

Excelitas Group Tax Strategy 2020

Our tax strategy supports the way we do business, our culture, and how we conduct our own affairs. It underpins and influences the decisions we make.

The tax strategy applies to all entities for which the parent company is Excelitas Technologies Corp (“the Group”).

Our Approach to Tax Risk Management:

The responsibility for the Group tax governance, risk management, and strategy lies with the Chief Financial Officer (CFO), with oversight from the Executive Board (the Board) of Excelitas Technologies Corp (Excelitas) and regional company Boards.

The Group has a strong focus on corporate responsibility. As a multinational group with operations and sales in various jurisdictions, we are committed to being a responsible and compliant taxpayer in the countries where we operate.

Our Standard of Business Conduct (the Standards) are built on ethics, individual responsibility and integrity to do the right thing. The Standards are a formal statement of Excelitas’ ethical principles and provide guidance for the ethical conduct of business by all Excelitas employees, officers, directors, distributors, sales representatives, suppliers and customers.

Our CFO is a member of our Executive Board and is supported by Site Controllers around the globe who follow the Standards to ensure the Company’s tax activities align with the overall corporate governance and risk management processes. Tax processes and controls are regularly monitored and reviewed and underpin the submission of returns for our firm.

Our Tax Risk Appetite:

Our guiding principles and Standards govern how we manage our own tax affairs. Both underlying detailed governance and risk management frameworks support these. When structuring our affairs we will only ever do so based on sound commercial and economic activity. The Group will not use tax planning for purposes which are knowingly inconsistent with the intention of governments or which could be contrary to any anti- abuse legislation.

When considering tax planning opportunities the Global Tax Group and Site Controllers are required to adhere to a detailed framework of internal controls established by the CFO and the Board. This framework includes leadership responsibilities, acceptance and continuation of customer relationships together with robust human resource management. Implementation of tax planning changes are only permitted with approval of the CFO.

The CFO updates the Board in connection with any significant tax matters.

Our Attitude to Tax Planning

We maintain robust processes and controls which are designed to minimize the risk of errors arising that could impact the amount of tax that we pay. The Group is committed to operating honestly through ethical business practices. All tax planning is required to align with the Group's commercial needs and not to be undertaken solely for tax purposes. In order to facilitate tax planning the Company engages external professional advisers including accountants, legal and tax counsel to ensure accuracy, quality control and continued compliance.

Our Relationship with Tax Authorities

Excelitas engages openly and constructively with tax authorities on matters relating to our tax affairs. Tax can be very complex so we approach our obligations with an appropriate level of analysis and consideration. Where necessary we will seek formal or informal clearance from tax authorities on uncertain tax positions or the impact of changes to the business operations on the Group's tax profile insofar as they relate to our tax affairs.

This tax strategy defines our approach to managing our tax affairs. It, along with our underlying operational governance in relation to our tax affairs, has been approved by our CFO and is subject to periodic review by our Executive and subsidiary company Boards.

This tax strategy is published by Excelitas Technologies Corp.

Our strategy is compliant with the requirements of para 16(2) and 25(1) of Schedule 19, Finance Act 2016 and relates to our 30 December 2020 year end ¹.

¹ The strategy applies to all UK qualifying companies which exist within the meaning of Para 5 of Schedule 19. The directors of each UK qualifying company regards the publication of this document as complying with their obligations under Para 22(2) of Schedule 19 for the current financial year.