

Group Tax Strategy 2017

This Tax Strategy applies to Forterra plc and its subsidiaries (“Forterra Group”) in accordance with paragraph 16 of Schedule 19 to the Finance Act 2016. All references to “tax” and “tax compliance” include all taxes and duties as set out in paragraph 15(1) of the schedule. This Strategy applies from the date of publication until it is superseded.

Our approach to tax compliance, management and risk, as set out below, is approved by our Audit Committee and has the full approval of the Board.

Our Tax Strategy is to effectively manage the tax cost and cash tax effect to the Group of doing business and to provide value to our shareholders whilst ensuring that our tax affairs are transparent and aim to comply with all appropriate laws and regulations in relation to tax.

The Forterra Group is based in the UK and the majority of our business is conducted there. We are committed to ensuring full and timely tax compliance and aim to have an open, straightforward and proactive relationship with the tax authorities at all times.

Our tax planning aims to support the commercial requirements of the business and is therefore driven by the commercial strategy of the Group. We will consider a range of tax outcomes based on the underlying commercial intention of any business activity or transaction. Where appropriate we will claim any applicable reliefs and incentives that exist but will ensure that they are underpinned by commercial and economic substance.

Tax is part of the finance function of our Group and it is the ultimate responsibility of the Chief Financial Officer (CFO) supported by the Head of Tax to ensure that the policies surrounding tax are adhered to. The CFO is also the Senior Accounting Officer (SAO) of the Group. Through our SAO controls, internal tax and audit teams and business wide risk management policy we aim to secure and maintain a low risk rating as determined by HMRC under their Business Risk Review framework. We manage tax risk in such a way as to ensure that key risk areas are identified and monitored with any material risks minimised in line with the Group’s overall risk management strategy.

List of entities covered by this Tax Strategy at publication:

- Forterra plc
- Forterra Holdings Limited
- Forterra Building Products Limited
- Red Bank Limited*
- London Brick Company Limited*
- Cradley Special Brick Company Limited*
- Butterley Brick Limited*
- Formpave Limited*
- Bison Precast Limited*

* Dormant company

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