



HSS Hire Group PLC, (“HSS”), Tax Strategy and Policy

Our Tax Strategy is to manage efficiently the tax and cash cost to HSS of doing business, within the scope of all applicable laws, whilst ensuring our tax affairs are transparent and sustainable for the long-term.

There are four broad categories of tax risk that we seek to manage:

- Compliance Risk: the risk of additional liabilities or penalties arising through non-compliance or failures in the various tax return processes.
- Operational Risk: the risk arising from the operations of our business and the extent to which this might give rise to unexpected tax costs.
- Planning Risk: the risk associated with the implementation of tax planning ideas and opportunities and any arrangements put in place to make a transaction more tax-efficient.
- Reputational Risk: the risk that actions taken could significantly prejudice relationships with the tax authorities or that publicity concerning a transaction adversely affects the Group’s standing with customers or other stakeholders.

Our overarching guiding tax principle is to pay the right and proper amount of tax, in the right place at the right time. Behind this our supporting principles are;

- To ensure the integrity of all reported tax numbers and timely compliance with all relevant statutory tax obligations;
- To consider the potential tax implications as part of every major business decision;
- Not undertake transactions whose sole purpose is to create an abusive tax result or which are outside the HSS’ conservative risk appetite. To the extent HSS undertakes tax planning, it only takes place in countries where HSS has commercial substance and we operate to a high standard of certainty.
- To pursue open and constructive working relationships with all tax authorities and, as part of this aim, to adhere to a policy of disclosure to relevant tax authorities in respect of all tax matters. HSS aims to foster a constructive and professional relationship with tax authorities based on integrity and collaboration. We expect to undertake all dealings with tax authorities, government bodies and other related third parties in a professional, courteous and timely manner;
- Always to consider HSS’ corporate and social responsibilities, reputation and brand; We seek to be recognised as a vital business partner by all our stakeholders and to facilitate the growth and development of the HSS’ business activities in a tax efficient manner;
- To operate appropriate tax risk governance processes, including Audit Committee and Board oversight and to work to provide enhanced and balanced disclosure and communication of our tax affairs to investors.
- That HSS will use incentives and reliefs to minimise the tax costs of conducting its business activities, but will not use them for purposes which are knowingly contradictory to the intent of the legislation, and
- That transactions between HSS subsidiaries are conducted on an arms-length basis in accordance with appropriate transfer pricing rules and OECD principles. This ensures that HSS’s global profits are taxed where economic activities are performed and where value is created.
- For the purposes of this policy, tax is defined as all financial charges or levies (direct and indirect) including corporate income tax, VAT, payroll taxes, stamp duty and other taxes applied by a Tax Authority.

Our published UK tax strategy, which has been approved by the Board, satisfies Schedule 19 of the UK Finance Act 2016, in respect of our financial year ending 31 December 2017.