

TI Fluid Systems plc

TI Fluid Systems plc (the “Company” and, together with its subsidiary undertakings, the “Group”) is a leading global supplier of automotive fluid storage, carrying, and delivery systems. The Group has a global footprint with operations in 29 countries and currently derives approximately 40% of its revenues in Europe, 30% in North America and 30% in Asia Pacific.

Overall Tax Strategy and Policy

The Group's tax strategy is to manage all taxes with the goal of achieving a responsible and accurate outcome for tax reporting and filing at the Group level, whilst also meeting all tax compliance obligations at the local level.

The Company takes its obligation to pay the correct amount of tax legally due at the right time seriously in each territory in which it operates.

The role of the Company's internal tax function (the “Tax Department”) is to support the maintenance of trading arrangements and transactions that enhance shareholder value and to achieve an effective tax rate or tax cost reductions, whilst seeking to ensure that the Group remains tax compliant under applicable tax laws, including changing case law and other legal developments.

Governance Framework

The Tax Department is part of the Group's finance function which is ultimately the responsibility of the Chief Financial Officer who is a member of the Board of Directors. On a daily basis, responsibility for tax risk is managed by the Group Tax Director and the Vice President of Risk and Global Controller (who is also the UK Senior Accounting Officer).

The Group Tax Director prepares a monthly review of tax matters for the Chief Financial Officer and periodic update presentations are also held. The Chief Financial Officer periodically presents tax matters to the Board of Directors

The tax strategy is aligned with the Group's Code of Business Conduct and ethical values which are overseen by the Board of Directors.

Approach to Tax Risk Management

The Tax Department works with the Group's various business units to provide clear relevant tax advice across all taxes relating to the commercial needs of the Group. The Tax Department engages with units via regular on site meetings and documented compliance controls that are operated centrally. Where options with different tax consequences are available to achieve the same commercial outcome, we will generally undertake the most tax efficient solution, whilst seeking to remain in compliance with all applicable tax laws at all times. Should a tax risk be identified at the local business unit level based on local knowledge and experience, the Tax Department is notified in the first instance.

Where there is uncertainty or complexity, external professional advice is sought.

Attitude Towards Tax Planning

The Group engages in tax planning that supports the business, is in line with business operational requirements and has a commercial rationale. Consideration is given to the Group's reputation and corporate and social responsibility when evaluating the tax impact of transactions. The Group may seek out local tax incentives where available, which form part of the commercial rationale when investing in a project. It is acknowledged by all stakeholders that the commercial considerations of the business take priority over tax planning.

All members of the Tax Department complete the Group's Code of Business Conduct Ethics training annually which guides the tax professionals on their responsibilities and professional conduct.

The Group does not engage in artificial tax avoidance arrangements.

Level of Risk that the Group is Prepared to Accept

The Group takes a cautious, low risk approach to tax planning. The UK tax group has a 'low-risk' tax profile with HMRC and the Group intends to maintain this status. Globally we rely on third party professional advisers and local knowledge to ascertain a cautious, commercially practical, level of risk.

Approach Towards Dealings with HMRC and Global Tax Authorities

The Group works in a timely, professional and courteous manner in partnership with HMRC and other global tax authorities to meet statutory and legislative requirements. We are open and compliant with tax authorities regarding the Group's affairs and always willing to engage in a cooperative manner.

In the UK, this transparent working relationship with HMRC is implemented through meetings with the Group's Customer Relationship Manager ("CRM") and related specialists. We adopt the same face to face approach overseas where appropriate.