

## **UK Tax Strategy**

This tax strategy relates to Hendrickson United Kingdom Limited (“Hendrickson” or “the company”) and its UK subsidiaries for the year ended 31 December 2019 and is published in accordance with paragraph 16(2) of Schedule 19 of the Finance Act 2016.

Hendrickson’s principal activity is the design, manufacture and supply of suspension and axle systems for commercial vehicles. The company is part of a Group whose immediate parent undertaking is Hendrickson Holdings NL Coöperatief UA, a cooperative organized in the Netherlands. Hendrickson’s ultimate parent undertaking and controlling party is The Boler Company, a company incorporated in the USA.

### **Governance and risk management**

The Group’s Tax department is based in the USA. The Finance Director based in the UK is responsible for all UK taxes which impact the business including all taxes arising in respect of transactions. Day to day administration of UK taxes is delegated to suitably qualified and trained members of the finance team with appropriate internal review and escalation procedures in place. The input of external advisors is sought where necessary.

The Finance Director reports any significant UK tax matters to Group Tax at quarterly Group Tax meetings. External advisors are participants at these meetings to provide UK legislative updates highlighting the importance of tax compliance and minimising tax risk for the UK.

Oversight is also provided by the Group’s Board who receive an annual update from the UK Managing Director at which any significant tax matters are reported.

Tax processes are periodically subject to Internal Audit.

### **Tax Planning**

The Group only engages in tax planning that directly supports its commercial objectives and has commercial substance. The Group aims to make use of any tax allowances, deductions, reliefs, incentives, exemptions and credits provided in law and in line with the spirit of the tax legislation. The Group does not undertake tax planning unrelated to such commercial transactions.

The tax department works closely with external advisors with regards to complex and specialist areas of tax where additional clarification is required.

### **Tax Risk**

The Group takes a conservative approach to tax risk.

Where uncertainty or complexity exists the Group may seek external tax advice or engage directly with Her Majesty's Revenue & Customs ("HMRC")

### **Relationship with HMRC**

The Group is committed to ensure full compliance with all statutory obligations and full disclosure to tax authorities. The Group engages with tax authorities with honesty, integrity and respect.

The Group has an open and positive relationship with HMRC maintained through regular communication. As a large business in the UK, the Group is assigned a Customer Relationship Manager within HMRC.

The Group works collaboratively with HMRC to achieve certainty and early agreement of items with HMRC on a real-time basis, wherever possible.

Any inadvertent errors in submissions made to HMRC are fully disclosed as soon as reasonably practicable after they have been identified.