



This document outlines the Tax Policy to be applied for the year 2018 by the UK subsidiaries of the Bridon-Bekaert Ropes Group (BBRG). It provides a framework on how the different aspects, risks and opportunities related to Taxes are treated.

This Tax Policy document has been prepared in accordance with paragraph 16(2) of Schedule 19 of the UK Finance Act 2016.

Bridon-Bekaert Ropes Group Business Overview

Bridon-Bekaert Ropes Group refers to the joint venture announced at the end of 2015 between Bekaert (the world market and technology leader in steel wire transformation and coating technologies) and Ontario Teachers' Pension Plan, a Canadian Pension Fund (and the previous owner of Bridon). The joint venture combines the ropes and advanced cords capabilities of approximately 2,500 employees, 19 manufacturing entities across 11 countries, market-focused R&D, and a global sales and services network. In October 2018, Bekaert acquired the equity share that Ontario Teachers held in BBRG. In its mission, Bridon-Bekaert Ropes Group takes the commitment to be the leading innovator and provider of the best performing ropes and advanced cords globally. The purpose of BBRG is to create value for all stakeholders by leveraging expertise, scale, global reach and brands providing the best Total Cost of Ownership. BBRG has the ambition to exceed the expectations of their customers and shareholders.

A Code of Conduct has been worked out for BBRG, where the culture of high integrity and integral team work are put forward as being essential for the success of the company.

Bridon-Bekaert Ropes Group Tax Strategy

The responsibility for the Global tax strategy and the management of Tax risks ultimately sits with the Chief Financial Officer of BBRG. The day to day responsibility for each of the areas considered in the Tax Policy is taken care of by the Group Financial Controller of BBRG (aligned with the Bekaert Group Tax department).

I. (Tax) Risk Management

Tax Risk Management aims at identifying and managing all material tax risks, including the assessment on the impact of these tax risks and the likeliness they will occur. Furthermore, it includes the process of either eliminating the risk or minimizing the likeliness. The tax risk management aims for the avoidance of unnecessary disputes. The Risk Management process assesses both the long and short term risks, and also considers risks outside the direct scope of tax such as reputational risk and risk in respect of the relationship with stakeholders. This process of risk Management is entirely integrated in the Enterprise Risk Management process of Bekaert Group

Specifically for the assessing and managing of the tax risks at the level of the BBRG entities in the UK, the following guiding principles are applied and communicated:

- We aim to do our Tax Compliance correctly, completely and timely. We want to meet all legal obligations under the UK tax laws and regulations.
- We will proactively determine potential tax risks and opportunities, by systematically preparing risk mapping dashboards combining the major parameters of the tax environment in the UK and the tax specificities and tax history of the Bekaert and BBRG affiliates in the UK
- We will disclose the identified risks with Bekaert Group Control in order to have them correctly and timely reflected in the statutory and group IFRS accounts
- We will take prioritized actions to mitigate the risk and to build up strong technical positions with clear argumentation and documentation of such positions;

II Attitude to Tax Planning (so far as affecting UK taxation)

Within the BBRG Group we aim to structure our operations tax efficiently, as long as it is in line with the tax strategy and takes place in a compliant way, taking into account the legal boundaries. BBRG will not enter into tax structures that are intended for tax avoidance and have no commercial or business purpose. Where the tax law is unclear or subject to interpretation, we will seek for support from external tax advisors supported by appropriate written advice. BBRG strives to manage tax efficiently, as long as the integrity and transparency of the proposed business transactions remain standing and accepted by the local legal framework. The objective of being compliant and integer with existing legislation is also explicitly expressed in the BBRG Code of Conduct.

III The level of Risk in relation to UK taxation that the Group is prepared to accept

We do not have a formally defined level of acceptable tax risk however we manage our tax risks and will not enter into tax structures that are intended for tax avoidance and have no commercial or business purpose.

IV Working with HMRC

The way we want to work with HMRC is reflected in one of the key principles included in the Code of Conduct: "All employees are required, at all times, to exhibit the highest integrity and best practice in conduct including , but not limited to, all Interactions with customers, suppliers, trade bodies, the public, fellow employees and clients".

The open communication on the BBRG Tax strategy in a transparent way and as consistent as possible over time and over regions, aims at maintaining a good and solid relationship with HMRC, all other relevant UK government institutions and all other relevant stakeholders, such as tax advisors, consultants and auditors.