

# Tax Strategy for the NATS Group

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The tax strategy of NATS Holdings Limited and its subsidiaries is set out below.

NATS' Chief Financial Officer and Senior Accounting Officer Alistair Borthwick has ultimate responsibility for tax within the NATS group and for ensuring compliance with the Tax Strategy. This strategy (which applies to the UK and all overseas operations) is approved and overseen by the Board and managed through a governance structure reporting to the Tax Committee, which in turn reports to the Audit Committee and to the Board. Tax compliance is taken seriously and considered at all levels of the business in line with the group's commitment to be regarded as a responsible taxpayer. Tax includes all taxes within the business including corporation tax, VAT, payroll taxes and business rates as well as other taxes and levies.

## Approach to risk management and governance

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Tax matters are proactively managed by having robust business and tax controls and processes which are documented and monitored on an ongoing basis by NATS' internal audit and tax teams, led by the group's Senior Accounting Officer.

The tax function strives for full compliance in all jurisdictions in which it operates, ensuring that all required tax returns are completed, and tax payments are made, on an accurate and timely basis. NATS intends for profits to be declared in the place where their economic substance arises. Where overseas tax returns are required, we utilise the expertise of professional advisors to achieve this. Where the NATS Group holds investments in associates and joint ventures, as far as we are able to, we ensure that the same objective is targeted.

Where the NATS Group pursues business opportunities in new territories we engage third party professional advisors as required to ensure we are aware of our relevant tax and legal obligations and that we operate in a tax efficient manner in line with this strategy.

Twice a year, the Tax Committee meets to review the group's tax position, address any areas where operations may be tax inefficient and to discuss and mitigate any identified tax risks. The Tax Committee maintains a tax risk register and risks are escalated to the Audit Committee and Board when required. The Tax Committee is

chaired by the group's Chief Financial Officer and includes a partner from an external tax practice as well as other members of the senior finance and management team.

Each year, a tax risk report is produced that outlines the key tax risks, controls, and mitigations that the Group has in place. This is reviewed by the Chief Financial Officer and is reviewed internally every three years. This document is shared with HMRC. The Group places strong emphasis on systems, their controls, and a strong internal governance framework in maintaining its low-risk status that is supported by HMRC.

## Attitude towards tax planning and level of risk in relation to taxation that NATS is prepared to accept

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The Group adopts a low-risk attitude towards tax planning. It seeks to operate in a tax efficient manner, utilising tax reliefs and concessions where these are available and appropriate, based on its judgement of a reasonable interpretation of the tax law.

When evaluating tax opportunities or efficiencies, we consider the group's corporate, ethical, and social responsibilities and will consult HMRC or equivalent regulators, where appropriate. The group will not consider tax planning that deviates from the group's commercial objectives or that involves artificial steps with no commercial purpose. Annually, the Tax Committee reviews this approach, by considering the appetite of the group to tax planning risk and compliance risk.

## Approach in its dealings with HMRC

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The NATS Group has a low-risk rating with HMRC. We seek to maintain this status and so manage the group's tax affairs accordingly.

The NATS Group meets annually with HMRC to ensure that HMRC is aware of major developments within the business. The Group has an open and transparent

relationship with its HMRC Customer Compliance Manager and maintains an on-going dialogue with HMRC to ensure that they are involved at an early stage should any tax issues arise.

This strategy outlines the purpose of the tax function and is reviewed annually by the Tax Committee. Ownership of the strategy ultimately sits with the Board. Responsibility for its delivery sits with the tax department and spans all areas of the business.

The NATS group considers that publication of this tax strategy meets its duty under paragraph 16(2) Schedule 19 of the Finance Act 2016.

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