

TI Fluid Systems plc

UK Tax Strategy – Year Ended 31 December 2018

This strategy is published in accordance with the requirements of Schedule 19 of Finance Act 2016

The TI Fluid Systems plc Group is a leading designer and manufacturer of automotive fluid storage, carrying, and delivery systems for light passenger vehicles worldwide. The Group has a global footprint with operations in 28 territories and currently derives approximately 40% of its revenues in Europe (including Africa), 30% in North and Latin 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.

TI Fluid Systems plc takes seriously its obligation to pay the correct amount of tax legally due at the right time in each territory in which it operates.

Our role is to support the business in the maintenance of trading arrangements that enhance shareholder value whilst ensuring that the Group remains tax compliant regardless of changes in tax laws, case law and other legal developments.

Governance Framework

Tax forms part of the Group 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, the 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 tax strategy is aligned with our 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 business units in providing clear and relevant tax advice across all taxes relating to the commercial needs of the Group. The Tax Department engages with business units via regular on site meetings and centrally managed compliance controls. Where options with different tax consequences are available to achieve the same commercial outcome, we will generally undertake the most tax efficient solution, whilst remaining in compliance with all relevant laws at all times. Should a local tax risk be identified, the central Tax Department is notified in the first instance. Where there is uncertainty or complexity, local external 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. This may

include seeking out and maximising local 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 Group complete the Group's Code of Business Conduct Ethics training bi-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 TI Group is prepared to accept

The Group takes a cautious, low risk attitude to tax planning. The UK tax group maintains a 'low-risk' tax profile with HMRC. Globally we rely on third party advisers and local knowledge to address a 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 co-operative 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.

Approved by the Board of Directors on 11 December 2018