

SHARP

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Sharp Electronics (Europe) Ltd**UK TAX STRATEGY****Introduction**

The purpose of this statement is to communicate our approach to tax to all stakeholders and to meet the requirements of Schedule 19 of the Finance Act 2016. The taxes covered by this statement are as set out in Para 15(1) of Schedule 19 of the Finance Act 2016.

This tax strategy applies to Sharp Electronics (Europe) Ltd and its UK affiliates (“the Group”), as listed at the end of this statement.

Sharp Electronics (Europe) Ltd (“the Company”) is an intermediary limited holding company, domiciled in the United Kingdom. The Company is a wholly owned subsidiary of Sharp Corporation Japan, a company incorporated in Japan.

Sharp’s code of conduct includes legal compliance, ethical business conduct, and fair and impartial management and this is reflected in the way the Group approaches its tax affairs.

Governance

The board member of each company of the Group is responsible for the governance and the policy of the Group in relation to UK taxation.

Financial Directors at each entity are responsible for the day to day management of the administration and payment of UK taxation for their respective companies. The Tax Director remains responsible for the Company’s tax affairs and has broad oversight over the UK tax affairs of the Group. The Chief Financial Officer remains involved in key decisions and approval processes that may also impact tax.

We have robust internal policies, processes, training and compliance programmes to ensure we have alignment across our business and meet our tax obligations.

Tax Risk Management

The Group operates a system of tax risk assessment and controls as a component of the overall internal control framework applicable to the group’s financial reporting system.

The Group seeks to reduce the level of tax risk arising from its operations as far as is reasonably practicable by ensuring that reasonable care is applied in relation to all processes which could affect its compliance with its tax obligations.

Processes relating to different taxes are allocated to appropriate process owners, who carry out a review of activities and processes to identify key risks and mitigating controls in place. These key

risks are monitored for business and legislative changes which may impact them and changes to processes or controls are made when required.

Appropriate training is carried out for staff outside the Tax team who manage or process matters which have tax implications.

Where appropriate, we seek advice from external advisors on specialist UK and non UK matters which forms part of our tax return process, we see input from external advisors as a key source of specific tax expertise to supplement the skills of our own finance team where applicable. The Group hires external advisors to ensure all the tax returns to be prepared appropriately.

Attitude towards tax planning and level of risk

The Group's tax risk management objective is to comply with tax law and legislation and pay the right amount of tax at the right time in the UK.

The Group's approach is to achieve certainty over its tax affairs, all transactions by the Group are driven by a clear business purpose and commercial rationale.

Relationship with HMRC

The Group has a low tolerance towards tax risk, we seek to minimise risk of dispute with the taxing authorities. The Group aims to be transparent and proactive in all tax matters and we are committed to maintaining an open and honest dialogue with the tax authorities.

In the event we identify an issue in our tax compliance obligations, we would voluntarily disclose this to the tax authority on a timely basis.

We manage our on-going and future tax risk by periodically meeting our Client Relationship Manager ("CRM") from the UK tax authority ("HMRC") to discuss and share details on relevant current and proposed transactions.

In summary, the Group is committed to paying the correct amount of tax in full compliance and working collaboratively with the tax authorities.

Sharp Electronics (Europe) Ltd and its UK affiliates ("the Group") includes:

Sharp International Finance (UK) PLC
Sharp Laboratories of Europe Ltd
Midshire Business Systems Ltd
Midshire Business Systems (Northern) Ltd
Sharp Business Systems UK PLC
Sharp Device Electronics (UK Branch)
Sharp Telecommunications Of Europe Ltd (Dormant)
Sharp Communication Compliance Ltd (Dormant)
Copy IT Digital Solutions Ltd (Dormant)
Copifax Ltd (Dormant)

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