

This document outlines the Tax Policy to be applied in the year 2018 by the UK subsidiaries of the Bekaert Group <sup>(1)</sup>. It provides a framework on how the different aspects, risks and opportunities related to Taxes are treated.

This Tax Policy document has been prepared in accordance with paragraph 16(2) of Schedule 19 of the UK Finance Act 2016.

### **Bekaert Business Overview**

Bekaert is the world market and technology leader in steel wire transformation and coating technologies. The Bekaert strategy aims at consistently driving value creation for our shareholders by cost effectively creating superior value for customers.

Our defined vision and core strategies form the foundation of a transformation of our business toward higher level performance. They are the basis of the company's priorities and actions for the coming years.

Consistent with our better together aspiration, we relentlessly pursue to be the preferred supplier for our steel wire products and solutions, by continuously delivering superior value to our customers around the world.

We are a company with strong values that connects us all. They make everybody feel part of the team, of one Bekaert.

- We act with integrity  
reflects our commitment - as a company and as individuals - to the highest standards of business ethics and legal compliance. We will never compromise our integrity.
  
- We earn trust

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<sup>1</sup> Except Bridon-Bekaert Ropes Group. In October 2018, Bekaert acquired the equity share that Ontario Teachers held in BBRG.

Mutual trust and respect are the cornerstone for working together in a sustainable way. It means we can rely on the integrity, ability and strength of each other.

- We are irrepressible

Being irrepressible! expresses our passion and boundless energy to always achieve more, to always grow, and to be the best in whatever we do. We know how to deal with change and to move forward better and stronger, whatever comes our way.

These values which are ingrained in our culture, are the fundamentals of **the Bekaert Code of Conduct**. The Code explains our commitments and expectations towards stakeholders and provides guidance for employees and everyone who works on our behalf.

## **Bekaert Tax Strategy**

The responsibility for the Global tax strategy and the management of Tax risks ultimately sits with the Chief Financial Officer of Bekaert. The day to day responsibility for each of the areas considered in the Tax Policy is taken care of by the Bekaert Group Tax Manager.

### **I. (Tax) Risk Management**

Tax Risk Management aims at identifying and managing all material tax risks, including the assessment on the impact of these tax risks and the likeliness they will occur. Furthermore, it includes the process of either eliminating the risk or minimizing the likeliness. The tax risk management aims for the avoidance of unnecessary disputes. The Risk Management process assesses both the long and short term risks, and also considers risks outside the direct scope of tax such as reputational risk and risk in respect of the relationship with stakeholders. This process of Risk Management is entirely integrated in the Enterprise Risk Management process of the Bekaert Group.

Specifically for the assessing and managing of the tax risks at the level of the Bekaert UK companies in scope, the following guiding principles are applied and communicated:

- We aim to do our Tax Compliance correctly, completely and timely. We want to meet all legal obligations under the UK tax laws and regulations.
- We will proactively determine potential tax risks and opportunities, by systematically preparing risk mapping dashboards combining the major parameters of the tax environment in the UK and the tax specificities and tax history of the Bekaert UK subsidiaries
- We will disclose the identified risks with Bekaert Group Control in order to have them correctly and timely reflected in the statutory and group IFRS accounts
- We will take prioritized actions to mitigate the risk and to build up strong technical positions with clear argumentation and documentation of such positions;

## **II Attitude to Tax Planning (so far as affecting UK taxation)**

Within the Bekaert Group we aim to structure our operations tax efficiently, as long as it is in line with the tax strategy and takes place in a compliant way, taking into account the legal boundaries. The Bekaert Group will not enter into tax structures that are intended for tax avoidance and have no commercial or business purpose. Where the tax law is unclear or subject to interpretation, we will seek for support from external tax advisors supported by appropriate written advice. By giving the necessary support and advice, the Tax department will actively contribute, together with the Bekaert businesses in the UK, to manage Tax efficiently, as long as the integrity and transparency of the proposed transactions remain standing and accepted by the local legal framework. The objective of being compliant and integer with existing legislation is also explicitly expressed in the Code of Conduct.

## **III The level of Risk in relation to UK taxation that the Group is prepared to accept**

We do not have a formally defined level of acceptable tax risk however we manage our tax risks and will not enter into tax structures that are intended for tax avoidance and have no commercial or business purpose.

#### ***IV Working with HMRC***

The way we want to work with HMRC is reflected in one of the key principles included in the Code of Conduct: *“We deal openly and honestly with our business partners, shareholders, as well as with each community in which we operate”*.

The Tax Department sets the long term tax strategy of the Bekaert Group. This includes preparing, documenting and communicating the Tax Strategy of the Group in a transparent way and as consistent as possible over time and over regions.

The clear and open communication on the Tax strategy aims at maintaining a good and solid relationship with HMRC, all other relevant UK government institutions and all other relevant stakeholders, such as tax advisors, consultants and auditors.