

Wipak UK Ltd. Tax Strategy

December 2017

Scope of Tax Strategy

This strategy applies to Wipak UK Ltd, a company incorporated in accordance with paragraph 19 of Schedule 19 of Finance Act 2016. In this strategy, reference to 'the company' is to Wipak UK Ltd. The strategy is being published in accordance with paragraph 16(2) of the Schedule.

Wipak UK Ltd is part of the Wipak Group within the Packaging Division of the Wihuri Group ('the Group'). The Wihuri Group is a multinational group of companies comprising of four divisions: Packaging, Daily Goods Wholesale, Technical Trade and Aviation. The Packaging Division comprises of the Wipak Group operating in Europe and Asia and the Winpak Group operating in North America. The operational parent company of the Packaging Division is Wihuri Packaging Oy, with Wihuri Oy being the parent company of the remaining three divisions. The ultimate parent company of the Wihuri Group is Wihuri International Oy. Wihuri International Oy, Wihuri Packaging Oy and Wihuri Oy are all limited liability companies incorporated in accordance with the Company Act in Finland.

This strategy applies from the date of publication until it is superseded. References to 'UK Taxation' are to the taxes and duties set out in paragraph 15(1) of the Schedule which include Income Tax, Corporation Tax, PAYE, NIC, VAT, Insurance Premium Tax, and Stamp Duty Land Tax. References to 'tax', 'taxes' or 'taxation' are to UK taxation and to all corresponding worldwide taxes and similar duties in respect of which the Group has legal responsibilities.

Aim of Tax Strategy

Wipak UK Ltd, in accordance with the global Tax Policy of the Wihuri Group, is committed to full compliance with all statutory obligations and full disclosure to the relevant tax authorities. The company's tax affairs are managed in a way which takes into account the company's and the Group's wider corporate reputation and responsibility in line with the company's and the Group's overall high standards of governance.

Governance in Relation to UK Taxation

- The Board of Directors (BoD) of Wihuri Packaging Oy have the ultimate responsibility for tax strategy and compliance in the Packaging Division, including all the companies in the Wipak Group;
- The BoD of Wipak UK Ltd are responsible for the company level tax strategy and compliance;
- The Divisional Management Board of the Wipak Group (DMB) is delegated to exercise executive management duties in the Wipak Group by the BoD of Wihuri Packaging Oy;
- The Chief Financial Officer (CFO) and Vice President (VP) of the Wihuri Group is the DMB member with ultimate executive responsibility for tax matters in the Wihuri Group;
- The Financial Director of the Wipak Group is the DMB member with primary executive responsibility for tax matters in the Wipak Group;
- The Managing Director of Wipak UK Ltd is responsible for organising the administration of the company, including the organising and management of tax affairs of the company;
- The Financial Controller of Wipak UK Ltd, reporting directly to the Managing Director of the company and indirectly in financial and tax matters to the Financial Director of the Wipak Group, is responsible for the day-to-day management of the company's tax affairs;
- The Financial Controller as well as the accounting and controlling team of the company are staffed with appropriately qualified individuals;

- The company takes advantage of external tax advisors, where appropriate, to ensure tax rule compliance and appropriate tax risk management;
- The Information Management functions of Wihuri and the Wipak Groups maintain and control the ERP, accounting and other systems of the company, including the internal controls and risk management framework therein, expressly including those elements relating to taxation;
- The Internal Audit function of the Wihuri Group monitors, controls and verifies the ERP, accounting and financial reporting systems, internal controls and risk management framework therein, expressly including those elements relating to taxation;
- The Tax Controlling Function of the Wihuri Group monitors and controls the tax rule and transfer pricing rule compliance;
- The Board of Wihuri Packaging Oy ensures that the company's tax strategy is one of the factors considered in all investments and significant business decisions taken.

Wihuri Group Tax Policy

The Wihuri Group aims to advance its business purposes in the four business divisions in which it operates. The primary targets in each division include purely business driven targets to advance the division's business performance in its field of operations. The Wihuri Group's Tax Policy aims to support the business divisions to meet any fiscal obligations associated with their operations. The Tax Policy is risk averse and no tax risks threatening the business divisions to meet their business related targets shall be entered into.

The following additional principles prevail:

1. Business Driver Priority

Business drivers are the primary drivers for any transactions. No transactions shall be executed with the sole purpose to advance any tax optimisation purposes.

2. Tax Law Compliance

Local tax and other legislation and other rules shall always be complied with in any transactions. Transactions not in accordance with local law and other rules shall not be entered into. Tax evasion in any form is not allowed.

3. Arm's Length Compliance

Transactions between related parties shall always be executed in accordance with arm's length principles. The arm's length price depends on facts and circumstances, and shall be determined using all relevant information reasonably available and pertaining to the transaction.

4. Tax Haven Avoidance

Transactions with parties taking advantage of tax havens shall be avoided, unless specifically agreed upon case-by-case by the Board of Directors of either Wihuri Packaging Oy or Wihuri Oy.

5. Tax Planning Allowance

Tax planning using purely legal, allowed and appropriate measures and methods to regulate taxable results or taxable values is generally allowed. Any tax planning shall be in balance

with the Wihuri Group Tax Policy and these principles. Advance ruling from tax authorities or advance consultation with external tax advisors shall be used, if needed, to ensure legal compliance and allowance of the planned measure.

The Wihuri Group recognizes the strategic role the business enterprises and entrepreneurship bring in terms of employment, social welfare and fiscal income to their societies. The Group and all its subsidiaries worldwide, including Wipak UK Ltd, seek to fully comply with their regulatory and other obligations and to act in a way which upholds their reputation as responsible corporate citizens.

Wipak UK Ltd Risk Management Principles

The level of risk which Wipak UK Ltd accepts in relation to UK taxation is consistent with the Wihuri Group's overall objective of achieving certainty in the Group's tax affairs. The company's tax policy in the UK is risk averse, and no tax risks threatening the company to meet its business related targets shall be entered into.

Wipak UK Ltd enters into transactions solely on the basis of commercial business reasons. When entering into such transactions, the company seeks to take advantage of available tax incentives, reliefs and exemptions in line with, and in the spirit of, tax legislation. Wipak UK Ltd manages tax risks to ensure compliance with legal requirements in a manner which ensures payment of the right amount of tax. Wipak UK Ltd does not undertake tax planning measures unrelated to commercial business transactions. The company also undertakes not to carry out measures that are illegal, inappropriate or in other respects not in line, or in the spirit of, tax legislation.

Wipak UK Ltd, in line with principles applied in the Wihuri and Wipak Groups, operates a system of integrated internal control framework including business processes, an ERP-system, as well as accounting, financial reporting and controlling systems. Tax risk assessment and controls are integral components of such an integrated internal control framework.

Wipak UK Ltd seeks to reduce the level of tax risk arising from its operations as far as is reasonably practicable by ensuring that reasonable care is applied in relation to all processes which could materially affect its compliance with its tax obligations. Processes relating to different taxes are allocated to appropriate process owners, who carry out a review of activities and processes to identify key risks and mitigating controls in place. These key risks are monitored for business and legislative changes which may impact them and changes to processes or controls are made when required. The processes associated with ERP, accounting or other systems are common to all Wipak or Wihuri Group companies. Reviews of activities and processes are executed in cooperation with the respective process owners and persons in charge at the Wipak or Wihuri Group level.

In relation to any specific issue or transaction, the Managing Director of the company, the Financial Director of Wipak Group, the CFO and VP of the Wihuri Group, the BoD of the company and ultimately the BoD of Wihuri Packaging Oy are responsible for identifying the risks, including tax risks, which need to be addressed and for determining what actions should be taken to manage those risks, having regard to the materiality of the amounts and obligations in question. They are also responsible in ensuring that competence of the employees within and outside financial controlling and accounting teams directly or indirectly managing and processing matters which have or may have tax implications is continuously maintained and promoted through appropriate training and, if so required, complemented with support by external advisers to ensure the tax risks are properly and instantly identified and duly addressed.

Relationship with tax authorities

Wipak UK Ltd seeks to have a transparent and constructive relationship with tax authorities through regular meetings and communication in respect of developments in the company's business, current, future and retrospective tax risks, and interpretation of the law in relation to all relevant taxes.

Wipak UK Ltd ensures that tax authorities are kept aware of significant transactions and changes in the business and seeks to discuss any tax issues arising at an early stage. When submitting tax computations and returns to tax authorities, the company discloses all relevant facts and identifies any transactions or issues where it considers that there is potential for the tax treatment to be uncertain. Any inquiries from tax authorities concerning the tax issues of the company are attended without undue delay and responded in a transparent and undisguised manner.

Any inadvertent errors in submissions made to tax authorities are fully disclosed as soon as reasonably practicable after they are identified.