

NETJETS EUROPE

UK TAX STRATEGY

NetJets is the worldwide leader in Private Aviation, having over 93 aircraft in Europe and over 700 worldwide. NetJets is the global leader in “fractional ownership”, offering also a pre-paid card product, that allows the client pre-agreed annual flight hours, as well as a Leasing product.

Executive Jet Management Europe Group provides aircraft management services to third parties.

In overview, we aim to comply with all relevant tax obligations and manage our tax affairs consistently with the core principles of our business which are Safety, Owner value, Operational excellence, Employee value, Shareholder value and Integrity.

This is the UK tax strategy for each UK sub group, UK qualifying company, UK permanent establishment and UK partnership within the NetJets group of companies.

The company regards the publication of this strategy as satisfying our statutory obligation under Para 16 (2), Schedule 19, Finance Act 2016 for the financial year ending 31 December 2019.

GOVERNANCE

At NetJets we aim to comply with all relevant tax laws, rules, regulations and reporting and disclosure requirements, wherever we operate.

Overall responsibility for tax risk management and governance is with the Group Chief Financial Officer (CFO) and the Board. Senior Management is updated regularly on their responsibilities in relation to tax, changes in tax law and any significant risks.

Operational responsibility for tax compliance, risk management and general tax matters (corporation tax, Value Added Tax, Employment tax matters and PAYE) falls to the European Tax Director and the tax team. NetJets Europe has establishments in 8 jurisdictions and has tax obligations in others. Where required the business engages external advisors to support and maintain compliance advise on large/unusual transactions and assist in forming an opinion on uncertain positions.

Broader tax responsibilities relating to specific tax processes and data requirements may sit within other departments such as Finance, Human Resources, Compliance and Operations. Where this is the case these responsibilities are documented within a governance framework and subject to internal audit or external review on a periodic basis.

APPROACH TO TAX RISK MANAGEMENT

We look to maintain compliance with tax laws and legislation via a strong system of internal governance that requires documented internal processes and controls, using appropriately qualified and experienced staff. Tax is managed by the business in a manner that is consistent with other areas of operational risk by introducing and maintaining appropriate monitoring and management procedures across the organisation. The business does not have a fixed monetary level of acceptable risk but seeks to minimise the risk of operational failure by undertaking the following activities:

- **Monitoring** – The tax function is responsible for identifying relevant changes in the tax regime and ensuring systems and processes are updated appropriately. This process operates on an ongoing basis but is also supported by an annual review at a European level to check that all relevant changes have been identified. The CFO and the tax function are involved in significant business changes in order to confirm that tax matters have been appropriately considered.
- **Management** – NetJets has established tax processes and controls in place to manage specifically identified tax risk. Operation and development of these controls is subject to continuous improvement/enhancement.
- **Communication** – The tax function is responsible for communicating tax risk within the organisation.

ATTITUDE TO TAX PLANNING

Our approach to tax planning focuses on the effective management of the group's tax position in line with the broader commercial objectives.

We seek to utilise certain reliefs and incentives in the jurisdictions that we operate however we only adopt a tax position where it is in line with the groups commercial activities and when we believe it is more likely than not to be settled in our favour following full disclosure of relevant facts to the tax authorities.

We do not use artificial tax structures that are unrelated to the group's business structure or operations.

RELATIONSHIP WITH TAX AUTHORITIES

We aim to manage our tax affairs responsibly and transparently in a way that reduces operational tax risk by being open and timely with tax authorities. This includes proactively raising significant compliance issues, discussing uncertainties as they arise and promptly dealing with questions.

If our interpretation of the correct tax treatment differs from that of the tax authorities we will typically ask for independent advice and work with the tax authorities to achieve resolution in an open and constructive manner.