

## **UK TAX STRATEGY**

*Published March 31, 2018*

Our Tax Strategy is to maintain the highest standards of tax compliance by managing our tax affairs in full compliance with UK law while seeking to maximise shareholder value. This strategy applies to Apotex UK Ltd and Apotex Europe Limited (the "Group")

### **Introduction**

This document, approved by the board of the parent company, Apotex International Inc., sets out the Group's policy and approach to conducting its tax affairs and dealing with tax risk. The document will be periodically reviewed and any amendments will be approved by the board of Apotex International Inc.

The Director, supported by the finance department, ensures that:

- The strategy is adopted and followed consistently across the Group
- There is alignment of the strategy with the global business's overall approach to corporate governance and risk management, and
- The Group pays the right amount of tax required, by the relevant deadlines under the laws and regulations of the UK.

### **Tax policy**

The Group is committed to conducting its tax affairs as follows:

- In compliance with all relevant laws and regulations in the UK
- Ensuring the tax strategy is at all times consistent with the Group's overall strategy, its approach to risk, and the Group's core values
- Applying diligence in the management of all risks associated with tax matters
- Engaging with tax authorities in an open and honest manner that reflects integrity and respect

### **Risk management and governance**

The ultimate responsibility for the Group's tax affairs rests with the Director of the individual companies in the Group. Day-to-day management of tax is the responsibility of the finance department. Advice is obtained from external professional advisors when it is judged to be required.

When reviewing the tax risks associated with a specific decision or action, the Group ensures that the following are considered:

- Legal and fiduciary duties of directors and employees
- Related internal policies or procedures
- Maintenance of the Group's corporate reputation

### **Attitude to tax planning**

- Applicable incentives and reliefs are used to reduce the tax costs of conducting business while ensuring reliefs are not used for purposes which are knowingly contradictory to the intent of the tax legislation.
- In cases where tax guidance is unclear, or where alternative interpretations or approaches might result in different tax outcomes, the Group will use its best judgement to determine the appropriate course of action. This will usually involve seeking advice from external professional advisers.
- The Group will not enter into transactions that have a main purpose of gaining a tax advantage or intentionally make interpretations of tax law that are opposed to the original intentions of the legislation.
- Any tax planning undertaken by the Group will have commercial and economic substance in line with the Group's commercial activities.

**Relationship with HMRC**

The Group aims to have a constructive, professional and transparent relationship with HM Revenue and Customs (HMRC), and in particular the Group commits to:

- Conducting its communications with HMRC in a courteous and timely manner, and with openness and honesty
- Making fair, accurate and timely disclosure in correspondence and returns, and respond to queries and information requests in a timely fashion
- Working together to resolve issues where disagreements arise

Approved by the Board of Directors on 28 March, 2018.