



UK Tax Strategy - 2018

This document sets out the group tax strategy for Ball Corporation and its subsidiaries (“the Group”) as it relates to UK taxation¹, though the principles can be applied more broadly across our geographic operational footprint.

This document has been approved by the Group’s Chief Financial Officer and its publication complies with the requirements of fiscal legislation enacted by the United Kingdom Parliament.²

Our approach to risk management and governance arrangements

The responsibility for tax risk management and governance lies with the Chief Financial Officer, with oversight by the Audit Committee and Board of Directors. Day to day responsibility is delegated to the Vice President Controller and Vice President Global Tax, whom are supported by the tax function and certain personnel in the wider Group finance community (collectively referred herein as the “tax function” or “tax team”).

Our approach to tax risk management follows the same principles that we apply to other business risks, by giving consideration to the following:

- Observation of applicable laws, regulations and disclosure requirements;
- Application of professional care and judgement to arrive at well-reasoned conclusions;
- Ensuring that decisions are taken at an appropriate level and are supported with documentation that evidences the facts, conclusions and risks involved.

Our tax team works to build and maintain multifunctional cross sector relationships within the Group. Through this process the team strives to promote the tax strategy, along with seeking to identify and manage tax risk, by using its knowledge of the Group’s operations and the principles set out above.

The tax function serves to ensure that informed tax decisions are taken within our business dealings, both in a local and a cross-border context. It provides advice which reflects the substance of commercial activities.

The tax function consists of a team of qualified tax and finance professionals, who are required to operate with integrity and professionalism at all times. In line with the wider ethos of the Group, the tax function operates under the principle of continuous improvement, for instance, maintaining a depth of knowledge through access to ongoing training resources.

The team maintain oversight of compliance activities across the Group and are informed of and take active management in proposed local tax authority audits or possible disputes.

¹ UK Finance Act 2016 Schedule 19 Paragraphs 15(1) & (2).

² UK Finance Act 2016 Schedule 19 Paragraph 16(2).

Our approach to tax planning

In making commercial decisions we take tax into account in the same way as any other cost.

Where there is more than one way of structuring a commercial business arrangement we will take a holistic view, considering all factors, including tax.

We may implement an alternative with a lower tax cost, providing it is compliant with relevant tax laws and regulations.

However, we will not enter into arrangements in order to defeat the stated purpose of the relevant tax legislation.

The tax function is consulted on significant potential transactions, including acquisitions and disposals, providing advice on the available preferred routes to minimise potential tax risk and cost.

The tax function decides when to consult external advisers and reviews all output. The Group recognises that using external tax advisors adds value, particularly when providing advice regarding new legislation or where a potential transaction is of a significant scale. External advisors are used in a supportive capacity to provide additional guidance around particular risk areas where further certainty is beneficial.

Our approach to acceptable levels of tax risk

The Group is committed to complying with all relevant tax rules and regulations in a responsible manner and with due regard to governmental and broader stakeholder requirements. We seek to ensure that we always pay the legally required amount of tax and comply fully with our tax compliance obligations in all territories in which we operate.

We are committed to transparency being the basis of our actions by seeking to meet the highest external tax reporting and compliance standards and by endeavouring not to use opaque or contrived corporate structures to hide or reduce the transparency of our actions.

We're focused on ensuring that taxes and tax risks are managed to provide sustainable outcomes within the parameters of the Group's strategic and commercial objectives, creating value for our shareholders.

We recognise that there is always some level of tax risk inherent in operating our businesses and this is due to the general complexity of taxes, frequency of law change, scope for differing interpretations of tax law and the breadth of taxes which impact the Group's activities.

When making decisions on tax we take into account the materiality of any item, as well as the costs of any effective risk mitigation steps.

The Group does not have pre-defined limits in place on the amount of acceptable tax risk, but rather judgement is applied by taking account of the principles enumerated above on an issue by issue basis.

Relationship with Her Majesty's Revenue and Customs (HMRC)

We maintain an open and collaborative professional relationship with HMRC. This includes, where appropriate, dialogue on significant tax issues and developments in the Group's activities. As the Group is a large business, HMRC have appointed a Customer Compliance Manager (CCM) to provide the necessary coordination of HMRC's risk assessment and intervention activities. We have frequent contact with the CCM, along with a team of specialists HMRC has appointed.

We seek to respond to queries or information requests in a timely fashion and make fair and accurate disclosures in correspondence and returns.

We see value, as part of our risk management process, in seeking to resolve issues, where possible, with HMRC in real time and before returns are filed. This may involve disclosure through the available formal or informal clearance procedures on material/significant matters, in order to gain agreement on the tax implications. If disagreements arise, we work with HMRC to resolve issues by agreement.