

# Group Policy



## UK Tax Strategy Policy

### 1.0 Intent

- 1.1 The following information is disclosed in compliance with the requirements of the UK Finance Act 2016 Schedule 19.
- 1.2 The information relates to the 30 June 2018 and 30 June 2019 financial years.

### 2.0 Scope

- 2.1 This is an Air New Zealand Group Policy which applies to everyone working at or for Air New Zealand including all directors, executives, employees, contractors and other representatives of the Air New Zealand Group, collectively referred to as “employees”.

### 3.0 About Air New Zealand

- 3.1 Air New Zealand is a publicly listed global aviation organisation. Her Majesty the Queen in right of New Zealand acting by and through her Minister of Finance is the majority shareholder (52%).
- 3.2 Air New Zealand is the national carrier of New Zealand and is a member of the Star Alliance. Air New Zealand operates one daily flight to and from Heathrow International Airport.
- 3.3 Air New Zealand operates in a complex environment which cannot be devoid of risk. We are committed to systematically managing our risks and meeting our regulatory and governance obligations, while operating sustainably as a commercial airline.

### 4.0 Tax Policy Requirements

- 4.1 Air New Zealand’s approach to risk management and governance arrangements in relation to taxation is applied in accordance with the following principles:
  - a) **Risk management:** Risk management is integral to how we do business at Air New Zealand and is a key input for strategic and business planning, decision making and day to day operational activities.
  - b) **Overriding tax principle:** Air New Zealand is committed to full compliance with tax laws and to paying all tax required in all applicable jurisdictions.
  - c) **Tax evasion:** Tax evasion, including willful non-compliance with tax laws is not tolerated. Air New Zealand does not support any employees subject to civil or criminal actions by tax authorities where

a court of law or other judicial authority decides beyond reasonable doubt that the relevant individuals knowingly committed or were involved in tax evasion.

- d) **Non-disclosure to tax authorities:** Air New Zealand does not accept tax planning or other actions which rely on non-disclosure of material facts to tax authorities for their effectiveness.
- e) **Dealing with tax authorities:** Dealings with tax authorities will always be carried out in a professional, competent and respectful manner. Air New Zealand will maintain a working relationship with the applicable tax authorities and uphold Air New Zealand's intention to act in accordance with tax laws.

## 5.0 Governance

- 5.1 Air New Zealand's commitment to appropriate business and ethical conduct is supported by our strong corporate governance infrastructure. The company uses a system of internal management controls that identify risks, issues and incidents, and takes appropriate corrective action where necessary. Our risk management process provides the framework for these internal controls, ensuring significant risks are escalated to appropriate levels of senior management. Our Corporate Advisory Services team is accountable for administering the Code of Conduct, managing the policy lifecycle and ensuring compliance with all policies, regulatory and legal obligations.
- 5.2 The Air New Zealand Board is responsible for providing governance over the risk management process to protect shareholder value. The Board has delegated this responsibility to the Audit Committee.
- 5.3 Day to day responsibility for UK tax risk management sits with the UK Branch Finance Manager, with support from the Air New Zealand Group's Head of Taxation as required. Ultimate managerial responsibility for UK tax risk management sits with the Chief Financial Officer.
- 5.4 Air New Zealand has robust internal control procedures and processes which need to be complied with by the finance teams in each regional office including the finance team in the UK. These procedures are subject to regular reviews, internal audits and an annual audit by external auditors.

## 6.0 Tax planning and the level of tax risk Air New Zealand will accept

- 6.1 Air New Zealand's Code of Conduct requires that all employees comply with all applicable domestic and international laws and regulations.
- 6.2 Air New Zealand always aims to act in a way that abides by both the letter and spirit of the tax laws of the jurisdictions in which we operate to minimise the risk of financial penalties, civil or criminal action and damage to brand.
- 6.3 Air New Zealand has a low tolerance for tax risk and is not engaged in any aggressive UK tax planning activity.
- 6.4 Air New Zealand actively seeks to comply with its UK tax filing, tax reporting and tax payment obligations. Air New Zealand relies on external providers for payroll and superannuation to ensure compliance with UK payroll related taxes.
- 6.5 Air New Zealand minimises tax risk by applying the governance processes and tax policy principles described above and by engaging local UK tax advisors as required.

## 7.0 How Air New Zealand will work with the Her Majesty's Revenue and Customs (HMRC)

- 7.1 Air New Zealand aims to have an open, collaborative, proactive, cooperative and transparent approach to dealing with the HMRC.
- 7.2 Air New Zealand is committed to co-operating with the HMRC in a professional and respectful manner on current, future and past UK tax issues.

## 8.0 Related Documents

- Code of Conduct: <https://www.airnewzealand.co.nz/corporate-governance-policies>
- Risk Management Policy: <https://www.airnewzealand.co.nz/corporate-governance-policies>

## 9.0 Governance and Maintenance

### 9.1 Policy Location:

This Policy is published under the [Policy Library](#) on Korunet.

### 9.2 Review Timetable:

This is a Board approved Policy that will be formally reviewed on an annual basis by the Policy Management Committee.

### 9.3 Contact:

For queries in relation to this Policy, please contact the Chief Financial Officer or [Policy@airnz.co.nz](mailto:Policy@airnz.co.nz).

## 10.0 Version History

Issue	Owner	Approved By	Date
1.0	Chief Financial Officer	Air New Zealand Board of Directors	November 2018