

## **Introduction**

The Parliament of the United Kingdom, through the Finance Act 2016, Paragraph 16 (2), Schedule 19 requires entities in the U.K. to annually publicize their Tax Strategy. This statement is intended to satisfy the statutory requirement. The entities below are subject to taxation in the U.K. and are covered by this publication:

Halyard Health UK Limited

Avanos Medical, Inc. Tax Department is based in the United States, however a EMEA Accounting Team located in Belgium employs local U.K. tax advisors to provide advice on various tax matters. We work with these external advisors to prepare income tax filings and to minimize the tax risks. All advice and income tax filings are reviewed both by the EMEA Accounting Team and by the Corporate Tax Department.

### **Avanos Medical, Inc. Tax Strategy in the U.K.**

#### **Compliance**

Avanos Medical, Inc. is committed to comply with all relevant tax laws, regulations, rulings and information reporting and disclosure requirements on a timely basis in all jurisdictions wherever we operate, including the U.K. This includes every effort to be in compliance in regards to remitting the correct amount of tax on a timely basis and disclose all relevant and pertinent information to the tax authorities. Avanos Medical will utilize tax benefits provided by law to minimize tax costs and to provide our stakeholders added value in such manner that is consistent with the tax laws.

#### **Tax Planning**

Avanos Medical recognizes that it has a responsibility to its shareholders to structure its affairs in an efficient manner. In structuring the business activities of Avanos Medical, Inc., many factors are scrutinized, especially the tax laws of countries within which we operate to maximize value on a continuous basis, not only for the company's growth but for our shareholders as well. The operational needs of Avanos Medical are top priority and the element of tax planning has a business purpose, and so the benefits that may arise from tax planning must not compromise our goal of being in compliant with all tax laws.

#### **Governance, Assurance, and Tax Risk**

Responsibility and accountability of the tax affairs are clearly defined in Avanos Medical's standards of business conduct and the decisions are funneled down the appropriate levels to ensure task risk and the company goals are in alignment. These standards and goals are owned and overseen by the Board of Directors.

Avanos Medical would prefer an appetite of risk to be low. To ensure risk is mitigated, the Audit Committee has employed and supported various risk management processes and systems to identify, evaluate and monitor such risk, so that risk is maintained at acceptable levels. The use of internal and external audit reviews is an example of a process or control in place to help oversee the management of risk.

**Relationship with Tax Authorities**

Avanos Medical aims to create a positive, professional, and transparent relationship with tax authorities in all countries we operate in. Being committed to the principles of openness will foster a healthy relationship with the tax authority to help resolve disputed matters and establish mutual trust.