



## ***Dow UK Group Tax Strategy***

The publication of this strategy statement is regarded as satisfying the statutory obligation under “Para 16(2) and Para 19, Schedule 19, Finance Act 2016”.

This strategy applies to all Dow entities organized in the UK (collectively the “Dow UK Group”)<sup>i</sup> and is effective for the year ending 31 December 2018.

### ***Approach to tax risk management and governance arrangements***

Dow is committed to comply with the tax laws and practices in all the countries in which we operate, including the UK. Dow aligns its tax policies, procedures, and principles consistently to ensure that it complies with the laws in these countries. Compliance means paying the right amount of tax, in the right place, at the right time, and involves disclosing all relevant facts and circumstances to the tax authorities and claiming relief and incentives where available.

Dow’s Code of Business Conduct specifies each employee’s expectations at Dow and our approach to tax aligns with these Standards.

### ***Attitude toward tax planning***

Tax planning is an important element of Dow’s overall business strategy. To support Dow in complying with its tax strategy, advice from external service providers may be sought in relation to tax planning or complex circumstances. In cases where the tax guidance is unclear or Dow does not feel it has the necessary expert knowledge to assess the tax consequences adequately, external advice may be sought to support Dows decision-making process.

Dow acts in accordance with the international guidelines in its application of transfer pricing such as the OECD, and aligns with the arm’s length principle.

### ***Level of tax risk accepted***

Given the size and complexity of our business and the volume of tax obligations, tax risk will arise from time to time relative to the interpretation of tax laws and the nature of our compliance measures. Dow has strong internal controls and procedures in place to minimize risk in reporting, compliance, and other areas of tax application. Tax risks are considered related to: changes in rates, legislation, and repatriation of earnings, tax controversy, and other areas. Dow discloses expanded information on revenue, income before taxes and taxes in footnotes to its financial statements. External consultation is sought for areas with significant uncertainty or complexity in relation to a risk.

### ***Approach to dealing with tax authorities***

We engage with tax authorities, including HMRC, with honesty, integrity, respect and fairness and in a spirit of cooperative compliance. Dow is prepared to litigate or exercise alternative rights to defend our position where we disagree with a ruling or decision of a tax authority but will first seek to resolve any disputed matters through pro-active and transparent discussion and negotiation.

Dow’s aim is to have professional and constructive relationships and maintain transparent disclosure in our relationships with tax authorities, recognizing that early resolution of risks is in the best interests of Dow and such tax authorities.



Dow makes its tax returns as clear as possible and we try to raise important issues proactively so that tax authorities can focus their resources effectively. From time to time, if it is unclear how a tax law should be applied, we may engage with tax authorities in advance of undertaking transactions to confirm the correct application of such tax law.

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<sup>1</sup> The entities covered in this UK Tax strategy are: Rohm and Haas Electronic Materials Europe Ltd., Rohm and Haas (UK) Limited, Dow Chemical Company Limited, Hyperlast Limited, Dow Chemical Services Limited, Dow Limited, Dow UK Limited, Dow Trent Limited, Dow Thames Limited, Dow Services Trustees Limited, Specialty Electronic Materials Europe Limited, Dow Silicones UK Limited (formerly known as Dow Corning Limited), Dow Corning Pension Trustees Limited, Dow AgroSciences Limited, CHPM Company Limited and MSTG Company Limited.