

## **Hexion - UK Tax Strategy 2019**

In compliance with the duty under paragraph 19(2)/22(2) of Schedule 19 of Finance Act 2016, Hexion is publishing its UK tax strategy. This strategy applies to all Hexion companies in the UK:

- Hexion UK Holding Limited
- Borden International Holdings Limited
- Hexion UK Limited
- Borden Chemical UK Limited
- Combined Composite Technologies UK Limited
- Borden Chemical Finance Limited
- Hexion Stanlow Limited
- Trustees of Borden Chemical UK Ltd Group Death in Service Scheme

### **Risk management and governance arrangements**

The Company has a code of ethics, which prescribes that operating in an ethical manner is the foundation for ensuring it complies with the letter and the spirit of the law. The Company adheres to the highest ethical standards in the conduct of its business and complies with all laws and regulations that are applicable to the business. Each associate has the responsibility to maintain and advance the ethical values of the Company. The ultimate responsibility for the implementation of the code resides with the board of directors of the Company.

In line with its code of ethics, the Company is committed to comply with the tax laws and practices in all the territories in which it operates. All taxes that are required to be paid are paid in a timely manner. All relevant facts and circumstances of importance to assess the applicable tax liabilities are disclosed to HMRC and any firms involved in tax compliance and advise for the Company. Available reliefs and incentives are claimed, when appropriate.

### **Attitude towards tax planning**

The UK based companies do not engage in aggressive tax planning and/or artificial transactions, for the sole purpose of reducing UK tax liabilities. However, the UK based companies may undertake commercial transactions in a way most favorable from a UK tax perspective, providing this is in alignment with the business reality and objectives. The Company does not undertake tax planning in cases not driven by business objectives, corporate and social responsibilities, or future working relationships with HMRC.

### **Attitude towards risk**

The Company has implemented procedures and controls designed to ensure that tax risks are identified and appropriately managed, resulting in the submissions of accurate tax returns both in the UK and globally. The company has outsourced its UK corporate tax compliance to a reputable accounting firm who has local expertise. Indirect tax compliance is taken care of by the Company itself, and the same accounting firm is consulted in the event of (possible) uncertain positions or questions about the legislation and the interpretation thereof. The Company strives to minimize tax risks.

In case there is uncertainty about the application or interpretation of tax law in a specific situation or transaction, general written advice is taken from a reputable firm to support the decision making process. Whenever possible and appropriate upfront clearance from HMRC will be requested.

### **Relationship with tax authorities**

The UK companies comply with all relevant legal disclosure and approval requirements and all information is presented clearly to HMRC as appropriate. There will be an open, honest and transparent manner of acting in any dealings with HMRC. By acting like this, the Company seeks to avoid having disputes with HMRC.

December 2019