



Huf UK Limited Tax Strategy

Date 31 December 2017

Scope

This strategy applies to Huf UK Limited in accordance with paragraphs 19 of Schedule 19 to the Finance Act 2016. A list of the entities to which it applies is set out below. The strategy has been published in accordance with paragraph 16 (2) of the Schedule.

Huf UK Limited, a limited company in England and Wales, is a wholly owned subsidiary of Huf Hülsbeck & Fürst GmbH & Co. KG, a German resident entity. The Company's principal activities are the manufacture and sale of door handles and locksets to the automotive industry in mainland Europe and the United Kingdom.

This strategy applies from the date of publication until it is superseded. References to 'UK Taxation' are to the taxes and duties set out in paragraph 15(1) of the Schedule which include Income Tax, Corporation Tax, PAYE, NIC, VAT, Insurance Premium Tax, and Stamp Duty Land Tax. References to 'tax', 'taxes' or 'taxation' are to UK taxation and to all corresponding worldwide taxes and similar duties in respect of which the Group has legal responsibilities.

Aim

Huf UK Limited is committed to full compliance with all statutory obligations and full disclosure to relevant tax authorities. The group's tax affairs are managed in a way which takes into account the group's wider corporate reputation in line with Huf UK Limited's overall high standards of governance.

Governance in relation to UK taxation

- Ultimate responsibility for Huf UK Limited's tax strategy and compliance rests with the Board of Directors of Huf UK Limited ("the Board");
- Executive management of the company's tax affairs is delegated, by the Board, to the Financial Controller ("FC"), supported by the Finance team.
- The Board's requirement to monitor the integrity of Huf UK Limited's financial reporting system, internal controls and risk management framework, expressly includes those elements relating to taxation;
- Day-to-day management of Huf UK Limited's tax affairs is delegated to the finance team and the FC, who reports to the Board;
- The Finance team is staffed with appropriately qualified individuals who undertake the required training to maintain their professional qualifications;
- The Board ensures that Huf UK's tax strategy is one of the factors considered in all investments and significant business decisions taken;
- Any significant changes in the tax governance and strategy of Huf UK Limited are overseen and approved by Huf Hülsbeck & Fürst GmbH & Co. KG;
- The FC reports to the Board on Huf UK's tax affairs and risks during the year. The management ensures that Huf UK Limited's tax strategy is one of the factors considered when any significant changes to the business are made.



Risk Management

- Huf UK Limited operates a system of tax risk assessment and controls as a component of the overall internal control framework applicable to the group's financial reporting system;
- Huf UK Limited seeks to reduce the level of tax risk arising from its operations as far as is reasonably practicable by ensuring that reasonable care is applied in relation to all processes which could materially affect its compliance with its tax obligations;
- Processes relating to different taxes are dealt with by the FC, who carries out a review of activities and processes to identify key risks and mitigating controls in place. These key risks are monitored for business and legislative changes which may impact them and changes to processes or controls are made when required;
- Appropriate training is carried out for staff outside the Finance team by, external advisors, who manage or process matters which have tax implications;
- Advice is sought from external advisers where appropriate. The finance team use specialist external advisors to manage compliance in various areas of tax. These areas are also subject to internal review by the Finance team to manage risk in these areas.

Attitude towards tax planning and level of risk

Huf UK Limited manages risks to ensure compliance with legal requirements in a manner which ensures payment of the right amount of tax.

When entering into commercial transactions, Huf UK Limited seeks to take advantage of available tax incentives, reliefs and exemptions in line with, and in the spirit of, tax legislation. Huf UK Limited does not undertake tax planning unrelated to such commercial transactions.

The level of risk which Huf UK Limited accepts in relation to UK taxation is consistent with its overall objective of achieving certainty in the group's tax affairs. At all times Huf UK Limited seeks to comply fully with its regulatory and other obligations and to act in a way which upholds its reputation as a responsible corporate citizen. In relation to any specific issue or transaction, the Board is ultimately responsible for identifying the risks, including tax risks, which need to be addressed and for determining what actions should be taken to manage those risks, having regard to the materiality of the amounts and obligations in question.

Relationship with HMRC

Huf UK limited is committed to the principles of openness and transparency in its approach to dealing with HMRC. All dealings with HMRC will be conducted in a collaborative, courteous and timely manner. The aim would be to strive for early agreement on disputed matters, and to achieve certainty wherever possible.

Huf UK Limited ensures that HMRC is kept aware of significant transactions and changes in the business and seeks to discuss any tax issues arising at an early stage. When submitting tax computations and returns to HMRC, Huf UK Limited discloses all relevant facts and identifies any transactions or issues where it considers that there is potential for the tax treatment to be uncertain.

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