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1.0 Introduction

This document, approved by the Board of VSMPO Tirus Limited, sets out our UK Tax Policy.

It includes our approach to conducting our tax affairs and dealing with tax risk, and is made available to all stakeholders within VSMPO Tirus Limited. VSMPO Tirus Limited will periodically review the document; the VSMPO Tirus Limited Board of Directors will approve any amendments. It is effective for the year ending 31 December 2017, and will be reviewed and republished annually.

This tax policy satisfies paragraph 19 of schedule 19 to the UK Financing Act 2016. The tax policy has been published in accordance with paragraph 16(2) of the Schedule by VSMPO Tirus Limited.

This strategy applies from the date of publication until it is superseded. References to 'UK Taxation' are to the taxes and duties set out in paragraph 15(1) of the Schedule which include Income Tax, Corporation Tax, PAYE, NIC, VAT, Insurance Premium Tax, and Stamp Duty Land Tax. References to 'tax', 'taxes' or 'taxation' are to UK taxation and to all corresponding worldwide taxes and similar duties in respect of which VSMPO Tirus Limited has legal responsibilities.

2.0 Tax Policy

VSMPO Tirus Limited is committed to conduct its tax affairs consistent with the following objectives, to:

Comply with all relevant laws, rules, regulations, and reporting and disclosure requirements, wherever the company operate.

Ensure the tax strategy is at all times consistent with our overall company strategy and its approach to risks.

Apply professional diligence and care in the management of all risks associated with tax matters, and ensure governance and assurance procedures are appropriate.

Encourage constructive, professional and transparent relationships with tax authorities, based on the concepts of integrity, collaboration and mutual trust.

3.0 Tax Code of Conduct

This Tax Code of Conduct outlines the principles setting out how employees and relevant stakeholders of VSMPO Tirus Limited are expected to operate with respect to tax matters in support of the above Tax Policy. Non-adherence to this policy could constitute a disciplinary matter, potentially leading to sanctions, up to and including dismissal.

The code of conduct is set out in detail below:

3.1 Compliance with laws, rules and regulations.

VSMPO Tirus Limited is committed to observing all applicable laws, rules, regulations, and reporting and disclosure requirements, wherever there is a requirement to do so as a result of our business presence and transactions.

Importantly, external professional advisors are employed by VSMPO Tirus Limited to provide advice and guidance where necessary to ensure compliance with tax matters. There are clear management

responsibilities, backed up by regular monitoring and review, carried out by members VSMPO Tirus Limited with the necessary experience and skill set.

3.2 Governance, Assurance and Tax Risk Management

Responsibility and accountability for the Companies tax affairs is clearly defined and determined by the VSMPO Tirus Limited.

Diligent professional care and judgement is employed to assess tax risks in order to arrive at well-reasoned conclusions on how the risks should be managed. Where there is uncertainty as to the application or interpretation of tax law, appropriate written advice evidencing the facts, risks and conclusions may be taken from external professional advisers to support the decision-making process.

In reviewing the risks of a tax action or decision, always bearing in mind the requirements of the Tax Policy, the following is considered:

- the legal and fiduciary duties of directors and employees
- the maintenance of corporate reputation
- the wider consequences of potential disagreement with tax authorities, and any possible impact on relationships with them.

VSMPO Tirus Limited employ various risk management processes and systems to provide assurance that the requirements of this Tax Policy are being met.

4.0 Relationships with tax authorities

VSMPO Tirus Limited is committed to the principles of openness and transparency in its approach to dealing with tax authorities wherever we operate around the world. All dealings with the tax authorities and other relevant bodies will be conducted in a collaborative, courteous and timely manner. The aim would be to strive for early agreement on disputed matters, and to achieve certainty wherever possible.

5.0 Attitude towards tax planning and level of risk

VSMPO Tirus Limited manages risks to ensure compliance with legal requirements in a manner which ensures that it pays the amounts of tax legally due in any territory. There will, however, be circumstances where this amount may not be clearly defined, or where alternative approaches may result in differing tax outcomes. The business will use its best judgement in determining the appropriate course of action, using available reliefs and incentives where possible.

When entering into commercial transactions, VSMPO Tirus Limited seeks to take advantage of available tax incentives, reliefs and exemptions in line with, and in the spirit of, tax legislation. VSMPO Tirus Limited does not undertake tax planning unrelated to such commercial transactions.

The level of risk which VSMPO Tirus Limited accepts in relation to taxation is consistent with its overall objective of achieving certainty in our tax affairs. At all times VSMPO Tirus Limited seeks to comply fully with its regulatory and other obligations and to act in a way which upholds its reputation as a responsible corporate citizen. In relation to any specific issue or transaction, VSMPO Tirus Limited is ultimately responsible for identifying the risks, including tax risks, which need to be addressed and for determining what actions should be taken to manage those risks in partnership with external professional advisors, having regard to the materiality of the amounts and obligations in question.