



December 21, 2017

In compliance with section 161 and section 19(2) of schedule 19 Finance Act 2016, Teradyne, Inc., including all its directly and indirectly held subsidiaries, ("Teradyne," the "Company," or "We") is publishing its tax strategy for the year ending December 31, 2017. As the ultimate parent company of the consolidated group (the "Group"), We confirm this strategy applies to the following United Kingdom ("U.K.") companies:

Teradyne Limited

The Company has a strong focus on corporate responsibility, and we see responsible administration and payment of taxation as a responsibility of our business. Specifically, Teradyne's Code of Conduct reflects our commitment to honest and ethical business practices. The Code provides standards and guidelines of conduct for all Teradyne employees, officers and directors, and for others doing business with the Company, such as customers and suppliers. Teradyne, like all businesses that are successful over a long term, is built on a foundation of honesty and integrity. This principle has guided us throughout our history and we remain committed to it.

Company Tax Strategy

The Company's overall tax strategy, applied consistently and throughout the Group, is to:

- Meet all legal requirements and to make all appropriate tax returns and tax payments.
- Seek to utilize available tax reliefs and incentives where available in a manner which is consistent with the government's policy objectives.
- Consider the tax impact in major or complex business decisions – examples are acquisitions, mergers, and divestitures.
- Operate in an environment where we consider tax in the context of our reputation and brand.
- Comply with appropriate tax risk processes, and ensure there is Board oversight into this compliance.

Risk management and governance arrangements

Responsibility for tax governance and strategy lies with the Chief Financial Officer, with oversight of the Board and the Audit Committee.

The day to day responsibility for the application of the Tax Strategy and the management of the Group's tax affairs is delegated to the Global Tax Director. That individual is required to report regularly to the Audit Committee on compliance with the Tax Strategy.

The Global Tax Director is supported by a team of appropriately qualified in-house tax professionals. The Group's tax team identifies, manages and, where possible, eliminates tax risk.

The Company seeks its tax affairs to be open and compliant with tax legislation, and recognizes that managing tax compliance in a global environment is complex and growing increasingly complex. The Company's internal structure is set up to ensure:

- The Board of Directors understands the importance of tax compliance and how it is achieved.
- There is a constant dialogue between the Board and those individuals tasked with the operation of the finance function with respect to the way the Company manages its tax risk.
- The Company portrays a positive view towards tax compliance and the importance of meeting its obligations.

Teradyne regularly reviews how it satisfies its tax obligations by seeking external tax advice, investing in tax training for staff, and, by maintaining a positive relationship with tax authorities. The Company also maintains internal systems and controls to manage risk, including that applicable to tax risk.

Tax planning

The Company undertakes tax planning as part of its overall business strategy. Professional advice is sought on a transactional basis, with the depth of such advice being driven by an assessment of the risk presented.

Teradyne's tax planning is aimed at efficiently structuring commercially driven transactions, in line with the objectives of most businesses. Furthermore, the Company does not enter into artificial arrangements in order to avoid taxation nor would Teradyne enter into a transaction that is not in the spirit of the law. The Company has an affirmative responsibility to minimize tax risk in addition to any exposure to negative publicity. Teradyne seeks to efficiently and appropriately structure all commercially relevant transactions from a tax perspective.

Attitude towards risk

Tax risk is one of the commercial risks to which the Group is exposed as a result of its worldwide activities. Compliance with tax legislation represents a key aspect to managing tax risk. In this context management of tax risk means the Group pays and collects the correct amount of tax and meets local reporting and disclosure requirements in alignment with business objectives. In addition, the Company understands the importance of tax in the wider context of business decisions and maintains processes in place to ensure tax is considered as part of the business decision-making process.

Relationship with HM Revenue & Customs (HMRC)

Communication with HMRC consists of timely tax compliance, including relevant filing and payment deadlines. As needed, Teradyne employs the services of professional tax advisers to act as our agents, and in a number of cases these advisers liaise with HMRC on our behalf regarding current, future, and past tax risks, important tax events, and interpreting the law. Teradyne views this communication as a way to optimize the Company's relationship with HMRC, consequently reducing tax risk.