

## **RR Donnelley UK Limited and UK Group Tax Strategy**

### **Introduction**

This statement is made pursuant to Schedule 19 to the Finance Act 2016 and sets out RR Donnelley's policy and approach to conducting and managing its UK tax affairs. In publishing this statement RR Donnelley is fulfilling its obligations under the Finance Act 2016.

This statement will be periodically reviewed by management with responsibility for tax and any amendments will be approved by the Board of Directors. This statement is effective for the Company's financial years commencing 1 January 2018 and will remain in effect until any amendments are approved by the Board of Directors. This statement shall in any event be re-issued no later than 31 December 2019.

In this statement references to "the Company" or "RR Donnelley" shall be references to RR Donnelley UK Limited, and references to the "Group" or the "UK Group" shall be references to the United Kingdom affiliates of RR Donnelley which form part of the UK Tax Group which is headed by RR Donnelley.

### **Group Tax Policy**

RR Donnelley is committed to conducting its tax affairs consistent with the following objectives:

1. to comply with all relevant laws, rules, regulations, and reporting and disclosure requirements; and
2. to apply due professional diligence and care in the management of risks associated with tax matters, and in doing so ensure that appropriate governance and assurance procedures are implemented.

### **Principles of Ethical Business Conduct**

RR Donnelley's Principles of Ethical Business Conduct policy sets out the principles that all employees and officers of RR Donnelley are expected to adhere to in all dealings and business matters, including its tax affairs, a copy of which can be found on the RRD website (<http://investor.rrd.com/corporate-governance/governance-documents>). RR Donnelley requires that all staff should act honourably, with honesty and integrity, in compliance with all applicable domestic and foreign laws and regulations, and in accordance with the highest moral/ethical standards of responsibility and accountability in all dealings with our customers, potential customers, business partners, suppliers, public officials, competitors and each other. Non adherence to this policy may constitute a disciplinary matter and could lead to disciplinary proceedings that can ultimately include dismissal.

### **Tax Risk Management**

Responsibility and accountability for the Group's tax affairs is the responsibility of the designated Senior Accounting Officer who reports directly to the Board of Directors.

The Board of Directors also take an active role in understanding the tax treatment of material transactions.

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

Risk management processes and systems include compliance and risk monitoring systems and internal reviews of tax compliance activity through Group.

### **Attitudes to tax planning**

RR Donnelley believes that it should pay the amounts of tax legally due. There will, however, be circumstances where this amount may not be clearly defined, or where alternative approaches may result in differing tax outcomes. The Group will use its best judgement in determining the appropriate course of action, using available reliefs and incentives where possible. On occasions where the tax treatment of a transaction requires specialist tax knowledge the Group will seek external professional advice.

### **RR Donnelley and its tax risks**

RR Donnelley's strategic aim is to maintain a low UK tax risk rating as determined by HMRC's Business Risk Review Process. RR Donnelley seeks to achieve this aim through:

- (i) the submission of all UK tax returns on a timely basis, including sufficient detail to enable HMRC to form an accurate view of the affairs of the Group company filing the return with an adequate supporting audit trail and sign-off process;
- (ii) paying the appropriate amount of tax at the right time;
- (iii) maintaining tax accounting arrangements which are robust and accurate and which comply with the Senior Accounting Officer (SAO) provisions in the UK set out in Schedule 46 to the Finance Act 2009;
- (iv) ensuring that the departments who are involved in RR Donnelley's tax processes are adequately resourced and supported, and that key personnel are retained in order to manage tax compliance issues on a knowledgeable and timely basis; and
- (v) ensuring that all tax filing positions are supported with appropriate documentary evidence.

Where there is a view taken by RR Donnelley that may potentially differ to a position taken by HMRC, RR Donnelley aims to be transparent about the filing position it has taken.

### **Relationships with tax authorities**

RR Donnelley is committed to the principles of openness and transparency in its approach to dealing with tax authorities. 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.

**Signed for and on behalf RR Donnelley UK Limited**

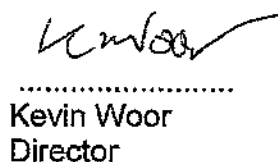
Date: 14 December 2018



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John Farmer  
Director



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Mike Gordon  
Director



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Kevin Woor  
Director