

## **Momentive Performance Materials – Global & UK Tax Strategy**

*This strategy is being published in accordance with paragraph 19 of Schedule 19 to the Finance Act 2016 and is current through the April 2019 accounting period.* This strategy applies to Momentive Performance Materials Limited and all in the Momentive group inside and outside of the UK (“Company”). Momentive is a global leader in silicones and advanced materials, with a 75 plus year heritage of being first to market with performance applications that support and improve everyday life. Momentive delivers science-based solutions for major industries, by linking its custom technology platforms to allow the creation of unique solutions for customers.

### **Risk management and governance arrangements**

The Company has a code of ethics, which prescribes that operating in an ethical manner is the foundation for ensuring it complies with the letter and the spirit of the law. The Company behaves ethically in the conduct of its business and complies with all laws and regulations that are applicable to the business. Each associate, including all directors and employees, has the responsibility to maintain and advance the ethical values of the Company. The ultimate responsibility for the implementation of the code, including taxes, resides with the board of directors of the Company. However, the day to day administration of the tax function is handled by the Company’s Chief Financial Officer, Global Tax Director, and other finance associates. The Company has financial controls in place that cover taxes that fully comply with both Sarbanes-Oxley and ISO 9001.

In line with its code of ethics, the Company is committed to comply with the tax laws and practices in all the territories in which it operates. All taxes that are required to be paid are paid in a timely manner. All relevant facts and circumstances of importance to assess the applicable tax liabilities are disclosed to HMRC and other relevant taxing authorities. Available reliefs and incentives are claimed, when appropriate.

### **Attitude towards tax planning**

The Company does not engage in aggressive tax planning and/or artificial transactions, for the sole purpose of reducing UK or other tax jurisdiction liabilities. However, the Company uses available tax reliefs and incentives when undertaking commercial transactions, providing this is in alignment with the business economics and objectives. The Company does not undertake tax planning in cases not driven by business objectives, corporate and social responsibilities, or aggressive tax planning that would jeopardize its relationships with HMRC and other taxing authorities.

### **Attitude towards risk**

The Company has procedures and controls designed to ensure that tax risks are identified and appropriately managed in accordance with the way that other risks are managed within the broader business, resulting in the submissions of accurate tax returns both in the UK and globally. The Company has outsourced its UK and several other jurisdictions corporate tax compliance to a reputable accounting firm which has local expertise. The Company itself handles indirect, payroll, and other tax

compliance and a reputable accounting firm is consulted in the event of uncertain positions or questions about the legislation and the interpretation thereof. The Company strives to minimize tax risks.

In case there is uncertainty about the application or interpretation of tax law in a specific situation or transaction, advice is taken from a reputable firm to support the decision making process. Whenever possible and appropriate upfront clearance from HMRC or other tax authorities will be requested.

### **Relationship with tax authorities**

While the Company does not have a dedicated point of contact within the HMRC, the Company complies with all relevant legal disclosure and approval requirements and all information is presented clearly to HMRC and other taxing authorities as appropriate. There will be an open, honest, and transparent manner of acting in any dealings with HMRC and other authorities thereby seeking to avoid disputes with HMRC and other authorities.