



A Yokogawa Company

KBC Tax Strategy

This tax strategy is published in accordance with the relevant provisions of Schedule 19 of Finance Act 2016, and is relevant for the year ending 31 March 2018.

KBC regards this publication as complying with the duties set out under paragraph 19 (2) of that Schedule.

All references to tax are in relation to UK taxation.

KBC's strategy is to be compliant with the applicable laws and regulations in the countries in which it operates, to mitigate inherent tax risks and to enhance and protect its reputation.

This tax strategy was approved by the Board of KBC Advanced Technologies Limited on 22 March 2018.

Approach of the UK Group to risk management and governance arrangements in relation to tax

Responsibility for taxes, including this tax strategy, is delegated to the Chief Financial Officer and Group Tax Manager.

Within the operating companies of the business the wider finance team assume day to day responsibility for compliance with local tax laws and regulations.

This is supported by Group Finance and Tax personnel that oversee all compliance obligations and actively monitor and manage risks together with the wider business and commercial teams.

The team are sufficiently trained/qualified and have the necessary skills and experience to apply the approach set out in the tax strategy.

The tax strategy is aligned with the Group's Risk Assessment framework. Key risks and issues are escalated to the Executive Leadership Team on a regular basis.

Attitude of the UK Group towards tax planning

It is recognised as a matter of principle that KBC has a responsibility to pay an appropriate amount of taxes in each of the jurisdictions in which it operates.

This is balanced with the overarching objective to derive sustainable economic value from the business activities of the group.

Where applicable KBC will seek to utilise tax incentives and reliefs which are statutorily available, e.g. R&D credits.

KBC does not participate in any marketed tax avoidance schemes or any arrangements which have no commercial basis.

External advice is obtained where KBC's position is unclear or complex. This includes a review of the UK corporation tax returns prior to submission to HM Revenue & Customs.

Level of risk in relation to UK taxation that the UK Group is prepared to accept

KBC has a conservative attitude to tax planning. The tax risks (both operational and transactional) are considered as part of the Group's broader risk management framework.

KBC will not adopt a tax position which is analogous with an aggressive interpretation of the tax laws.

The approach of the UK Group toward dealings with HM Revenue & Customs

KBC aims to fully comply with all tax filing, reporting and payment obligations. It is KBC's intention to maintain good effective working relationships with HM Revenue & Customs through a collaborative approach which is open, honest and transparent.

The appetite for risk is low and KBC seeks to fully engage in respect of any enquiries/investigations through timely and complete information flows and communication.



KBC Advanced Technologies Limited, Headquarters and Registered Office
42-50 Hersham Road, Walton on Thames, Surrey KT12 1RZ, UK

T: +44 (0)1932 242 424 / F: +44 (0)1932 224 214 / E: info@kbc.global / www.kbc.global
Registered in England number: 01807381