



INTRODUCTION

This document, approved by the board of CoorsTek, Inc., (“CoorsTek”) sets out CoorsTek’s strategy and approach to conducting its tax affairs and dealing with tax risk. The document will be reviewed periodically by the CoorsTek board, with amendments approved as appropriate. It is effective beginning with the year ending December 31, 2018.

As a member of the Keystone Holdings (“Keystone”) group of companies, the CoorsTek tax strategy is carried out in coordination with the Keystone Tax Department professionals. Keystone’s Tax Department works with all of the affiliates of Keystone to ensure that:

- 1) The tax strategy is adopted and followed consistently throughout Keystone’s holdings;
- 2) The tax strategy is aligned with Keystone’s overall approach to corporate governance and risk management; and
- 3) Keystone and its subsidiaries pay, on a timely basis, the correct amount of tax required of them under the laws of the countries in which they operate.

UK CONTEXT

The Parliament of the United Kingdom, in Finance Act 2016, has implemented a requirement that certain companies, including CoorsTek, publish annually a statement of their Tax Strategy. This statement is intended to meet the requirements of that statutory requirement.

The following legal entities, each a part of the CoorsTek group of companies, are subject to taxation in the UK, and covered by this statement:

CoorsTek, Ltd.
CoorsTek Advanced Materials – Crewe, Ltd.
Flowguard, Ltd.

As the leadership of the Keystone Tax Department is located in the United States, we utilize professionals from international accounting firms to assist with identifying and resolving UK tax issues resulting from legislative or business changes, and for the preparation of income tax filings in the UK. Management of the Keystone Tax Department consults regularly with such outside professionals to ensure that the necessary facts and circumstances have been communicated to such third parties to allow for proper resolution of issues and correct completion of returns. All income tax returns are reviewed and approved by both local corporate management and Keystone Tax Management prior to filing. Due to the relatively small size of the UK entities, HMRC has not assigned a customer relationship manager to our entities.

COORSTEK TAX STRATEGY

As an affiliate of Keystone, CoorsTek is committed to conducting its tax affairs in accordance with the following objectives.

Commitment to Compliance

CoorsTek will make every effort to comply with all laws, regulations, rulings, and information reporting requirements on a timely basis in all jurisdictions where we operate, including the UK. This includes remittance of the correct amount of tax on a timely basis and disclosure of all relevant information to the taxing authorities. CoorsTek will utilize tax incentives and reliefs to minimize the tax costs of its business, but will not knowingly use such incentives and reliefs in a manner which contradicts the intent of the provisions;

Attitude Concerning Tax Planning

In structuring our commercial activities we will consider – among other factors – the tax laws of the countries within which we operate with a view to maximising value on a sustainable basis for our shareholders. Any tax planning undertaken will have commercial and economic substance and will consider the potential impact on our reputation and broader goals. We will not undertake planning that is contrived or artificial. All tax planning activities will be conducted in accordance with the guidelines set forth in the Keystone Tax Code of Conduct.

Accepted Level of Tax Risk

Given the scale of our business and the volume of our tax obligations, on occasion risks will inevitably arise in relation to the interpretation of tax law. In accordance with the Keystone Tax Code of Conduct, we will ensure that the selected tax strategy is aligned with Keystone’s overall strategy and approach to risk management, is consistent with the CoorsTek Vision, Mission and Values statement, and is approved by the appropriate level of management;

Approach to Dealing with Taxing Authorities, including HMRC

CoorsTek seeks to foster positive and professional relationships with tax authorities based on integrity and collaboration;

Risk Management and Governance

This strategy is aligned with our Vision, Mission and Values statement, and is approved and overseen by the Board through implementation of the Keystone Tax Code of Conduct.