

## Tenneco UK Companies Tax Strategy

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

Walker Limited

Tenneco Walker (U K) Limited

Tenneco Automotive UK Limited

Tenneco Management (Europe) Limited

Dormant Companies as listed in the footnote

### **Responsibility and Governance**

The UK group has a culture of compliance throughout its business and operates within all legal and statutory requirements. Furthermore, the UK group's shared values encourage ethical behaviour throughout the organisation.

#### **Our UK tax strategy is to:**

- Maintain a strong compliance culture throughout the business;
- Meet all legal requirements and to make all appropriate tax returns and tax payments;
- Seek to utilise available tax reliefs, exemptions and incentives in a manner which is consistent with the government's fiscal policies;
- Ensure that tax treatment appropriately reflects the underlying business decisions;
- Maintain appropriate tax processes and ensure there is appropriate Board oversight.

### **Risk management and governance arrangements**

The business has a positive view towards tax compliance and actively reviews areas of the business assessing the risks and seeking solutions with the aid of external professionals. Processes are in place and followed up to ensure that the company fulfils its tax filing and payment obligations.

The Business has a U.K. Tax Department who are responsible for the day-to-day tax management, the department works closely with external consultants ensuring the work and knowledge are up to date and appropriate. The Directors have a hands on approach reviewing business transactions in the context of financial controls and tax exposure, they adopt a low risk approach to non-compliance in the arena of tax.

As the business has a strong compliance culture, the risk management and governance arrangements include:

- Active reviews of areas of the business identifying, assessing and managing any potential risks;
- Appropriate processes being in place to ensure the businesses fulfil their tax filing and payment obligations;

\* The UK group for the purposes of this document includes: Walker Ltd. Tenneco Management (Europe) Ltd., Tenneco Automotive UK Ltd., Tenneco Walker (U.K.) Ltd., Gillet Pressings Cardiff Limited., Tenneco Automotive (UK) Pension Scheme Ltd., Gillet Exhaust Manufacturing Ltd., Walker U.K. Ltd., J.W. Hartley (Motor Trade) Ltd., Thomas & Stammers (Dunmow) No.6 Ltd., Thomas & Stammers (Dunmow) No.7 Ltd

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- Ensure that all tax related decisions are subject to review and approval by appropriately qualified and experienced staff; and external professional advice is sought where appropriate. As such we adopt a low tolerance to tax risk.

The governance of the UK group is led by the Board of Directors, who are also ultimately responsible for risk management arrangements.

The UK Group has a strong focus on responsible tax administration and UK tax compliance including and not limited to filing and payment obligations, fulfilling the Senior Accounting Officer (SAO) obligations in relation to ensuring that our tax accounting arrangements are appropriate.

### **Tax planning**

The UK group ensures that all business transactions undertaken are supported by our business activities. This means that all tax decisions are made in response to commercial activity and we seek external tax advice where there is complexity or if there is any uncertainty. We do not undertake aggressive tax planning, contrived and or artificial transactions.

We seek to utilise appropriate tax reliefs such as losses and capital allowances. We ensure that when we utilise such reliefs that they are in accordance with the intention of UK tax legislation.

### **Relationship with HM Revenue and Customs (HMRC)**

The U K group seek to maintain an open, transparent and collaborative relationship with HMRC based on timely filing of tax returns and tax payments.

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