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COWI UK Limited – UK Tax Approach

(Prepared by COWI Corporate Tax and COWI Communications)

(To be published on the website of COWI UK Limited on or before 31 December 2017)

Background

The Finance Act 2016 in the UK introduced a requirement for all large businesses operating in the UK to publish their UK tax approach online no later than 31 December 2017. In the following, you will find the tax approach of COWI UK Limited.

If you have any questions or comments, please contact Manuel Vigilius, Vice President, Communication, COWI A/S, Parallelsvej 2, DK-2800 Kongens Lyngby, Denmark, +45 56 40 00 00.

Offices

COWI UK Limited is headquartered in London with additional offices in the UK.

Ownership and Field of Activities

COWI UK Limited is a wholly owned subsidiary of COWI International A/S and member of COWI Group, a Danish-based consulting group owned by the COWI Foundation, Denmark.

COWI Group employs worldwide 6,600 engineers, planners, sociologists, biologists, agronomists, economists and other specialists with academic backgrounds. We provide technical, supervisory and advisory services within engineering, economics and environmental science in more than 35 subsidiaries around the world. COWI Group has a history of 85 years.

Employees and Turnover – COWI UK Limited

COWI UK Limited is a company in COWI's international business line, Bridge, Tunnel and Marine Structures. COWI UK Limited has 250 employees, and provides services on projects worldwide from UK locations.

In 2016 the company had a turnover of approx. GBP 24 million which is approx. 3.5 % of the total turnover of the COWI Group. In 2016 the COWI Group had an effective tax rate of 35%.

Our Approach to Tax

Taxes form a natural part of our cost base. Just like any other costs, taxes and their implications are analysed and assessed in regard to our business activities and strategy. We strive to be in compliance with local and international tax laws and regulations in the countries where we conduct business.

Our Relationship with Tax Authorities

COWI UK Limited seeks to maintain a good working relationship with HMRC and other tax authorities throughout the world. We cooperate with tax authorities and react in a timely manner to any requests.

Our Global Tax Function

Our tax function is part of the COWI Group's global finance function which refers to COWI's CFO and which is ultimately the responsibility of COWI's entire Executive Board. The global finance function has employees located in the UK working with UK tax compliance requirements.

Our UK Tax Approach

COWI's global tax approach, which also encompasses the UK tax approach, is based on compliance and integrity. This means that at COWI UK Limited:

- We strive to comply with local tax laws and international regulations when calculating taxes due.
- Where there are alternative routes to achieving the same commercial results, we consider the most efficient tax approach, in compliance with applicable laws.

Our Approach to Tax Risks

COWI's approach to risk management is basically defined by our desire to protect the assets and reputation of our business and stakeholders. In line with this approach, we seek to minimize tax risks where possible, which means that we do not engage in any artificial transactions purely for tax optimization purposes.

To underpin this approach, we manage our tax matters in a governance framework with communication lines that ensure that relevant stakeholders, including the Board of Directors, are consulted when making significant business decisions with a tax impact.

Our Management of Tax Risks

Given the size and complexity of our business and activities, the COWI Group is exposed to a variety of tax risks. We strive to manage these risks through:

- Employment of a qualified in-house COWI tax team. The team is based in Denmark. It undertakes regular training and knowledge sharing through internal corporate tax networks in the global finance function, including the UK finance team working with UK tax.
- Engagement with external tax firms on complex tax matters where profound local knowledge of tax compliance requirements is required.
- Regular control and auditing. The COWI tax team and the finance function located in the UK working with UK tax compliance requirements perform their activities in a reporting and control framework, which is documented and reviewed regularly by internal controllers and external auditors according to legislative requirements.