

# **CONCORDIA INTERNATIONAL GROUP – U.K. TAX STRATEGY**

## **Introduction**

Concordia International Corp. (together with its subsidiaries, “Concordia”) operates a diverse, international specialty pharmaceutical business with a diversified portfolio of more than 200 patented and off-patent products and sales in more than 90 countries. The Company is focused on becoming a leader in European speciality, off-patent medicines. Concordia’s corporate head office is located in Canada.

This document sets out Concordia’s approach with respect to its U.K. tax affairs. Concordia considers that the publication of this statement complies with the requirements set out in Schedule 19 FA 2016.

## **Risk management & governance**

Concordia employs an experienced and dedicated team of tax professionals that collaborate with internal stakeholders to provide advice and guidance necessary to ensure compliance with relevant tax legislation and/or tax authority guidance. The European Tax Director is based in London and reports to the Vice President, Tax & Treasury who is based in the corporate head office in Canada. Where necessary, a matter will be escalated to executive management and, if appropriate, the Board of Directors (“Board”) of the parent company, who have ultimate responsibility for the governance and risk management of Concordia.

Concordia will obtain external advice from reputable and experienced professionals, if necessary. Diligent professional care and judgement is employed to assess tax risk, to arrive at well-reasoned conclusions concerning how risk should be managed.

Decisions concerning risk will be made in a manner that is consistent with Concordia’s interpretation of relevant tax legislation and/or tax authority guidance. Compliance with relevant tax legislation and/or tax authority guidance is part of Concordia’s overall strategy and is considered when making business decisions.

## **Attitude to tax risk**

The level of risk that Concordia accepts in relation to U.K. taxation is consistent with the risk tolerance applied in the conduct of other aspects of its business. Concordia seeks to comply with relevant tax legislation and/or tax authority guidance and to act in a manner that upholds its reputation as a responsible corporate citizen and considers applicable corporate, regulatory and other legal statutes and fiduciary duties of directors and employees. In relation to any specific matter or transaction, Concordia will identify whether a tax risk exists that needs to be addressed, determines what action(s) should be taken to address the risk and ensures that action(s) is taken to address the risk. Where necessary, a matter will be escalated to executive management and, if appropriate, the Board.

## **Approach to tax planning**

Concordia believes that it has an obligation to pay the amount of tax that it believes is due to each tax authority when it falls due. Concordia will consider planning to reduce risk and/or an amount of tax that may otherwise be due if such planning is consistent with the transaction’s commercial and economic objectives. Where appropriate Concordia will structure its affairs in a manner that is consistent with its commercial and economic objectives and that may allow access, based on its interpretation of relevant tax legislation and/or tax authority guidance, to incentives, exemptions and/or deductions available pursuant to relevant tax legislation.

## **Relationship with tax authorities**

Concordia is committed to the principles of openness and transparency in its approach to dealing with all applicable authorities, including with all applicable tax authorities. Concordia intends that any interaction with a tax authority and other relevant authority will be conducted in a collaborative, courteous and timely manner and with an objective to resolve disputed matters on a timely basis. Concordia has a long-standing relationship with the U.K. tax authority and has been assigned a Customer Relationship Manager (“CRM”). Consistent with the commitments and intentions outlined above, Concordia’s interactions with the CRM, and the U.K. tax authority generally, are collaborative and courteous.

Dated: November 30, 2017