

CARESTREAM HEALTH UK LTD. TAX STRATEGY

Carestream Health UK Ltd. regards the publication of this tax strategy as complying with its duty under paragraph 16(2) of Schedule 19 of the Finance Act 2016 to publish its Group tax strategy in the current financial year.

Taking each of the requirements of paragraph 16 (2) of Schedule 19 in turn:

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

1.1 Tax risk management

The Carestream Group operates in various countries and is exposed to a variety of tax risks. Managing these risks is a complex process and has input from many functional areas of the business. The corporate tax department assists the various functional areas with identifying key risks and maintaining the appropriate controls. Such risks are monitored for changes in business and legislation and processes and controls are updated accordingly.

1.2 Governance

Carestream Health, Inc. is the parent of the worldwide Carestream organization with its corporate headquarters in Rochester, New York, USA. Many key global decision-making responsibilities of the Group, including tax planning and strategy, are centralized at the corporate headquarters. The Group's tax strategy aligns to the Group's wider risk and control framework.

Day-to-day responsibility for the tax strategy, the supporting governance framework, and management of tax risk is handled by cross-functional teams within the business, with primary oversight falling within the Carestream Group's finance department (which includes the Company's tax personnel). Key risks and issues related to tax are escalated as appropriate within the Company and we consult with outside advisors as necessary with respect to significant and/or complex tax matters.

2. Attitude of the Group to tax planning (so far as affecting UK taxation)

The Carestream Group does not pursue artificial or aggressive tax planning arrangements and we will not undertake transactions for tax purposes that are inconsistent with the underlying economic consequences.

The Group has a strong commercial focus and as part of its duty to its stakeholders to control unnecessary costs, the Group will utilise tax reliefs and allowances available in the manner in which intended by the tax authorities and statute.

3. Level of risk in relation to UK taxation that the Group is prepared to accept

Carestream Health UK Ltd. seeks to comply fully with its tax obligations and pay the correct amount of tax. In relation to any specific item of risk, consideration is given to

the technical merits of the position. We will engage the support of outside advisors as necessary where there is significant uncertainty or complexity associated with the tax consequences of the underlying transaction.

4. Approach towards dealings with HMRC

Carestream Health UK Ltd. seeks to comply with all its tax filing, tax reporting, and tax payment obligations in a timely and accurate manner. It is our general policy to be transparent and collaborative in all our interactions with HMRC.

We are committed to prompt disclosure and transparency in all tax matters with HMRC and any inadvertent errors in the submission of tax filings to HMRC are disclosed as soon as reasonably practicable after they are identified. We recognise that there can be areas of differing legal interpretations between ourselves and HMRC; where this occurs we will engage in collaborative discussion to bring matters to as rapid a conclusion as possible.

Reviewed on 14 September 2018