



## **LabCorp UK Tax Strategy – 2018**

In compliance with section 161 and paragraph 19(2) of schedule 19 Finance Act 2016, LabCorp UK Holdings Limited provides the LabCorp UK group's tax strategy for the year ending December 31, 2017. The LabCorp UK group consists of the UK companies and branches directly or indirectly owned by Laboratory Corporation of America® Holdings (LabCorp®) listed at the end of this document.

The LabCorp UK Tax Strategy was approved by the board of directors of LabCorp UK Holdings Limited on: 21<sup>st</sup> December 2018

### **The LabCorp UK group's overall tax strategy is to:**

- Comply with all applicable tax laws, rules, regulations, reporting and disclosure requirements;
- Act consistently with the wider LabCorp group's strategy, approach to risk, and core values;
- Apply professional diligence and care in the management of all risks associated with tax matters, and employ appropriate governance and assurance procedures;
- Foster constructive, professional and transparent relationships with tax authorities, based on the concepts of candor, collaboration and mutual trust;
- Use appropriate incentives and reliefs to minimize the tax costs of conducting its business activities, but not for purposes which are knowingly contradictory to the intent of applicable regulations.

### **Risk management and governance arrangements**

The LabCorp UK group's tax affairs are transparent and compliant with tax legislation. A dedicated tax team (Group Tax) collaborates with the group's UK businesses to provide advice and guidance necessary to maintain compliance. There are clear management responsibilities, backed up by regular monitoring and reviews carried out by members of Group Tax with the necessary experience and skill set.

From a governance perspective:

- The LabCorp board of directors and its Audit Committee are aware of the importance of tax compliance, and how it is achieved;
- There is an ongoing structured dialogue between the board of directors, executive management, senior finance executives, and those individuals responsible for the operations of our finance function regarding risk tolerance levels;
- The LabCorp UK group acknowledges its tax compliance responsibilities and the importance of meeting those obligations.

### **Tax planning**

Tax planning is undertaken where there is a commercial requirement. Professional advice is sought on a transactional basis, with the extent of such advice dictated by an assessment of the inherent complexity and risk involved in each relevant transaction.

### **Attitude towards risk**

The LabCorp UK group's appetite for tax risk is low. The LabCorp UK group has processes in place to evaluate tax risks in decision making processes. Where assessed as necessary the LabCorp UK group will seek expert advice on specialist areas of tax from professional advisers in order to identify and manage tax risk.

### **Relationship with HM Revenue & Customs (HMRC)**

The LabCorp UK group aims to have an open and collaborative professional relationship at all times with HMRC. It is LabCorp UK group's policy and practice to:

- Make fair, accurate and timely disclosure in correspondence and returns, and respond to queries and information requests in a timely fashion;
- Seek to resolve issues with HMRC in real time and before returns are filed, if possible, and where disagreements arise work with HMRC to resolve issues;
- Be open and transparent about decision-making, governance and tax planning.

### **LabCorp UK group companies**

LabCorp UK Holdings Limited  
LabCorp Limited  
Clearstone Holdings (International) Limited  
LabCorp Neon Limited  
Orchid Cellmark Limited (left the group on 7<sup>th</sup> August 2018)  
Covance Limited  
Covance Clinical and Periapproval Services Limited  
Covance Laboratories Limited  
Medaxial Limited  
Hazpen Trustees Limited  
Covance Clinical Research Unit Limited  
International Food Network Limited  
Fairfax Storage Limited  
Chiltern International Group Limited  
Chiltern International Holdings Limited  
Chiltern International Limited  
Havenfern Limited  
Ockham Development Group (Holdings) UK Limited  
Ockham Europe Limited  
Theorem Clinical Research Limited  
Endpoint Clinical (UK) Limited  
Sciformix Europe Limited