

HOLTS UK – 2017 TAX STRATEGY

In compliance with section 161 and section 19(2) of schedule 19 Finance Act 2016, the company is publishing its tax strategy for the year ending 31st December 2017. As the head company of the UK sub-group, we confirm that this strategy will apply to the following UK companies:

- Holt Lloyd International Limited
- Holt Lloyd Services Limited
- Holt Holdings (UK) Limited
- Holt Lloyd Group limited
- AutoSupply Holdings UK Limited

Our business has a strong focus on corporate responsibility, and we see responsible administration and payment of taxation as a responsibility of our business.

Our overall tax strategy 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 consistent with the government's policy objectives.
- Consider the tax impact in major or complex business decisions, for example acquisitions.
- 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

We want our tax affairs to be transparent and compliant with tax legislation, and recognize that managing tax compliance is increasingly complex. Our internal structure is set up to ensure:

- The Directors understand the importance of tax compliance, and how it is achieved.
- There is a constant dialogue between the Directors and those individuals tasked with the operation of our finance function, regarding the way our business manages its tax risk.
- The business portrays a positive view towards tax compliance and the importance of meeting its objectives.

Tax planning

We undertake tax planning as part of our overall business strategy. Professional advice is sought on a transactional basis, with the depth of such advice being driven by our assessment of the risk presented by each opportunity.

We do not undertake aggressive tax planning, the sole purpose for which would be operating a tax advantage. We have a responsibility to minimize our tax risk and our exposure to negative publicity through non-compliance.

Attitude towards risk

The Directors see compliance with tax legislation as key to managing our tax risk. They understand the importance of tax in the wider context of business decisions and have processes in place to ensure tax is considered as part of our decision making process.

We have relationships with professional advisors that allow us to seek expert advice on specialist areas of tax. Our approach is to ensure we are compliant and understand our responsibilities with regards to tax, rather than looking for ways to aggressively avoid tax payment.

The Directors are conscious of the highly negative publicity attracted by a bad attitude towards tax, and sees strong internal processes and a good relationship with our professional advisors as the best way to manage this reputational risk.

Relationship with HM revenue & Customs (HMRC)

Our communication with HMRC is focused around timely tax compliance, for example meeting relevant filing and payment deadlines for tax the company pays.

We employ the services of professional advisors to act as our agents, and in a number of cases they liaise with HMRC on our behalf. This is seen by the Directors as a way to ensure we get most out of our relationships with HMRC, thus reducing our tax risk.