



Techtronic Industries - UK Tax Policy for the Financial Year Ending 31 December 2017

This statement sets forth the operating tax policy of the UK entities of the Techtronic Industries Company Ltd Group (“TTI”, “TTI Group”). This policy complies with Part 2 of Schedule 19 FA 2016, and the UK tax strategy publication requirement set out therein.

Tax Strategy

TTI is committed to conducting its business in accordance with all applicable UK tax laws and regulations, and the UK tax strategy is developed and applied in accordance with this principle.

Tax Risk Management

TTI monitors its UK tax risks and manages those risks through a combination of its in-house UK Tax Department professionals, and, where applicable, through the retention of external tax advisors to prepare UK tax filings or to provide UK tax consultation. Ultimately all UK tax risk is reviewed by senior TTI Global Tax Department management at corporate headquarters. The Global TTI Tax Department periodically updates the Board on the Group’s tax posture, which includes the UK.

TTI UK prepares, on an annual basis, contemporaneous transfer pricing documentation to actively monitor arm’s length transfer pricing associated with the UK operations of the TTI Group.

Level of Tax Risk

TTI’s UK tax policy is to maintain its profitability within the interquartile range of comparable profitability consistent with the tax laws of the UK, which we believe allows us to operate at a minimal level of tax risk.

Attitude to Tax Planning

TTI’s attitude toward tax planning is to report taxable income consistent with both the UK business fundamentals of the TTI Group and the tax laws of the UK. TTI may seek external tax advice where assistance is required on interpretation of complex tax law or where we don’t have a local tax presence in a country.

All TTI employees are bound by the TTI Code of Ethics and Business Conduct.

Engagement with Tax Authorities

TTI proactively engages with HMRC, and actively seeks to engage in discussion with HMRC (either informally or through formal legal procedures such as Mutual Agreement Procedures) on tax events or interpretation of tax law where there may be significant uncertainty. TTI also ensures that all compliance requirements with HMRC are timely met in order to minimise tax risks.