

## Owens & Minor, Inc. – 2019 UK Tax Strategy

Pursuant to Section 161 and Section 19(2) within Schedule 19 of the Finance Act 2016, Owens & Minor, Inc. (O&M or “the Company”) is publishing its tax strategy on its website to be available to the public for the year ending December 31, 2019. This strategy was reviewed on December 10, 2019 and is effective for the following subsidiaries operating within the United Kingdom:

1. O&M Movianto UK Holdings, Ltd.
2. Healthcare Services Group, Ltd.
3. Movianto UK, Ltd.
4. Movianto Transport Solutions, Ltd.
5. Healthcare Product Services, Ltd.
6. Pharmacare Logistics, Ltd.
7. O&M Halyard UK, Ltd.

A cornerstone of O&M since its founding in 1882 in Richmond, Virginia has been integrity, and the Company’s business in the United Kingdom through its subsidiaries is no exception. With that in mind, no overall tax strategy would be complete without ensuring corporate responsibility for the administration and payment of taxation and that all legal requirements set forth by the HMRC are met, such as:

- Filing of appropriate tax returns
- Timely remittance of tax payments
- Utilizing reliefs and incentives only to the extent allowable by law
- Ensuring that the tax impact of any corporate decision (acquisitions, internal reorganizations, etc.) remains only one facet within the context of our overall business and reputation
- Operating with internal controls and oversight (including the Board of Directors oversight) of all tax compliance functions

### Management of UK Tax Risks

Our Board of Directors is dedicated to achieving a high level of competence in tax compliance in all countries in which O&M operates. It is an area that seems to become increasingly complex with each successive year and piece of legislation. These inherent risks are managed by creating a corporate structure where the individuals tasked with finance, accounting, and taxation are in constant communication with other segments of our business. Furthermore, we seek external advice from local experts in UK tax law and regulation before making any important decisions. Communication is key between our finance function and the Board to ensure that the Board understands and approves of any tax related decision. We ensure that our finance function receive continuous training and understand the importance of managing our relationship with taxing authorities.

## **Attitude towards Tax Planning**

Our operations in the United Kingdom and abroad in Europe are designed to provide O&M with a footprint in an important part of the global healthcare market. In 2018, the Company added O&M Halyard UK, Ltd. to its list of subsidiaries registered in the United Kingdom as part of our global acquisition of the Halyard Health surgical and infection prevention (“S&IP”) business. Although we value tax planning as part of our corporate strategy, we do not undertake any aggressive tax planning. We always seek professional advice in any tax planning strategy and ensure that our assessment of risk is reviewed in detail by our finance department and the Board before any decision is made. Owens & Minor is particularly risk averse, and thus there has never been an incentive for O&M to undertake aggressive tax planning for the sole purpose of obtaining tax advantage at the cost of our public reputation.

## **Level of Acceptable Risk for UK Taxation**

In general, the Company tends to be dedicated to adopting all practical measures to reduce risk. For any important business decision, we always ensure that tax is considered as part of the decision making process from the start, either by involving our in-house tax department or external advisors. There has yet to be any failure in compliance or aggressive tax position that has caused the Company to be concerned with our level of risk in the United Kingdom. In fact, the Company has a low tolerance level for risk in all of the countries in which we operate, and it has never been in O&M’s interest to attract negative publicity for an aggressive approach to reducing taxes. The Company will continue to be compliant and fair in its approach to taxation in the United Kingdom, and there is no foreseeable reason why our acceptable levels of risk would alter.

## **Relationship with HM Revenue & Customs (HMRC)**

Our chief communication with HMRC centers on timely tax compliance by meeting relevant filing and payment deadlines. When an issue is raised by HMRC, the Company strives to address it as soon as possible using the appropriate channels. O&M also employs the services of a wide variety of tax professionals outside of the Company, and occasionally they will act on our behalf as representatives to liaise with HRMC. A healthy and transparent relationship with HRMC is seen as an integral method of maintaining O&M’s reputation and reducing tax risk.