



SK Hynix NAND Product Solutions UK Limited
United Kingdom

UK Tax Strategy Statement

Overall context and commitment to compliance

SK Hynix NAND Product Solutions UK Limited's ("SKH UK") principal function is to import, sell and distribute electronic goods to customers in the UK and European marketplaces as a subsidiary of SK Hynix NAND Product Solutions Corporation ("SKH US").

SKH UK is committed to complying with tax laws and practices in all the territories in which it operates, including in the UK which is one of the company's main marketplaces. SKH UK engages with local professional tax advisors in order to fulfil its tax compliance obligations. Compliance includes, but is not limited to, meeting all tax obligations, fulfilling informative disclosures on a timely basis, and coordinating with tax authorities in an open and transparent manner, in line with the overarching business strategy set by the Board of Directors ("BOD") of SKH US.

SKH UK is committed to coordinating with HM Revenue & Customs ("HMRC") with honesty, integrity, and fairness in respect of all UK tax matters. SKH UK ensures HMRC is aware of any significant transactions or changes to the business, and proactively discusses any potential tax issues at an early stage.

The publication of this strategy statement is regarded as satisfying the statutory obligation under Para 22(2), Schedule 19, Finance Act 2016.

UK tax planning and risk management

In structuring the activities within the business group, relevant tax legislation, cases, and guidance in all countries where SKH UK and SKH US operate are considered. SKH UK does not seek to enter into tax matters that are unnecessarily complex or uncertain. However, as SKH UK continues to expand, both domestically and internationally, there will at times be inevitable tax risks arising from the interpretation of tax legislation and/or the nature of the company's compliance arrangements. SKH UK proactively engages with local tax advisors and HMRC in identifying, evaluating and monitoring these risks and to minimise the level of risk and uncertainty to the best extent.

SKH UK does not engage in tax planning activities that are artificial, contrary to the intention of tax legislation, or that deviate from the commercial purpose of a transaction.

Corporate governance arrangements

SKH UK and SKH US believes transparent and sound governance serves as a basis for reasonable and responsible business activities. As such, SKH UK has established and seeks to maintain a sound governance structure to ensure continued stability, prosperity of its operations, and economic growth.

The BOD, the highest decision-making body, sets key business objectives and basic policy with execution monitored by top management. The BOD is comprised of independent directors with diverse backgrounds and areas of expertise. Such directors use their expertise to review the procedural and actual legitimacy of various business activities including management decisions, thereby playing a crucial role in ensuring the soundness of SKH UK's operations.

The VP of Tax is responsible for tax matters and ensuring these are in line with the established business objectives and policies set by the BOD. Day to day management of the company's UK tax affairs is monitored by a dedicated tax director and tax manager located in San Jose, CA with the support of local external professional UK tax advisors. SKH UK has developed a framework to monitor and implement tax tasks with multiple levels of review and approval. These arrangements ensure that all significant tax related decisions are subject to review and approval by appropriately qualified and experienced staff and that all UK tax obligations are met.

Approved by:

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Mimi Tsui

Director

For and on behalf of SK Hynix NAND Product Solutions UK Limited