

UK Tax Strategy and Approach

This document which outlines FlightSafety's UK tax strategy satisfies Schedule 19 of the UK Finance Act 2016 in respect of FlightSafety's financial year ending 31 December 2017.

The FlightSafety Corporation, a wholly owned subsidiary of Berkshire Hathaway Inc., has UK subsidiaries within its group. This tax strategy is applicable to these subsidiaries. FlightSafety's Chief Tax Officer is responsible for the implementation of the policy.

Governance

As stated in its Code of Ethics, FlightSafety is committed to doing the right things the right way with honesty and integrity as its guiding principles. By acting with honesty and integrity, FlightSafety builds the strong and enduring relationships that are critical to its long-term success.

We maintain compliance with tax laws and legislation via a strong system of internal governance using appropriately qualified and experienced staff. Where applicable, tax advice will be obtained from external advisors in respect of material transactions or when the tax department does not have the necessary expertise or skills required in that area. We strive to ensure that all decisions are made at an appropriate level, with diligent professional care and judgment.

Tax Planning and Risk

FlightSafety's intention is to comply with all tax rules and regulations on a worldwide basis, and adhere to Double Tax Treaties. Where eligible, FlightSafety claims the benefit from appropriate credits and incentives that are intended to lower the cost of doing business or otherwise encourage investment.

FlightSafety's tax arrangements are based on its commercial business and economic activities. FlightSafety reviews its operations in the U.K. and around the world and adjusts its tax arrangements when necessary to be compliant with tax rules and regulations, including transfer pricing guidelines. FlightSafety's intercompany transfer pricing policies follow OECD guidelines as well, as the guidelines of the jurisdictions in which FlightSafety operates. FlightSafety applies the arm's length standard to intercompany transactions.

When appropriate, FlightSafety seeks guidance on inherently uncertain tax positions by obtaining external advice or by seeking advance clearance with the relevant tax authority.

Relationship with Her Majesty's Revenue and Customs (HMRC)

FlightSafety's intent is to ensure that all tax returns and the agreed tax payments are made within statutory deadlines and provide all relevant tax-related information that may be requested by HMRC on a timely basis.

FlightSafety engages with Her Majesty's Revenue & Customs ("HMRC") in an open and honest manner and manages its tax affairs responsibly and transparently.