Statement Pursuant to the UK Finance Act 2016

Introduction

Ebara Corporation (Japan), hereinafter referred to as Ebara, is the parent company of Elliott Group Holdings, Inc. (Japan), hereinafter referred to as Elliott Group. Elliott Group is the 100% owner of Elliott Company (USA) and Elliott Ebara Turbomachinery Company (Japan). Elliott Turbomachinery Limited is a wholly owned subsidiary of Elliott Company. The Ebara family has core competencies in management, energy production, and environmental solutions. Elliott Group, hereinafter referred to as Elliott, designs, manufactures, and services critical turbomachinery for a range of customers around the world.

Tax strategy

The following details relate to the tax strategy implemented in relation to Elliott Turbomachinery Limited and its approach to UK taxation. This document covers the period from 1 January 2018 to 31 December 2018.

This disclosure is made in compliance with the duty of Ebara Corporation to publish its tax strategy in accordance with the UK Finance Act 2016, Section 161 and Paragraph 19(4) of Schedule 19 for the financial year referenced above.

1. Approach to risk management and governance arrangements in relation to UK taxation

1.1 Governance

Responsibility for the UK tax strategy, the supporting governance framework, and management of tax risk ultimately sits with the Elliott's Chief Financial Officer.

Compliance with this framework is carried out by the Board of Elliott Turbomachinery Limited in consultation with the Financial Controller of Elliott Turbomachinery Limited and Elliott Company's Tax Director.

The tax strategy aligns to Elliott's wider risk and control framework. Any significant risks or perceived risks are escalated to Elliott's Chief Financial Officer. Elliott may also employ the services of external tax professionals to assist in technical compliance matters.

Elliott actively promotes a culture of integrity, reliability, and compliance with the law. Further details in relation to Elliott's Code of Conduct may be found at https://www.elliott-turbo.com/compliance.

1.2 Tax risk management

Elliott Turbomachinery Limited operates globally and is therefore subject a variety of tax risks:

1.2.1 Tax compliance and reporting risks

Elliott Turbomachinery Limited trades with a number of entities globally, both internally and externally. The company therefore may encounter risks surrounding submissions, risks relating to the reliability of systems and processes used in those submissions, and ensuring compliance across an international customer base.

1.2.2 Transactional risks

Elliott Turbomachinery Limited operates internationally. Accordingly, it seeks to fully inform itself of matters relating to transactions including potential risks and tax consequences.

1.2.3 Reputational risks

Elliott Turbomachinery Limited is aware that reputational risks could arise if effective tax management is not fully and consistently employed.

1.2.4 Management of risk

Recognition of potential compliance, transactional, and reputational risks related to tax management is demonstrated by Elliott's carefully structured risk management program. Elliott Turbomachinery Limited's tiered finance department allows for internal reviews and controls, with ultimate oversight and management by Elliott's management and Boards.

Elliott has enhanced its tax risk management program by adopting and implementing J-SOX controls and reviews, with internal audits conducted annually.

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2. Attitude of the Group to UK tax planning

Elliott Turbomachinery Limited complies with all tax laws and regulations, including the UK Finance Act 2016, and pays tax in all of the countries in which it operates as appropriate. External tax professionals assist in the accurate and timely production and submission of all required corporate tax returns and submissions. These are overseen and reviewed by the Elliott Turbomachinery Limited Financial Controller and Elliott's Tax Director.

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3. Attitude towards tax planning and level of risk it is prepared to accept

Elliott fully complies with its tax obligations within the bounds of the law, while maintaining a low risk approach to taxation wherever possible. Appropriate levels of Elliott management exercise compliance with due care and good faith in adherence to Elliott's legal and tax obligations.

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4. Approach towards dealings with HMRC

Elliott Turbomachinery Limited adheres to our legal and tax obligations and participates fully to respond and resolve inquiries from Her Majesty's Revenue and Customs (HMRC) in a timely manner. This is done through direct communications with HMRC, or indirectly via tax professionals when appropriate.

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