

## Arconic Inc. – 2018 UK Tax Strategy

In compliance with the UK legislative requirement under paragraph 19(2) of Schedule 19 of the Finance Act of 2016, Arconic Inc. (Arconic) is publishing its tax strategy for the year ending December 31, 2018. This document applies from the date of publication until it is superseded and applies to Arconic's UK entities, as listed in Annex 1 to this document. The UK tax strategy will be published annually.

### Introduction

Arconic is a global technology, engineering and advanced manufacturing leader. With operations in diverse cultural, political and economic environments, Arconic is committed to conducting business ethically and in compliance with all applicable laws. Our [Code of Conduct](#) represents our commitment to integrity and an open, honest, and ethical work environment. Arconic's values, incorporated in our Code of Conduct, are the foundation for our approach to taxation. Arconic is committed to conducting business with integrity and in compliance with all applicable tax laws.

### Risk Management, Governance and Compliance

In the UK, Arconic is exposed to tax risks including, but not limited to, changes in applicable laws, their interpretation and application, tax audits and examinations, and operational and business results. To minimize these risks, Arconic has developed policies and risk assessment procedures to guide tax compliance, tax planning, and other key tax processes. The tax risk is managed at multiple levels of the organization. The day-to-day UK tax risk is monitored and managed by the appropriate tax leadership including the Vice President of Tax, the Vice President of Tax Europe, and the UK Tax Manager. Additionally, the Chief Financial Officer is regularly apprised of tax developments and provides guidance. Finally, the Audit Committee of the Board of Directors is updated at least annually on tax matters and provides additional oversight.

Arconic has established internal policies and compliance processes to ensure the integrity of tax compliance. Arconic is committed to the accurate and timely filing of all tax returns and tax payments. Our approach to taxation is reviewed periodically in the light of changes to: the general business environment, our business operations, tax laws and regulations (national and international), and emerging business and tax risks.

## **Tax Planning**

The Arconic tax function partners with our businesses to support their commercial needs. Our approach to tax planning is driven by the substantive business transactions and considers all applicable tax laws and regulations. We do not engage in tax planning that is inconsistent with our values and Code of Conduct. Arconic conducts transactions between related companies on an arm's-length basis and in accordance with OECD (Organization for Economic Cooperation and Development) principles.

Tax incentives, reliefs, and exemptions are sometimes available. Where appropriate and aligned with substantive business activities, Arconic will seek the benefit of these provisions in a manner that is consistent with the intent of the applicable legislation.

## **Approach in Dealings with Her Majesty's Revenue & Customs (HMRC)**

We seek to develop and maintain professional and transparent relationships with HMRC in a spirit of co-operative compliance. We ensure that HMRC is kept aware of significant transactions and changes in the business and seek to discuss any tax issues arising at an early stage.

When submitting tax computations and returns to HMRC, we disclose all relevant facts and identify any transactions or issues that we consider relevant for HMRC consideration. We ensure there is access, as required, to relevant information demonstrating the integrity of our tax processes, returns and payments. Any inadvertent errors in submissions made to HMRC are fully disclosed as soon as reasonably practicable after they are identified.

## **Approach to Tax Risk**

Arconic's approach to tax risk is integrated within our broader business risk management and compliance framework. Our processes, policies and corporate governance operate to ensure compliance with tax laws and regulations and are designed to identify and mitigate material tax risks. Arconic employees are guided by the Arconic values and the [Code of Conduct](#). When uncertainty exists in the interpretation of applicable tax laws and regulations and otherwise appropriate, Arconic seeks opinions and advice from external tax advisers.

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**Annex 1 – entities covered by this document**

Arconic Extruded Products (UK) Limited
ABPS (Trustees) Limited
Alloy Technologies (UK) Limited
Alumax U.K. Limited
Arconic Closure Systems International (UK) Limited
Arconic Europe Financial Services LP
Arconic Fastening Systems & Rings Limited
Arconic Global Fasteners Limited
Arconic Limited (formerly Arconic IH Limited)
Arconic Manufacturing (GB) Limited
Arconic UK Finance
Arconic UK Holdings Limited
Aurora Group Limited
British Aluminium Limited
Enpar Limited
Enpar Special Alloys Limited
Entwistle Limited
Fairchild Fasteners (U.K.) Limited
Firth Brown Limited
Firth Rixson (Trustees) Limited
Firth Rixson Forgings Limited
Firth Rixson Limited
Firth Rixson Metals Limited
Firth Rixson Rings Limited
Firth Rixson Superalloys Limited
Forgings International Holdings 1 Limited
Forgings International Holdings 2 Limited
Forgings International Holdings 3 Limited
Forgings International Holdings Limited
Forgings International Limited
FR Acquisitions Corporation (Europe) Limited
Howmet Limited
JFB Investments Limited
JFB Overseas Holdings Limited
Kawneer U.K. Limited
Linread Limited
Meadowhall (EAB) Limited
River Don Stampings Limited
RTI Advanced Forming Limited
RTI Europe Limited



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RTI Extrusions Europe (Holdings) Limited
RTI Extrusions Europe Limited
RTI International Metals Limited
Shildon Forge Limited
Thos Firth and John Brown Limited