

# TECO Electric Europe Limited tax strategy and policies

November 2018

## Compliance with the Law

- The primary responsibility of **TECO Electric Europe Limited (the “Company”)** in relation to taxation is to ensure compliance with all legal obligations within a framework of agreed principles.

## Strategy and Planning

- **The Company** will always seek to interpret tax legislation consistently with both the spirit and intention of the law and will not seek to exploit ambiguity.
- The Company will not undertake transactions wholly motivated by tax avoidance or from which there is no economic benefit to the Company.
- Management shall not seek to exploit tax regimes considered to be harmful or secretive.

## Contribution to the UK Economy

- To form a full view of **the Company’s** tax contribution to the UK economy in a proper perspective, its overall fiscal and economic contribution should be taken into account.
- In general, the tax contribution by **the Company** would be the corporate income tax, value added tax, related taxes and duties to the UK government.

## Risk Management

- It is the policy of the **Company** that it is ensured that all tax positions taken are consistent with the Company’s core values which notably include respect for all relevant facts, respect for the environment and respect for people.
- The Company should comply with documented policies and procedures in relation to tax risk management and should conduct risk assessments before entering into any new initiatives. Where appropriate, based on Management’s judgment, this should include obtaining external professional opinions to verify and support the Company’s conclusions.

## Tax Governance

- Tax is part of the Finance function of **the Company**. Tax strategy and policies are reviewed on an on-going basis by the Company's Finance Department and the Board.
- Day-to-day tax matters are delegated to a team of qualified in house professionals.

**Awareness of reputation and relations with tax authorities:**

- **The Company** values having good relations with tax authorities. Therefore proactive and transparent communication with tax authorities is maintained at country level to ensure that all information reporting required under taxation laws is readily available on a timely basis.