

Kronos Limited – 2017 Tax Strategy

This document is produced in accordance with the requirement under Section 161 and Schedule 19 Finance Act 2016 for the company to publish its UK tax strategy on the internet and sets out the group's approach to tax. This strategy applies to all taxes relevant to Kronos Limited and takes effect from the date of publication until amended or otherwise superseded. Our strategy is aligned with our overall approach to corporate governance and risk management.

Group Tax Policy

Our overall tax strategy as it relates to UK taxation is to comply with all relevant rules, laws, regulations and reporting requirements, utilize available incentives and tax reliefs in accordance with the intent of the legislation and policy objectives, consider the tax impact of business decisions under an appropriate risk control framework, and ensure there is Board oversight.

Governance and Risk Management

Kronos Limited seeks to comply with all legal requirements and maintains a conservative approach to tax risk. We engage external advisers when necessary. Our internal structure is set up to ensure tax risk is maintained at an acceptably low level.

The Board of Directors is routinely informed of, and understands, the importance of tax compliance and the associated risk. The business actively manages risk to ensure there are no unexpected tax issues that would cause a material financial impact to Kronos Limited. Transactions between Kronos Limited and related parties are on an arm's length basis.

Employees are expected to comply with the Kronos Worldwide, Inc. group's Code of Business Conduct and Ethics and our tax strategy is in alignment with this Code.

Tax Planning

Our policy is to ensure that all tax planning as it relates to UK taxation will have commercial and economic substance and will be consistent with our overall business strategy. Professional advice may be sought regarding any specific issue or transaction to obtain a full understanding of related risks, including tax risks, which would need to be addressed to mitigate such risks.

We do not undertake tax planning unrelated to our core commercial transactions nor do we engage in aggressive tax planning.

Attitude Towards Risk

Compliance with tax legislation is critical to managing our tax risk. We seek to minimize tax liability and maximize shareholder value while maintaining a policy to take a conservative interpretation of tax legislation.

We recognize the complexity of tax law and that risk exists with respect to the interpretation of tax law. We engage external counsel for matters requiring expert advice or clarification. We do not enter into transactions that lack a credible economic or commercial benefit.

Relationship with HM Revenue & Customs (HMRC)

We seek to have a cooperative relationship with HMRC. We employ the services of professional tax advisers to liaise with HMRC on our behalf. Through our advisers we promote open, constructive and professional relationships with the tax authorities. We focus on timely tax compliance and make full disclosures when required. Through our advisers we obtain clarification in new and/or complex areas of tax law.