

# 2018 Annual Tax Strategy

## Golflane Limited and subsidiaries – The UK Electronics for Imaging Group

Publication date: December 12, 2018

The duty to publish a group tax strategy for qualifying UK groups for each financial year was included in Finance Act 2016. The publication of the Group Tax Strategy is therefore in accordance with FA 2016, schedule 19, part 2, paragraph 16 (2).

### Risk management and governance arrangements

The tax department works with the business as an equal partner in providing clear and timely advice across all aspects of tax. The tax department ensures that the business understands that the tax function should be involved from planning to implementation to avoid corrective action at a later stage. All decisions will be taken at an appropriate level.

The tax department should be involved in the planning, implementation and documentation for:

- Asset and share acquisitions and disposals,
- Changes in the legal structure;
- Cross border intercompany transactions;
- Finance arrangements (internal and external);
- All significant processes affecting tax compliance.

Professional care and judgement will be employed to assess any tax risks. In case of uncertainty as to how to apply or interpret tax legislation, advice may be taken from third party advisors to support the internal decision-making process.

In the assessment of risks the following requirements will be considered:

- The legal duties of the directors and employees;
- The core values of the company, especially the ethics policy;
- The maintenance of the Electronics for Imaging reputation.

On a quarterly basis, the tax department reviews the tax positions in the balance sheet and profit and loss account to monitor the tax accounting. This information is disclosed via the form 10-Q which is published on a quarterly basis (via [efi.com/investors](http://efi.com/investors) relationship).

The compliance activities will be monitored regularly in close cooperation with the accounting department.

Further, Electronics for Imaging carefully tracks any potential changes in tax regulations all around the world.

The Board of the global group (and the Boards of Directors of the UK entities) are committed to ensuring each entity is fully compliant with the local tax law in the territories in which they operate.

This means that the board members will inform the tax department on any business developments in the UK. Further, the tax department will inform the board in detail on the tax aspects of proposed changes.

Preparation of the UK tax returns is undertaken by Grant Thornton, the UK group's external advisors, based on information provided by the UK finance team. The tax returns are reviewed by the UK finance team and the Vice President of Tax, based in the US.

#### Approach on tax planning

Electronics for Imaging will manage its tax risks in such a way that the good reputation of the company, as a responsible tax payer, is not impacted. This means:

- Comply with all local tax rules and ensure timely payment of local taxes;
- Limit in a pro-active way any tax risks;
- Pro-actively manage any tax audits.

Electronics for Imaging believes that it should pay the tax amounts legally due in any territory. However, there can be circumstances where the tax liability is not clearly defined or where alternative approaches might result in a different outcome. The tax department will use its best judgement to determine the appropriate course of action.

The group will seek to manage its effective tax rate by engaging in appropriate tax planning and availing itself of any incentives and tax credits which may be available.

#### Level of risk in relation to UK taxation

Electronics for Imaging commits to adopt a low-level approach in relation to UK taxation.

#### Relationship tax authorities

Electronics for Imaging is committed to approach the tax authorities (HMRC) in an open and transparent way. All dealings with the tax authorities will be conducted in

a collaborative and timely manner. The tax department aims to achieve early agreements on disputed matters and certainty wherever possible.