



**DRIVEN BY POSSIBILITY™**

**GATES INDUSTRIAL CORPORATION PLC**

35 GREAT ST. HELEN'S  
LONDON EC3A 6AP  
UNITED KINGDOM  
GATES.COM



## **GATES INDUSTRIAL CORPORATION PLC TAX STRATEGY**

Gates Industrial Corporation plc and Subsidiaries (the “Company”) endeavors to create long-term value for shareholders by being a world-class operating company, a responsible corporate citizen and an employer of choice. The Company employs over 14,500 people in more than 100 locations in 30 countries. Our global business activities generate a substantial amount and variety of taxes. These taxes form a significant part of our economic contribution to the countries in which we operate. The Company is committed to complying with tax laws in a responsible manner, and to having constructive relationships with tax authorities.

### **Commitment to Compliance**

The Company complies with the tax law and practice in all of the jurisdictions in which we operate. For this purpose, compliance means:

- Paying the right amount of tax in the right place at the right time,
- Timely and accurately disclosing all relevant facts and circumstances to the tax authorities as appropriate; and
- Appropriately claiming applicable deductions, credits, or incentives.

### **Expectations of Tax Planning**

The Company manages tax costs through maximizing the efficiency of business transactions on a basis consistent with its commercial objectives, legal obligations, and its Code of Business Conduct and Ethics.

The Company does not enter into tax shelters or other transactions that tax authorities consider abusive (e.g., Internal Revenue Services’ “Listed Transactions”).

### **Level of Tax Risk Accepted**

The Company’s strategic objective is to comply with legal requirements in the tax jurisdictions in which we operate, in a manner that ensures we pay the right amount of tax, while maximizing shareholder value on a sustainable basis. Given the scale of the Company’s business and volume of tax obligations, risks will inevitably arise from time to time in relation to the interpretation of tax law and nature of our compliance arrangements. The Company proactively seeks to identify, evaluate, manage and monitor these risks. Moreover, the Company analyzes uncertain tax positions on a quarterly basis consistent with ASC 740-10 of United States Generally Accepted Accounting Principles. When necessary or appropriate, it does so in close collaboration with external tax counsel or other reputable tax advisors.

The electronic format is the official master version. Verify hard copies against the electronic version.

Last Update: October 23, 2018



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### **Approach to Dealing with Tax Authorities**

The Company engages with tax authorities with honesty, integrity, and respect in a spirit of co-operative compliance. The Company seeks to resolve any disputed matters at the lowest-levels possible through transparent discussions and negotiation, but it is prepared to litigate where we disagree with a ruling or determination of a tax authority.

### **Governance**

Our Tax Strategy defines the responsibilities of the Company with respect to managing tax risk in compliance with applicable laws. It is supplemental to our Code of Business Conduct and Ethics. It has been approved by the Board of Directors.

For purposes of the United Kingdom, the publication of this policy is regarded as satisfying the statutory requirements under paragraph 16(2), Schedule 19, Finance Act 2016.

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