

## UK Tax Policy and Strategy

Applicable to Financial Year Ending 31<sup>st</sup> March 2018

This tax policy applies to the UK entities in the Aisin group. The UK entities regard this policy as complying with their duty under paragraphs 19(2) and 22(2) of Schedule 19 Finance Act 2016 to publish a tax strategy in the current financial year. Also we have operated within the principles detailed below for many years.

### 1. Governance

We are committed to compliance with all applicable tax laws and regulations in the UK in line with Aisin group's Code of Ethics (“Aisin Group Principles of Corporate Behavior”). We comply with applicable laws, rules and regulations and are socially responsible in conducting our business. We also maintain ethical relationships with government officials and do not establish or maintain relationships with individuals or groups that promote illegal activities or threaten public order or safety. We fully support efforts to ensure companies are appropriately transparent about how tax affairs are managed.

### 2. Approach to risk management

Tax management may be required to make decisions on business transactions that could have a level of uncertainty or risk. Transactions that involve a level of uncertainty are analysed and monitored in order to manage risk appropriately. Additionally, we seek advice as appropriate from third party consultants to advise on transactions where uncertainty exists on the interpretation of UK tax law and regulations and also monitor that the advice continues to be effective and is not impacted by changes to tax legislation or practice or changes to the facts on which the initial advice was based.

### 3. Approach to Tax Planning

Tax planning in the UK supports the commercial business needs while aiming to complete the transactions in a tax efficient manner. This includes utilising tax relief, allowances, and incentives in accordance with UK tax laws and regulations. To uphold our reputation as well as corporate value, we do not engage in aggressive tax planning, nor undertake structure without commercial and economic substance. We manage our tax risks by ensuring compliance with relevant laws and actively seek to minimise uncertainty in tax affairs in line with our group's Code of Ethics.

#### 4. Relationship with the HMRC

We seek to have a transparent, professional and constructive relationship with HMRC and are committed to prompt disclosure and transparency in all tax matters with HMRC. We engage in full, open and timely dialogue with HMRC on significant tax issues and developments in our business to avoid disputes with HMRC and thus minimise tax risk wherever possible.