

# Masco Corporation Tax Strategy Statement

Related to Masco UK Window Group Ltd

Masco Corporation (“Masco” or “we”), a Delaware corporation, is a global leader in the design, manufacture and distribution of branded home improvement and building products. We are the parent company of certain UK companies, including the UK company identified above, and together with that UK company, we regard the publication of this Tax Strategy Statement as complying with our duty under paragraph 19 (2) of Schedule 19 of the Finance Act 2016 (the “Schedule”) to publish our group tax strategy in the current financial year.

Taking each of the requirements of the Schedule in turn:

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

### 1.1 Governance

We are committed to complying with all laws applicable to our business. Our Legal and Ethical Compliance Program (“Compliance Program”) consists of a number of elements designed to help employees understand, implement and consistently reinforce our commitment to ethical business practices. Our Compliance Program applies to everyone in our organization and includes the following:

- Masco's Code of Business Ethics,
- the Masco Ethics Hotline,
- Masco Ethics Training,
- Masco Legal and Ethical Compliance Policies, and
- the Legal and Ethical Compliance Program Certification.

Our Chief Financial Officer maintains oversight and responsibility for our global tax strategy, supporting governance framework and related tax risks. Our Vice President of Tax reports to our Chief Financial Officer and is responsible for implementing Masco’s tax strategy.

Our tax administration and planning as it relates to the UK is aligned with the risk and control structures for our UK companies and is incorporated with our overall corporate governance framework to assure consistency and accountability of our UK companies’ tax strategies. Masco’s tax strategy is periodically discussed with our Board of Directors.

### 1.2 Tax risks

Our organization has employees in over 30 countries, and we are exposed to a variety of tax risks as follows:

#### 1.2.1 Tax compliance and reporting risks

Risks associated with compliance failures, such as submission of late or inaccurate returns or the failure to submit accurate claims and elections on time;

#### 1.2.2 Transactional risks

Risks associated with undertaking transactions without appropriate consideration of the potential tax consequences or where advice taken is not correctly implemented; and

### **1.2.2 Reputational risks**

Non-financial tax risks that may have an impact on Masco's relationships with shareholders, customers, tax authorities and the general public.

### **1.3 Management of tax risks**

To help manage the tax risks as well as other operational risks of our UK companies, our organization includes oversight functions that monitor and support our business units. These functions include tax, group controllers and internal audit.

We regularly review the activities and responsibilities of the tax function related to our UK companies to help ensure that an appropriate level of resources is available.

Where appropriate, we look to pro-actively engage with tax authorities to disclose and resolve issues, risks and uncertain tax positions.

## **2. Attitude of Masco to tax planning (so far as affecting UK taxation)**

We recognize that we have a responsibility to pay an appropriate amount of tax in each of the principal jurisdictions in which we operate. We aim to balance this with our responsibility to our shareholders to structure our affairs in an efficient manner.

The commercial needs of our UK companies are paramount and all tax planning must have a business purpose. The economic benefits associated with tax planning must never override compliance with all applicable laws. We seek to have our tax arrangements efficient, well-understood, transparent and based on soundly researched tax law.

## **3. Level of risk in relation to UK taxation that Masco is prepared to accept**

We have a low tolerance for tax risk. We are committed to full compliance with our tax obligations, paying the right amount of tax at the right time. We seek to ensure that our tax arrangements remain consistent with a low risk assessment, both in financial and reputational terms.

## **4. Approach of Masco towards dealings with HMRC**

We are committed to efficiently complying with our tax filing, tax reporting and tax payment obligations globally. We endeavour to pro-actively engage with HMRC openly and constructively, based on mutual trust and co-operative compliance. We believe that this is the best way to ensure that we pay the right tax at the right time and to maintain a good working relationship. Where appropriate and possible, we endeavour to engage with HMRC on a real-time basis in any areas of material uncertainty in order to minimize our tax risk and to provide greater certainty for both parties in advance of formal tax filings.