

# **Tax Strategy For Bilfinger Industrietechnik Salzburg GmbH**

## **1.0 Introduction**

This tax strategy applies to Bilfinger Industrietechnik Salzburg GmbH and outlines its tax strategy and approach to meeting its UK tax compliance obligations and to deal with tax risk. It is made available to all Bilfinger Industrietechnik Salzburg GmbH's stakeholders via the Bilfinger website and is approved by the Board of Directors.

The ultimate responsibility for implementing the tax strategy lies with the Board of Directors of Bilfinger Industrietechnik Salzburg GmbH. The strategy will be periodically reviewed by Bilfinger Industrietechnik Salzburg GmbH in reconciliation with Corporate Tax, and any amendments will be approved by the Bilfinger Industrietechnik Salzburg GmbH Board of Directors. It is effective for the year ending 31 December 2020, and will remain in effect until any amendments are approved by the Bilfinger Industrietechnik Salzburg GmbH Board of Directors.

Bilfinger Industrietechnik Salzburg GmbH in conjunction with other key business stakeholders such as Bilfinger Corporate Tax aims to:

- Ensure this tax strategy is embraced and adhered to outlining concisely the roles and responsibilities of all involved
- Align the tax strategy with the Group's overall corporate governance and enterprise risk management principles
- Meet all its UK tax obligations and pay the correct amount of UK tax on a timely basis in line with the governing rules and regulations

## **2.0 Tax Objectives**

Bilfinger Industrietechnik Salzburg GmbH is committed to conduct its UK tax affairs in line with the following tax objectives:

- Comply with all relevant laws, rules, regulations, and reporting and disclosure requirements, wherever it operates
- Ensure the tax strategy is at all times consistent with its overall strategy, its approach to risk, and its Code of Conduct
- Apply professional diligence and care in the management of all risks associated with tax matters, and ensure governance and assurance procedures are appropriate
- Foster constructive, professional and transparent relationships with tax authorities, based on the concepts of integrity, collaboration and mutual trust
- Bilfinger Industrietechnik Salzburg GmbH will use incentives and reliefs to minimise the tax costs of conducting its business activities, but will not use them for purposes which are knowingly contradictory to the intent of the legislation.

## **3.0 Tax Values and Code of Conduct**

This Tax Strategy outlines the values setting out how Bilfinger Industrietechnik Salzburg GmbH's employees are expected to operate with respect to tax matters in support of the above Tax Policy. Any actions which do not follow these tax values and code of conduct could constitute a disciplinary matter and may lead to sanctions or ultimately dismissal.

### **A . Compliance and Tax Support**

Bilfinger Industrietechnik Salzburg GmbH is committed to ensuring compliance with all relevant laws, rules, regulations, reporting and disclosure requirements. Bilfinger Industrietechnik Salzburg GmbH has the support of local external tax advisors as well as Bilfinger Corporate Tax. The external tax advisor provides UK tax advice and Bilfinger

Corporate Tax provides Group guidance. The Bilfinger Industrietechnik Salzburg GmbH undertakes regular reviews to monitor the quality of tax reporting and advice to ensure that the necessary skills and experience are possessed by the team.

#### **B. Consistency with strategy**

Bilfinger Industrietechnik Salzburg GmbH makes tax decisions in a timely manner to ensure the after-tax returns to shareholders are optimised whilst ensuring the decisions made are in compliance with tax legislation and the tax and non-tax consequences are considered. Bilfinger Industrietechnik Salzburg GmbH ensures that tax decisions made are in line with the overall Bilfinger Group's objectives and corporate governance procedures.

#### **C. Tax Governance, Risk Management & Decision Making**

Bilfinger Industrietechnik Salzburg GmbH's Finance Director has operational responsibility and accountability for the tax affairs of the company. These responsibilities are clearly defined and followed.

Professional judgement and care are employed when assessing the tax risks to ensure justifiable conclusions are reached based on rational thought process and reasoning. If there are uncertainties with regards to specific tax matters (e.g. interpretation of legislation), appropriate external written advice may be sought from diligent and professional advisors.

When reviewing the tax risks of any decision, the tax strategy outlines the following considerations:

- Compliance with tax laws
- the legal and fiduciary duties of directors
- the obligations for employees to follow the Bilfinger Group's Code of Conduct
- the Bilfinger Group reputation in particular the impact on our stakeholders and communities in which it operates
- the tax benefits versus the tax costs and the impact on the financial results
- the impact of any potential disputes with HMRC
- the effect of relationships with HMRC

Bilfinger Industrietechnik Salzburg GmbH in reconciliation with Bilfinger Corporate Tax will ensure that there are risk management processes and systems in place to ensure this Tax Strategy, Values and Code of Conduct are being followed.

#### **D. Tax Planning**

Bilfinger Industrietechnik Salzburg GmbH believes it should pay the amounts of tax legally due in the UK. There will be occasions where the tax due is not clearly defined or is open to differing interpretations and in these circumstances, Bilfinger Industrietechnik Salzburg GmbH will take all reasonable steps to ensure the most appropriate course of action is taken and external advice is sought as relevant.

#### **E. Relationships with HMRC**

Bilfinger Industrietechnik Salzburg GmbH values open and honest dialogue when dealing with HMRC. Bilfinger Industrietechnik Salzburg GmbH ensures all matters concerning taxes and HMRC are dealt with in a timely, courteous and collaborative manner with a view to agreeing a mutually acceptable position for both parties as early as possible.

Bilfinger Industrietechnik Salzburg GmbH understands the framework and guidance published by HMRC on 9 December 2015 (Improving Large Business Compliance) and the related guidance published on HMRC's website on 24 June 2016 and is committed to follow them.

This Tax Strategy, Values and Code of Conduct outline the expected behavior and attitudes towards HMRC as detailed below:

- An open, honest, co-operative, professional relationships with HMRC at all times
- Early dialogue with HMRC to discuss tax planning, strategy, risks and significant transactions
- Accurate, fair and timely disclosure in UK tax returns and in HMRC enquiries
- Timely resolution of issues with HMRC
- Transparent about decision-making, governance and tax planning
- Transactions conducted in line with legislation and not contradictory to the intentions of Government/Parliament
- Reasonable interpretation of tax legislation and guidance

Approved by and on behalf of the Board of Directors of Bilfinger Industrietechnik Salzburg GmbH:

*Oliver Baier*

Oliver Baier, CFO

Date

*L. Stein*

Lorenz Stein, Head of Controlling



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 Date