

Tax Strategy (concerning UK taxation)

Version: 1.0
Effective date: March 2018
Approved by: CFO, CFM Great Britain
Issued by: Group Tax, DKSH Great Britain Ltd
Distribution: Applies to UK only

Supersedes and replaces all prior versions as from the effective date.

UK Tax Strategy

In this document, “DKSH Group” shall refer to the companies included in the scope of consolidation used for the relevant consolidated financial statements of the DKSH Group, as published from time to time under www.dksh.com.

DKSH Group is a leading Market Expansion Services provider that operates in 37 countries. Throughout our more than 150 years of history, being a responsible corporate citizen has been the foundation of our success. At DKSH, we do business in a way that is profitable while maintaining good corporate governance and risk management. DKSH is committed to observing all applicable laws and regulations, including the tax laws of the jurisdictions where we operate.

This tax strategy covers the UK subsidiary of the DKSH Group, which presently include DKSH Great Britain Limited only, for all UK taxes and duties. It sets out our approach towards conducting our UK tax affairs, and satisfies our obligations under the UK Finance Act.

Approach of the Group to tax risk management and governance

Governance

Responsibility for the tax strategy, the supporting governance framework and management of tax risk ultimately lies with the Chief Financial Officer. Day-to-Day responsibility and execution for these areas sits with the Group Tax Director, who relies on the information and recommendations made by the Country Finance Manager of DKSH Great Britain Limited.

The Group’s Tax Strategy is aligned with the Group’s wider risk and control framework. Key tax risks and issues at Group level are escalated to and considered by the Audit Committee of the Board of Directors of DKSH Holding Ltd.

Tax risk management

DKSH Group’s approach to tax risk follows the same principles that apply to all other business risks across the Group.

The Group will continue to look at resourcing and will assess headcount within the Group Tax function as the scale and complexity of the UK business evolves.

Our UK tax strategy seeks to ensure that we pay the amount of taxes legally due. DKSH Group endeavors to comply with all tax filing, tax reporting and tax payment obligations in the jurisdictions where it operates.

Where there is substantial tax uncertainty (or complexity), DKSH Group:

- engages professional tax firms for advice and assistance; and/or
- seeks advanced tax ruling or private ruling from the tax authorities;

Attitude towards tax planning

DKSH Group is committed to be a responsible taxpayer, in every jurisdiction in which it operates. Simultaneously, DKSH also has a responsibility to its shareholders to structure its commercial affairs in

an efficient manner. Nevertheless, the economic benefits associated with tax planning must never override compliance with all applicable laws.

Level of acceptable tax risk

The subjective nature of global tax legislation means that, in practice, it is often not possible to mitigate all known tax risks arising from our business operations. Nevertheless, we continuously attempt to keep the tax risks low, even as we align with broader commercial objectives.

To this end, the DKSH Group's tax risk appetite requires that where tax law is unclear or subject to interpretation, its adopted tax position is at least more likely than not to be allowable under applicable tax laws; and

Approach towards its dealings with HMRC

We have had limited engagement with HMRC in the past and they have been largely confined to our tax reporting and compliance requirements in the UK. However, as the business environment evolves, potentially leading to new tax issues and complexities, we are committed to engaging with the HMRC in an open and transparent manner should the opportunities arise. We will adopt a proactive and co-operative approach to resolve any tax issues in a timely manner.

As both the business and tax environments are evolving, we will regularly review and update our UK tax strategy to ensure that it keeps up with the changes and enable us to effectively mitigate our risks.