibreCycle UK Limited (“Fib UK”) and Grain Processing Corporation UK Limited (“GPC UK”). As UK subsidiaries of the US based Kent Corporation, Fib UK and GPC UK fall within the definition of a Qualifying Company for the purposes of paragraph 5(3) of Schedule 19, Finance Act 2016. This paper sets out the UK tax strategy of Fib UK and GPC UK, and by making this strategy available, the companies are fulfilling their obligations under paragraph 22 of Schedule 19 of Finance Act 2016.

### **Overview of our group’s approach to tax strategy:**

Our business has a strong focus on corporate responsibility and we see responsible administration and payment of taxation as an obligation of our business.

Kent’s Code of Business Conduct sets out the expectations of everyone at Kent and its subsidiaries in terms of compliance and ethical behavior generally. Our approach to tax aligns with that.

### **Our overall tax strategy is to:**

- Meet all applicable legal requirements and make all appropriate tax returns and tax payments;
- Seek to utilize available tax credits and incentives where available in a manner which is consistent with the applicable government’s policy objectives;
- Consider the tax impact in major or complex business decisions, for example in acquisitions;
- Operate in an environment where we consider tax in the context of our reputation and brand; and
- Comply with appropriate tax risk mitigation processes, and ensure there is relevant Board oversight into this compliance.

### **FibreCycle UK Limited & Grain Processing Corporation UK Limited:**

The sections that follow set out Kent’s approach to risk management and governance, tax planning, tax risk and our approach when dealing with tax authorities, as it pertains to Fib UK and GPC UK generally and to UK taxation of these entities specifically.

### **Risk management and governance arrangements:**

Kent’s Tax Director owns and implements the approach to tax for Kent, Fib UK and GPC UK. The Tax Director is responsible for ensuring that policies and procedures that support this approach are implemented, maintained and used consistently around the world.

We want our tax affairs to be compliant with tax legislation, and recognize that managing tax compliance is increasingly complex. Our internal structure is set up to ensure:

- The Board of Directors for Fib UK and GPC UK (together, the “Boards”) understand the importance of tax compliance, and how it is achieved;
- Those individuals tasked with the operation of our finance function own the way our business manages its tax risk in consultation with our US Tax department; and

- The business portrays a positive view towards tax compliance and the importance of meeting our obligations.

We continuously review how we meet our tax obligations by seeking external tax advice, investing in tax training for our staff and monitoring how we manage our relationship with tax authorities.

### **Tax planning:**

We undertake tax planning as part of our overall business strategy. Professional advice is sought on a transactional basis, with the depth of such advice being driven by our assessment of the risk presented by each opportunity.

We adhere to relevant tax law and do not engage in artificial tax arrangements, the sole purpose for which would be to obtain a tax advantage. We have a responsibility to minimize our tax risk and our exposure to negative publicity through non-compliance.

We conduct transactions between the Kent group of companies on an arms-length basis and in accordance with current OECD principles.

### **Attitude towards risk:**

The Boards see compliance with tax legislation as key to managing tax risk. We understand the importance of tax in the wider context of business decisions and have processes in place to ensure tax is considered as part of our decision-making process.

We have relationships with professional advisers that allow us to seek expert advice on specialized areas of tax. Our approach is to ensure we are compliant and understand our responsibilities about tax, rather than looking for ways to aggressively avoid payment of tax.

The Boards are conscious of the negative publicity generated by an unprincipled attitude towards tax and see strong internal processes and a good relationship with our professional advisors as the best way to manage this reputational risk.

### **Relationship with HM Revenue & Customs (HMRC):**

Our communication with HMRC focuses around timely tax compliance, for example meeting relevant filing and payment deadlines for taxes the company pays.

We employ the services of professional tax advisers to act as our agents and in a number of cases, they liaise with HMRC on our behalf, to help us build a collaborative relationship with HMRC and reduce our tax risk.