



VANTIVA'S UK TAX STRATEGY





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INTRODUCTION

Vantiva is a world leader in the provision of services to the television industries.

The group operates in many countries around the world, including the UK. Our strategy is to pay the right amount of tax in the jurisdictions in which we operate, as dictated by local and UK tax legislation.

We pay corporate income taxes, stamp duties, employment and other taxes. We also collect and pay employee income taxes, and indirect taxes such as import duties and VAT.

The taxes we pay and collect form a significant part of our economic contribution to the countries in which we operate.

Our tax strategy accords with the following principles:

1. TAX PLANNING

We engage in efficient tax planning that supports our business activities and reflects commercial and economic substance. We adhere to relevant tax laws and disclosure requirements in every jurisdiction in which we operate and seek to minimize the risk of uncertainty or disputes.

Acquisitions, group reorganizations and simplifications are driven by commercial factors as opposed to tax savings.

2. WE CONDUCT TRANSACTIONS BETWEEN GROUP COMPANIES ON AN ARM'S-LENGTH BASIS AND IN ACCORDANCE WITH CURRENT OECD GUIDELINES.

Vantiva will take into account the underlying policy objectives of relevant tax laws and will comply with current practices as it and its advisors understand them. Where tax incentives and exemptions are implemented by the UK Government or by HMRC to encourage investment, employment and economic development we aim to apply these in the manner intended to minimise the tax cost of conducting our business. We do not use artificial arrangements to generate a tax advantage.

The group does not have an overall or UK target effective tax rate.

3. TAX RISK

Our policies aim to ensure that we identify tax risks and take actions to address them. Tax risk is considered as part of our management process and is overseen by the Board.

The group has a dedicated tax team with the necessary experience and skill set, which works with the group's businesses to provide the required tax advice and guidance.

Our controls and governance ensure that tax risks that could affect our business plans, shareholder value and reputation are identified and addressed by the finance and tax departments.

We outsource tax work to external advisors (including elements of tax compliance). In addition, where uncertainty regarding the tax treatment in a particular situation cannot be resolved internally, we refer the matter to external tax or legal advisors. Where it is still not possible to obtain certainty regarding the tax

treatment, we aim to resolve the matter by discussion with HMRC. Risks of this type may arise due to the complexity of legislation and because scenarios sometimes arise in practice that were not envisaged when legislation was drafted.

Where agreement cannot be reached through discussion, we would consider seeking formal Counsel's opinion and potentially litigation to resolve the uncertainty, depending on the materiality involved.

4. GOVERNANCE

The group head of tax is responsible for our approach to tax, and major changes to tax policies are approved by the Vantiva board and by the audit committee. The group head of tax is also responsible for ensuring that policies and procedures that support the approach are in place, maintained and used consistently around the world, and that the global tax team has the skills and experience to implement the approach appropriately. The UK Tax Manager has responsibility for UK tax and ensures that adequate controls are in place so that the correct amount of taxes are identified and paid. The UK group falls within the Senior Accounting Officer regime, and the UK Finance Director is the designated SAO for all entities. The group employs a full-time tax manager whose role is to deal exclusively with tax issues for the UK group entities. Tax controls are subject to annual review by the internal audit department. In addition, Vantiva has a Financial Ethics Charter which senior employees who are involved in preparing and reporting Vantiva's financial results are asked to sign each year.

5. OUR APPROACH TO DEALING WITH HMRC

We aim to cooperate with HMRC in a manner that is professional, open and honest, and to respond to any communications from them in a timely manner. Staff submitting information to HMRC are required to be sure that to the best of their knowledge no false or otherwise misleading items are transmitted. In the past, when Technicolor, known as Vantiva, was included in HMRC's Large Business regime, formal meetings were organized each year with representatives of HMRC, including their Customer Relationship Manager, together with Vantiva's global SVP Tax and the UK tax manager. At the meetings Vantiva representatives provided updates on changes to business activities, results and other issues relevant to the tax affairs of the UK group.