



# MAN ENERGY SOLUTIONS UK LTD

## Tax Strategy 2018

### Overview

The following document sets out MAN Energy Solutions UK Ltd's (The Company) position in relation to tax in the UK and represents how tax is undertaken within the business. The strategy applies to The Company and all its subsidiaries.

All companies manage their tax affairs based on 5 core principles:

#### 1. Compliance

The fundamental principle underlying all the tax decisions within The Company in the UK is that of paying the right amount of tax in the right place at the right time.

This is mandated at a global level by the Board of Management of our ultimate parent company, Volkswagen AG.

It involves disclosing all relevant facts and circumstances to the tax authorities and claiming reliefs and incentives where these are made available by tax legislation.

#### 2. Open and transparent approach to engaging with HMRC

The Company in the UK seeks to build transparent and collaborative relationships with the UK Tax Authorities to create and maintain "Good Corporate Citizenship". We aim to achieve this by engaging with HMRC with honesty, integrity, respect and fairness.

HMRC is kept informed about business developments to the extent they have a tax impact through regular correspondence. We will always seek to disclose all relevant facts to HMRC to enable them to understand fully the issue in question, and to enable the correct tax treatment to be applied.

In the event that a disclosure is required, these are made voluntarily or with full co-operation from the business.

### **3. Management of Tax**

Ultimate responsibility for the tax affairs of The Company sits with the Board of Directors. The Board has assigned overall responsibility for its ongoing tax affairs to the nominated Senior Accounting Officer. The Company works closely with external advisors to ensure tax risk is adequately managed and that The Company remains up-to-date with the latest tax changes that may affect the business.

### **4. Risk Management**

Given the global nature of The Company, tax risks will arise. The individuals responsible for tax are appropriately skilled to handle these matters and receive regular tax updates to ensure knowledge is always up-to-date. This enables the teams to identify, monitor and manage tax risks within the business. External advisors are used to help manage the risk and ensure that The Company meets its tax obligations. Advisors are also used to assist the business in achieving its core tax principles as outlined in this document.

### **5. Attitude to Arranging Our Tax Affairs**

The primary tax objective of The Company is to pay the correct amount of tax at the point at which it is properly due. The Company will utilise exemptions and reliefs that are legitimately available and in accordance with the wording and spirit of the law.

The Company is mindful of its reputation in the marketplace and seeks to operate in a manner of a responsible taxpayer.

Transactions between Group companies are conducted on an arm's length basis and in accordance with OECD principles. The Group do not undertake profit allocation on the basis of tax rates, and profit follows the business activities of the Group.

Where tax incentives are implemented by the Government to support investment, employment and economic development, The Company will only ever seek to implement these in the manner intended.

Engagement in artificial tax arrangements (those without commercial substance) is not undertaken. Where a point is unclear or uncertain, The Company may seek clarification from HMRC, external advisors or the judiciary as appropriate. This is done in order to ensure that The Company complies with its primary tax objective. Tax is not the commercial driver for decision making with The Company, nor a key performance indicator.

*MAN Energy Solutions UK Ltd. regards the publication of their tax strategy as compliant with the duty under Finance Act 2016, Schedule 19 paragraph 22(2).*

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This will depend on the particular characteristics of each individual project, especially specific site and operational conditions.