

12 December 2018

Group tax strategy: Financial year ending 31 December 2018

This group tax strategy is published in complying with Part 2, Schedule 19 of the Finance Act 2016. It applies to all UK entities in the Genpact Group headed by Genpact Ltd.

Our group tax strategy comprises five key components:

1. Commitment to compliance

Our purpose is to create value on a sustainable basis by supporting our businesses in ensuring their commercial activities are organised in a tax efficient manner, whilst ensuring compliance with tax laws and practices in all the territories where we operate, including the UK which is an important place of business for us. In doing so we take into account the interest of all of our stakeholders, ensure effective interaction with tax authorities and transparency in relation to our tax affairs. Compliance for us means paying the right amount of tax in the right place at the right time and involves disclosing all relevant facts and circumstances to the tax authorities and claiming reliefs and incentives where available. For all substantial corporate income tax and VAT filings we engage with professional tax advisory firms in the UK. These firms are involved in either drafting the returns (to be reviewed by Genpact personnel prior to filing) or, vice versa, in reviewing draft returns prepared by Genpact personnel. Amounts which are accountable under PAYE regulations are computed by and related tax filings are managed by professional payroll vendors in the UK.

2. Responsible attitude to arranging our tax affairs

In structuring our commercial activities we will consider – among other factors – the tax laws of the countries in which we operate, with a view to maximising value on a sustainable basis for our shareholders or employees. Any structuring that is undertaken will have commercial and economic substance and is evaluated in the context of the Company's governance structure.

The Group will take tax into consideration in structuring where it contributes to the achievement of its strategic goals and allows the Group to manage its commercial affairs in a tax efficient manner. All planning must comply with the Group's internal practices and policies and be subject to robust review and approval processes. The Group will not undertake planning that is contrived or artificial.

This is reflected by the range of factors other than tax that are considered when entering into planning. In relation to tax specifically, considerations taken into account include the technical strength of the positions, reputational impact, disclosure implications, and commerciality of the planning initiative as well as the Group's ability to execute and manage the initiative in question. Where there is significant uncertainty or complexity in relation to a strategy, external advice may be sought.

3. Effective risk management

Given the scale of our business and volume of tax obligations, risks will inevitably arise from time to time in relation to the interpretation of complex tax law and nature of our compliance arrangements. We actively seek to identify, evaluate, monitor and manage these risks to ensure they remain in line with our objectives.

4. Constructive approach to engaging with HMRC

We engage with tax authorities, including HMRC, with honesty, integrity, respect and fairness and in a spirit of co-operative compliance. From time to time, if it is unclear how tax law should be applied, we may engage with tax authorities in advance of undertaking transactions to confirm the correct application of tax law. Whilst we will not take positions on tax matters that may create reputational risk or jeopardise our good standing with taxing authorities, we are however prepared to litigate where we disagree with a ruling or decision of a tax authority but will first seek to resolve any disputed matters through pro-active and transparent discussion and negotiation.

5. Board ownership and oversight

Our tax policies are aligned with our Code of Ethics. Tax strategies, once reviewed are approved by the executives of the Company, and when appropriate are overseen and approved by the Board of Directors.