

# Mphasis

## UK Tax Strategy

### Introduction

Mphasis is an IT services company headquartered in Bangalore, India. As a global group, we provide infrastructure technology and applications outsourcing services, as well as application development and integration, and application management services to a wide range of sectors from financial services and insurance to logistics, communications, life sciences and healthcare.

The UK group's activities are primarily limited to providing Information Technology Support services (suite of onsite support services such as Client requirements gathering, initial testing of software and sharing test results, managing CRM and acting as interface between clients and offshore core teams, limited project management and quality assurance, basic level customer training on offshore developed IT modules), IT consulting services and Business Process Outsourcing (BPO) services including provision of sales support services through its UK subsidiary companies. The UK subsidiaries do not undertake any development of software or core coding functions including development and transfer of any design or IP in relation to any software to its group affiliates or customers

### This Tax Strategy document

This Tax Strategy is applicable to our tax activities as they relate to UK taxation.

This document meets the requirement for Mphasis UK to publish its Tax Strategy as required by section 161 and paragraph 19(4) of Schedule 19 of Finance Act 2016. It is effective for the year ended 31 March 2018 covers all Mphasis UK group companies.

### Aligning to our Code of Business Conduct

In developing this UK Tax Strategy, we have aimed to align our tax principles below to our [Code of Business Conduct](#), which is focused on preserving our strong value system and ensuring our commitment to operate in the highest ethical manner.

Like our Code of Business Conduct, this Tax Strategy is intended to guide employees in making the right tax decisions in their day-to-day operations. At Mphasis, our vision is focused on achieving business success together and this vision extends beyond the relationships we have with our customers, and applies equally to our relationships with all of our stakeholders, including regulatory bodies and HMRC.

### Our UK Tax Principles

#### 1) Tax compliance and reporting

We are committed to meeting all our legal and regulatory requirements in paying the correct amount of tax and meeting our tax compliance obligations. Compliance with all laws and regulations, including those relating to tax are firmly embedded in the business and we have an established internal control system and procedures to help achieve this.

This includes seeking to apply diligent professional care and judgement in our tax compliance activities, and provide sufficient evidence to support all judgements made. In order to ensure that all compliance and reporting obligations are met, Mphasis employs a team of in-house tax and finance specialists; and is supported by its external Tax advisors.

#### 2) Governance and risk management

The UK board of directors provides oversight in ensuring that tax is considered within the wider context of the business and in how tax risk is managed across Mphasis UK. Compliance and risk matters, including those concerning taxation, are included on the

agenda at board meetings. Corporate Headquarters in India provides further assistance as may be sought on an ad hoc basis.

The Vice President & Head-Group Taxation has responsibility over Mphasis UK's approach to UK tax on a day-to-day basis and is supported by an experienced in-house tax team. Together, they are responsible for the identification, prioritisation and monitoring of tax compliance risk across the UK business/subsidiaries, as well as the escalation of tax risk to the UK board of directors.

Mphasis UK has a low threshold for risk in respect of UK taxation and this aligns with the wider group's approach to maintaining our commitment to operating in the highest ethical manner. Mphasis UK is not prepared to accept a level of risk that would expose it to reputational harm or which could adversely impact its relationship with HMRC.

### **3) Our approach to tax planning**

We have a low risk appetite to tax planning as it affects UK taxation, and tax decisions are aligned to business and commercial strategy. Like any other business expense however, we seek to create value for our shareholders. As such, we may respond to tax incentives and exemptions where appropriate and in a way that is consistent with HMRC and government policy.

As appropriate, we will seek external professional tax advice to ensure we apply these incentives and exemptions legitimately, and if appropriate, we seek advance clearances with HMRC to ensure we minimise the risk of uncertainty.

### **4) Relationships with UK Tax Authorities**

Mphasis UK is committed to working with HMRC in an open, honest and transparent manner. Wherever possible, we will seek to work collaboratively with HMRC in terms of keeping them up to date about any commercial developments and events in our business that may have a tax impact and will work with HMRC to achieve early agreement on matters of complexity.

Approved by the Board on 29<sup>TH</sup> March 2018