

TIBCO United Kingdom Tax Strategy

Introduction

In compliance with Section 19(2) of Schedule 19 of the Finance Act 2016 of the United Kingdom (“UK”), the UK Subs (as defined below) publish their UK tax strategy for the financial year ending 30 November 2017. This strategy applies to the UK subsidiaries (“UK Subs”) of TIBCO Software Inc. (“TSI”; TSI together with all of its subsidiaries, the “TIBCO Group”), which consists of the following companies:

- TIBCO Software Holdings Limited
- TIBCO Software Limited (“TS UK”)
- TIBCO BPM Holdings Limited (“TBPMH UK”)
- Nimbus Partners Limited (“Nimbus Partners”)

The strategy has been approved by the Board of Directors of TIBCO Software Holdings Limited, for itself and as the direct or indirect parent company for TS UK and TBPMH UK, and by the Board of Directors of Nimbus Partners for itself, and will be reviewed by the global tax team annually. Any amendments will need to be approved by the Board of Directors of each of TIBCO Software Holdings Limited and Nimbus Partners.

Overall strategy

The UK Subs individually collect and remit a range of taxes in the UK, including corporate income tax, PAYE, national insurance contributions, and value-added tax.

The UK Subs are committed to:

- Meeting all legal requirements, submitting all appropriate tax returns and making tax payments accurately and on time;
- Considering the tax impact in major business decisions, such as merger and acquisition activity;
- Utilizing tax reliefs and incentives where available and in compliance with tax law in force;
- Maintaining a strong tax risk governance process with supervision from the Board of Directors of each UK Sub;
- Considering tax in the context of its reputation and brand; and
- Working with HM Revenue and Customs (“HMRC”) in a transparent, collaborative manner.

The approach to risk management and governance arrangements in relation to UK taxation by the UK Subs

The Chief Financial Officer of TSI is ultimately responsible for the tax strategy, supporting governance framework, and management of tax risks of each TSI subsidiary, including the UK Subs. Tax risks can originate from changes in tax legislation and regulatory requirements or from internal changes in a UK Sub’s business arising from certain transactions, as well as from interpretation of complex tax laws and the nature of each UK Sub’s compliance program. Day-to-day responsibility for the tax strategy, supporting governance framework, and management of tax risk for each TSI subsidiary, including the UK Subs, rests with TSI’s Head of Tax, who is based in the USA. The Head of Tax is assisted by the global tax team, which includes an EMEA-based sub-division involved in UK taxation issues, working with external tax advisers as required. The Head of Tax works with each of TSI and its subsidiaries, including the UK Subs, to ensure that the strategy is adopted and followed, and that the tax strategy is aligned with the overall approach to corporate governance and risk management.

The UK Subs manage tax risks affecting their businesses in an active manner, consistent with regulatory requirements and aimed at reducing unexpected adverse financial and reputational impact.

To mitigate the tax risks, the TIBCO Group employs appropriately qualified and experienced people in the key tax roles to work with each of TSI and its subsidiaries, including the UK Subs. Also, the UK Subs have established tax processes in place to ensure the integrity of tax filings and other tax compliance obligations in the UK. These tax processes are under the same level of internal controls, review, and external audit as the rest of the UK Subs' financial processes.

The UK Subs' approach to UK tax planning

As part of their business strategy, the UK Subs, in consultation with TSI, undertake tax planning consistent with the TIBCO Group's overall business strategy and approach to risk. The UK Subs apply professional diligence and care in the management of all risks associated with tax matters and ensure governance and assurance procedures are appropriate. All opportunities to obtain tax efficiencies are pursued within the spirit and letter of all relevant legislation and related HMRC guidance. The UK Subs seek professional advice on a transaction by transaction basis to minimize uncertainty, risk and disputes, while applying Organisation for Economic Cooperation and Development (OECD) guidelines to inter-company transactions.

Tolerance toward risk by the UK Subs

The tolerance for tax risk by the UK Subs is considered as part of their broader risk management processes and, as such, is overseen by the Board of Directors of each UK Sub. The UK Subs' governance framework ensures compliance with tax laws and regulations in the UK, while identifying and mitigating tax risks. In the event the applicable tax laws and regulations are subject to interpretation, appropriate advice is sought from external consultants or HMRC.

The UK Subs' approach towards its dealings with HMRC

The UK Subs communicate with HMRC in a professional, transparent and cooperative manner, aiming to address all information queries in a timely manner, while disclosing and seeking clearance on any significant matters in order to agree tax implications.

[Publication date: November 17, 2017]