

INTRODUCTION

The Black & Veatch Group (“Black & Veatch”) is committed to ensuring that all aspects of its activities throughout the world are conducted in a fair, honest and respectful manner. This approach is espoused in our seven Core Values of Integrity, Common Purpose, Shared Ownership, Stewardship, Respect, Entrepreneurship, and Accountability. This UK Tax Strategy Statement has been developed within the context of these Core Values, and is meant to satisfy the requirements of the *UK Finance Act 2016* which imposes a legal requirement for certain companies, including Black & Veatch, to publish their UK Tax Strategy.

TAX GOVERNANCE

The Chief Financial Officer is ultimately responsible for Black & Veatch’s overall tax risks, while management of tax risks in global markets is performed by the company’s Senior Vice President of Tax, and the Senior Accounting Officer is responsible for the day-to-day management of the UK tax risks.

Black & Veatch is committed to ensuring the company’s compliance with the highest standards in corporate governance. This is accomplished by the implementation of a system of internal controls and change management policies designed to respond effectively to significant risks to achieving the company’s business objectives. The company strives to ensure transactions are structured as efficiently as possible where opportunities with a credible technical standing are available, and are permitted within the approved parameters of the tax planning framework set out in this UK Tax Strategy.

TAX PLANNING

The proactive and timely communication of business transactions is critical to ensuring effective tax management can be undertaken. Effective liaison at the planning stage of a transaction ensures that tax risks and opportunities inherent in transactions are managed effectively. Black & Veatch only engages in tax planning that has a genuine commercial purpose within the context of our Core Values, and which would have no or limited impact on the company due to adverse publicity regarding tax matters if details were in the public domain. Cash flow and profitability should be positively impacted if the planning is successful, with the potential upside benefit outweighing the downside cost for Black & Veatch. External advice, including tax counsel opinions where relevant, are obtained as necessary.

TAX RISK MANAGEMENT

Black & Veatch has a wider corporate risk framework to which the tax risk management framework is included. Tax risks are subject to ongoing review by the Director of Finance, SVP of Tax, and Black & Veatch Internal Audit. In addition to the corporate risk framework, the company has put in place a tax specific risk register designed to identify and monitor tax risk. The tax risk register gives visibility for high level management reporting to facilitate appropriate oversight over the tax risk identification and monitoring framework.

The internal control system will be further monitored and supported by independent functions reporting on the company’s operations to the company’s management. The business will be independently audited annually, and tax accounting, where deemed required, will be audited in accordance with this process. A plan of action will be agreed with the Director of Finance to act upon recommendations made within these reviews/audits within a timeframe which is appropriate to the company’s risk management objectives and resource allocations.

APPROACH TO DEALINGS WITH HMRC

Black & Veatch maintains an open and honest relationship in its dealings with HMRC and will seek to work in ‘partnership’ with HMRC in relation to its tax dealings. Following a review by HMRC in 2016, Black & Veatch was designated as a “Low Risk” taxpayer. It is the company’s objective to maintain its “Low Risk” status with HMRC.