

Stanley Group in UK Tax Strategy

Scope

This strategy applies to Stanley Electric Holding Europe Co., Limited and Stanley Electric (U.K.) Company Limited ("Stanley Group in UK") in accordance with Schedule 19 to the Finance Act 2016. In this strategy, references to 'Stanley Group in UK', 'the firm' or 'the group' are to all these entities. The strategy has been published in accordance with paragraph 19(4) of the Schedule.

This strategy is in relation to the year ended 31/3/2019 and applies from the date of publication until it is superseded. References to 'UK Taxation' are to the taxes and duties set out in paragraph 15(1) of the Schedule which include Income Tax, Corporation Tax, PAYE, NIC, VAT, Insurance Premium Tax, and Stamp Duty Land Tax. References to 'tax', 'taxes' or 'taxation' are to UK taxation and to all corresponding worldwide taxes and similar duties in respect of which the Group has legal responsibilities.

Aim

Stanley Group in UK is committed to full compliance with all statutory obligations and full disclosure to relevant tax authorities. The group's tax affairs are managed in a way which takes into account the group's wider corporate reputation in line with Stanley Group in UK's overall high standards of governance.

Governance in relation to UK taxation

- Ultimate responsibility for Stanley Group in UK's tax strategy and compliance rests with the each Board of Stanley Group in UK;
- The each Managing Director ('MD') is the Board member with executive responsibility for tax matters;
- Day-to-day management of Stanley Group in UK's tax affairs is delegated to the Finance Team, which reports to the MD;
- The Finance Team is staffed with appropriately trained individuals;
- The Board ensures that Stanley Group in UK's tax strategy is one of the factors considered in all investments and significant business decisions taken;

Risk Management

- Stanley Group in UK 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;
- Stanley Group in UK 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;
- Processes relating to different taxes are allocated to appropriate process owners, who carry out a review of activities and processes to identify key risks and mitigating controls in place. These key risks are monitored for business and legislative changes which may impact them and changes to processes or controls are made when required;
- Appropriate training is carried out for the members of the Finance Team who manage or process matters which have tax implications;
- Tax compliance support and advice is sought from external advisers where appropriate.

Attitude towards tax planning and level of risk

Stanley Group in UK manages risks to ensure compliance with legal requirements in a manner which ensures payment of the right amount of tax.

When entering into commercial transactions, Stanley Group in UK seeks to take advantage of available tax incentives, reliefs and exemptions in line with, and in the spirit of, tax legislation. Stanley Group in UK does not undertake tax planning unrelated to such commercial transactions.

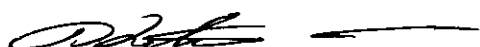
The level of risk which Stanley Group in UK accepts in relation to UK taxation is consistent with its overall objective of achieving certainty in the group's tax affairs. At all times Stanley Group in UK seeks to comply fully with its regulatory and other obligations and to act in a way which upholds 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.

Relationship with HMRC

Stanley Group in UK ensures that HMRC is kept aware of significant transactions and changes in the business and seeks to discuss any tax issues arising at an early stage. When submitting tax computations and returns to HMRC, Stanley Group in UK discloses all relevant facts and identifies any transactions or issues where it considers that there is potential for the tax treatment to be uncertain.

Any inadvertent errors in submissions made to HMRC are fully disclosed as soon as reasonably practicable after they are identified.

Date Published: March 2020

A handwritten signature in black ink, appearing to be 'D. Smith', followed by a horizontal line extending to the right.