

Continental Alloys & Services – UK Tax Strategy

About us

Continental Alloys & Services UK is a custom manufacturer of various steel alloy products and a value added distributor of mechanical tube products, all used primarily in oil and gas drilling and well completion applications. Continental Alloys & Services UK is part of the Continental Alloys & Services Group of companies with locations worldwide. The Continental Group of Companies is ultimately owned by Reliance Steel & Aluminum Co.

Risk management and Governance arrangements in relation to UK taxation

Continental is committed to complying with all relevant legal and regulatory taxation requirements and tax governance procedures. All employees are aware of their roles and responsibilities within the business and whenever tax implications of a transaction are not clear, members of the team will escalate queries to those who are suitably qualified within the finance function. Where the tax treatment of a transaction remains unclear following this escalation process, Continental seeks external advice from specialist tax consultants to ensure compliance.

Continental's Corporate Controller is responsible for implementing our approach to tax and tax risk management. In particular, the Corporate Controller is responsible for ensuring that policies and procedures that support our approach are in place, maintained and used consistently across all of our locations.

Continental has developed an overarching tax control framework in response to its Senior Accounting Officer certification obligation. As a result, Continental has a real time process in place for identifying and addressing any UK tax risks and consequently building a plan as to how to address risks that have been identified.

The level of risk in relation to UK taxation that we are prepared to accept

Continental's directors consider the company's attitudes towards UK tax to be risk averse. The company is subject to governance from the tax department of its parent company, Reliance Steel & Aluminium Co. (NYSE: RS), a US listed entity.

Continental has historically sought external advice from tax risk specialists in order to ensure that we are adopting a best-practice approach to our tax risk obligations.

Our attitude towards tax planning (so far as affecting UK taxation)

Transactions will not be led by a tax planning purpose. All tax decisions are made in response to commercial activity and tax is one of many factors taken into consideration when making such decisions.

Continental undertakes no specific planning in any area of taxation and takes professional advice to ensure compliance with all tax regulations. Continental is committed to making an economic contribution to society by paying all taxes in a timely manner.

Our approach towards our dealings with taxing authorities

Continental has always maintained an open and honest relationship with HMRC and will continue to do so. Continental has, and will continue to aim to, proactively engage with HMRC to confirm the treatment of uncertain tax positions, particularly where the application of legislation is industry specific, as is the case with Customs Duty.

We seek to provide HMRC with information on a voluntary basis in addition to that provided under tax filing requirements where it is understood that this will enable a more efficient administration of tax law.

This document is provided on behalf of Continental Alloys & Services Limited for the year ended 31 December 2017 pursuant to Paragraph 19(2) Schedule 19, Finance Act 2016 and is intended to comply with all other obligations within Schedule 19 Finance Act 2016.