

CDK Global UK – Fiscal Year 2018 Tax Strategy

In compliance with the requirements of the United Kingdom Finance Act 2016, the CDK Global UK Group (the “**UK Group**”) hereby publishes its tax strategy for the fiscal year ending 30th June 2018. The UK Group confirms that this strategy will apply to the following CDK Group companies registered in the United Kingdom:

CDK Global Holdings (UK) Limited
CDK Global (UK) Limited

This document is approved by the management of the UK Group and sets out the UK Group policy and approach to conducting its tax affairs and dealing with tax risk. The document will be periodically reviewed by UK Group management. It is effective for the year ending 30th June 2018 and will remain in effect until any amendments are approved by UK Group management.

The UK Group is comprised of wholly owned affiliates of CDK Global, Inc. (“CDK Global”), a US company organized in Delaware and headquartered in Hoffman Estates, Illinois.

Executive Summary

The UK Group is committed to:

- Complying with all applicable laws and regulations relating to its tax activities and adhering to this tax strategy;
- Maintaining an open and honest relationship with the tax authorities based on efficiency and integrity;
- Applying diligence and care in our management of the processes and procedures by which all tax related activities are undertaken, and ensuring that its tax governance is appropriate;
- Using legitimate incentives and reliefs to minimise the tax cost of conducting its business.

Approach of UK Group to risk management and governance

The UK Group is a responsible taxpayer. It is of primary importance that the UK Group pays the correct amount of tax at the right time, under all relevant laws and regulations. It is also of primary importance that the UK Group adheres to this tax strategy. In order to do this, the UK Group operates an effective tax control framework to identify key tax risks and to manage those risks through appropriately designed and operated controls.

The UK Group’s highest tax risk areas are identified by considering new or unfamiliar transactions, or transactions with which there exists inherent tax complexity or uncertainty. Internal resources are focussed on these higher risk areas. External advisors are used to support the UK Group where additional resource or expertise is required to

mitigate these tax risks. External advisors are also used to prepare all of its direct and indirect corporate tax filings.

UK tax matters are the ultimate responsibility of the UK Group's Chief Financial Officer for the international business. The central UK finance function develops the UK Group's tax strategy, and underlying policies, together with the Vice President - Global Tax. Within the central UK finance function there is a Tax Director who, along with the finance functions within the operating businesses, and shared service centre, manages day to day international taxation matters excluding employee related taxes. The calculation and deduction of employee related taxes are managed by the Human Resources department, which engages external advisors as appropriate to deal with tax compliance and tax risk matters.

Attitude of UK Group to tax planning

The UK Group's tax planning aims are to support the commercial needs of the business by ensuring that CDK Global's affairs are carried out in the most tax efficient manner whilst remaining compliant with all relevant laws. The tax function is therefore involved in commercial decision making processes and provides appropriate input into business proposals to ensure a clear understanding of the tax consequences of any decisions made.

The UK Group may consider different tax outcomes when structuring commercially motivated transactions, but does not undertake aggressive tax planning for the purpose of tax avoidance. All transactions entered into by the UK Group must have a strong business purpose and commercial rationale.

Absent definitive regulatory interpretations or guidance, or the UK Group does not feel it has the necessary expert knowledge to assess the tax consequences adequately, external advice is sought to support the UK Group's decision making process.

Level of risk UK Group is prepared to accept in respect of UK taxation

The UK Group takes a conservative approach to its UK tax affairs, and does not pursue artificial tax planning arrangements. Where alternative routes exist to achieve the same commercial result the most tax efficient approach in compliance with all relevant laws is considered.

Approach of UK Group to its dealings with HMRC

The UK Group is committed to the principles of efficiency and transparency in its approach to dealing with HMRC, and in particular the UK Group commits to:

- Engage with tax authorities in an open and transparent way in order to minimize uncertainty;

- Make fair, accurate and timely disclosure in correspondence and returns, and respond to queries and information requests in a timely fashion;
- Seek to resolve issues with HMRC in a timely manner and, where disagreements arise, work with HMRC to resolve issues by agreement where possible. The UK Group tries to develop and foster good working relationships with tax authorities;
- Ensure all interactions with HMRC are conducted in an open, collaborative and professional manner.