



Verifone Systems, Inc TAX STRATEGY

This paper sets out the tax strategy of Verifone Systems, Inc and all its subsidiary undertakings (“Verifone” or the “Group”). This tax strategy applies to all UK taxes applicable to the UK subsidiary undertakings of Verifone (the “UK Group”), and in making this strategy available the UK Group is fulfilling its responsibilities under Schedule 19 of the Finance Act 2016.

1.0 Introduction

This document sets out Verifone’s policy and approach to conducting tax affairs and dealing with tax risk. The document will be periodically reviewed by the Group Tax team. It is effective for the year ended 31 October 2017, and will remain in effect until any amendments made. The Group Tax team are accountable to the Board for the implementation of the tax strategy and the management of tax and related risk.

The Group Tax team partners with our businesses to ensure that:

- The strategy is adopted and followed consistently across the Verifone Group, with clear lines of responsibility and accountability
- There is alignment of the strategy with Verifone’s overall approach to corporate governance and risk management, and
- Verifone pays the right amount of tax required of it under the laws and regulations of the countries in which it operates

2.0 Group Tax Policy

Verifone is committed to conduct its tax affairs consistent with the following objectives, to:

1. Comply with all relevant laws, rules, regulations, and reporting and disclosure requirements, wherever we operate
2. Ensure the tax strategy is consistent with the Group’s overall strategy and its approach to risk
3. Apply professional diligence and care in the management of all risks associated with tax matters, and ensure governance and assurance procedures are appropriate
4. Foster constructive, professional and transparent relationships with tax authorities, based on the concepts of integrity, collaboration and mutual trust
5. Verifone will use incentives and reliefs to minimise the tax costs of conducting its business activities, but will not use them for purposes which are knowingly contradictory to the intent of the legislation.

3.0 Tax Code of Conduct

This Group Tax Code of Conduct (CoC) outlines the principles setting out how Verifone employees are expected to operate with respect to tax matters in support of the above Group Tax Policy. Non-adherence to this CoC could constitute a disciplinary matter, potentially leading to sanctions up to and including dismissal. The Group Tax CoC is set out in detail below.

1. Compliance with laws, rules and regulations.

Verifone is committed to observing all applicable laws, rules, regulations, and reporting and disclosure requirements, wherever there is a requirement to do so as a result of our business presence and transactions.

Importantly, the Group Tax team will collaborate with the Group's businesses to provide advice and guidance necessary to ensure compliance, obtaining external advice where necessary. There are clear management responsibilities, backed up by regular monitoring and review, carried out by members of Group Tax with the necessary experience and skill set.

2. Consistency with Group strategy

Tax decisions will be made at all times in a manner which is consistent with and complements the Group's overall strategy. Key business decisions should be made cognisant of the tax consequences and with the aim of optimising the after-tax returns for the Group's shareholders. The Group Tax team will partner with the business to ensure there is that consistency.

3. Governance, Assurance and Tax Risk Management.

Diligent professional care and judgement will be employed to assess tax risks in order to arrive at well-reasoned conclusions on how the risks should be managed. Where there is uncertainty as to the application or interpretation of tax law, appropriate written advice evidencing the facts, risks and conclusions may be taken from third party advisers to support the decision-making process.

In reviewing the risks of a tax action or decision, always bearing in mind the requirements of the Group Tax Policy, the following would be considered:

- the legal and fiduciary duties of directors and employees
- the requirements of our "Code of Business Conduct and Ethics" Policy
- the maintenance of corporate reputation
- the wider consequences of potential disagreement with tax authorities, and any possible impact on relationships with them.

The Group Tax team will employ various risk management processes and systems to provide assurance that the requirements of the Group Tax Policy are being met.

4. Relationships with tax authorities

All dealings with the tax authorities and other relevant bodies will be conducted in a collaborative, courteous and timely manner. The aim would be to strive for early agreement on disputed matters, and to achieve certainty wherever possible.

5. Incentives and reliefs

Verifone believes that it should pay the amounts of tax legally due. There will, however, be circumstances where this amount may not be clearly defined, or where alternative approaches may result in differing tax outcomes. Verifone will use its best judgement in determining the appropriate course of action, using available reliefs and incentives where possible.