

SCOPE

Our published tax strategy applies to all UK subsidiaries of the Tensator group and covers all UK taxes. It has been approved by the Board and satisfies Schedule 19 of the UK Finance Act 2016 in respect of the period ending 31 December 2017.

Tensator Holdings Limited is committed to aiming for full compliance with all statutory obligations and full disclosure to relevant tax authorities. The group's tax affairs are managed in a way which considers the group's wider corporate reputation and governance.

APPROACH TO TAX RISK MANAGEMENT AND GOVERNANCE

Ultimate responsibility for Tensator Holdings Limited's tax strategy and compliance rests with the Board of Tensator Holdings Limited

Executive management of the group is delegated by the Board to the executive officers and the Chief Financial Officer ("CFO") is the executive officer with responsibility for tax matters and reports to the Board on tax affairs and risks during the year. It is the CFO's responsibility to ensure the Finance Team is staffed with appropriately qualified individuals, along with engaging external tax advisors and resources to the extent required.

The Board's requirement to monitor the integrity of Tensator Holdings Limited's financial reporting system, internal controls and risk management framework, includes those elements relating to taxation. The Board ensures that Tensator Holdings Limited's tax strategy is one of the factors considered in all investments and significant business decisions taken.

Tensator Holdings 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. The company 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.

Where appropriate, Advice is sought from external advisers, including HMRC, on key and material tax decisions.

LEVEL OF ACCEPTABLE TAX RISK

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

The level of risk which Tensator Holdings Limited accepts in relation to UK taxation is consistent with its overall objective to strive to achieve certainty in the group's tax affairs. At all times Tensator Holdings 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.

ATTITUDE TOWARDS TAX PLANNING

When entering into commercial transactions, Tensator Holdings Limited seeks to take advantage of available tax incentives, reliefs and exemptions in line with, and in the spirit of, tax legislation. Tensator Holdings Limited does not undertake tax planning unrelated to such commercial transactions and nor does it enter into aggressive tax planning.

Approach towards dealings with HMRC

Tensator Holdings Limited seeks a transparent and constructive relationship with HMRC as it does with all tax authorities. When submitting tax computations and returns to HMRC, Tensator Holdings Limited aims to disclose all relevant facts and identifies any transactions or issues where it considers that there is potential for the tax treatment to be uncertain.

APPROVED BY THE BOARD ON 15/12/2017**NEW YORK**

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