

## NOVARES PETERLEE UK TAX STRATEGY

*(in compliance with Schedule 19 of the Finance Act 2016 for the financial year ended December 2020, 31st)*

### **Introduction**

The ultimate parent of NOVARES PETERLEE Ltd is NOVARES GROUP, a global plastic solutions provider that designs, manufactures complex components & systems in the automotive industry, with its headquarters in Clamart, Paris, France. NOVARES GROUP has operations, directly and through its subsidiaries, around the world, including in the UK. NOVARES GROUP files annual reports including Country By Country Reporting.

At the Group level, NOVARES GROUP adhere to the principles of corporate governance and this applies to the principles governing the management of NOVARES PETERLEE tax matters.

UK law requires the Group's UK subsidiary on an annual basis to publish its tax strategy online in relation to UK taxation. The Group's UK tax strategy has been hereby published in accordance with paragraph 19(2) of Schedule 19 (the "Schedule") to Finance Act 2016. This document applies to NOVARES PETERLEE.

NOVARES GROUP (i.e. Holding company Novares Group S.A.S. and all its subsidiaries around the world including UK) is committed to compliance with applicable laws, rules and regulations in relation to UK taxation. NOVARES GROUP is also committed to having a professional, cooperative and transparent working relationship with Her Majesty's Revenue & Customs ("HMRC") in relation to UK taxation matters, in line with the Group's values and principles

In compliance with schedule 19 of the Finance Act 2016, paragraph 16, NOVARES PETERLEE tax strategy is discussed under the following headings:

- NOVARES PETERLEE's approach to risk management and governance;
- NOVARES PETERLEE's attitude of towards tax planning;
- NOVARES PETERLEE's level of risk in relation to UK taxation that the group is prepared to accept, and;
- NOVARES PETERLEE's approach of the group towards its dealings with HMRC.

#### **NOVARES Peterlee Ltd**

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### **NOVARES PETERLEE's approach to risk management and governance**

Responsibility for governance for all matters relating to taxation rests with the Group Chief Financial Officer and his delegates: Group Finance Director and Group Senior Tax Manager (who reports to the Group Finance Director).

Novares top management and NOVARES PETERLEE Management ensures that tax strategy is one of the factors considered in significant investments and business decisions taken.

Local management of each legal entity is responsible for ensuring that all applicable regulations as well as internal guidelines and governance procedures relating to taxation are observed.

NOVARES PETERLEE Ltd has competent staff to comply with current tax obligations in the UK; moreover, NOVARES PETERLEE Ltd relies on UK tax consultants assistance with regard to UK tax compliances obligations: the Tax and regional teams are staffed with appropriately qualified individuals, whether internally or through external services.

UK Finance Controller is committed to comply with UK Tax Regulation:

- Working with UK Accountant to make sure that mandatory returns are correctly fulfilled and that new rules are taken into account
- Working with UK Tax Consultant to make sure that (i) existing rules are correctly applied, (ii) new rules are analyzed to check whether they apply to NOVARES PETERLEE and if yes set-up appropriate action / procedure, (iii) new business or investment or flow are analyzed as per tax perspective and that appropriate action are taken to comply with UK regulations
- Any significant evolution in business, any significant investment is analyzed and approved by Plant Director and by NOVARES PETERLEE's Board (Actually Sole Director Mr Emmanuel VOITURET), the analysis is done as per business, finance perspective (including tax consequence if any)
- Any new project involving international transactions with UK is analyzed on a tax perspective by Group Tax Senior Manager, with help of Project team and UK Financial Controller if needed, to make sure that any tax consequence is correctly evaluated and managed in compliancy with involved countries tax legislation, including UK
- Group procedures deployed in NOVARES PETERLEE such as DOA (approval workflows) and Investment requests are involving local Management (Plant Director, Finance Controller) as well as Board Sole Director (depending on the amount)

The Group operates an internal control framework which includes processes designed to enable any NOVARES GROUP subsidiary to meet its applicable legal and regulatory requirements and to assess tax risk, including the use of tax technology, where appropriate. Reasonable care is applied in relation to processes which could materially affect compliance with tax obligations. The Internal Control assessment tool is revised locally and send for analysis to Group Finance Director 2 to 3 times a Year

Processes relating to different taxes are regularly reviewed by the Group Senior Tax Manager in the context of applicable business or legislative developments.

Moreover, The Group maintains a Code of Business Conduct and Ethics (the “Code”) that applies to its employees, directors and officers around the world. The Code reinforces the Group’s commitment to good governance and states that someone should speak up if they see or suspect unethical behavior, whether of laws, Group policies or the Code and should seek help if they have questions about the applicability or interpretation of any law, rule, regulation or Group policy. The Code also provides reporting channels, which include a confidential and anonymous hotline

### **NOVARES PETERLEE’s attitude of towards tax planning**

- As part of its overall decision making and risk assessment process in relation to tax, NOVARES GROUP considers the applicable legal and fiduciary duties of officers, directors and employees of the Group.
- The tax consequences of material commercial transactions impacting NOVARES GROUP or its UK subsidiary are reviewed and considered by the Group’s internal tax department. External tax or legal advice might be sought where the anticipated tax result of a commercial transaction is considered to be unclear from UK legislation, or where the anticipated tax result is subject to varying interpretations.
  - Group policy applied worldwide, including UK, is to comply with local regulation and, when any tax questions arise in the situation where several solutions may be available, to choose the option that best fit with jurisprudence or case law.
  - Group Transfer Pricing Policy have been defined as per (i) business perspective and functional analysis and (ii) tax perspective to comply with OECD principles and any local tax regulation, including UK
  - Given the size of NOVARES PETERLEE, the company cannot appoint as employee a tax specialist, therefore any complex or new business which structure / principles not been

previously analyzed is submitted for audit to external consultant and Group Tax Senior Manager

- NOVARES GROUP, and consequently NOVARES PETERLEE, enters into transactions that it considers have commercial and economic substance and, to its knowledge, are compliant with applicable UK laws, rules and regulations.
- NOVARES GROUP's, and consequently NOVARES PETERLEE, intended practice is to ensure that UK tax returns filed are accurate, include full disclosure, and take into account the law and its understanding of the spirit of the law where relevant and sufficiently evident.
- NOVARES GROUP, and consequently NOVARES PETERLEE, utilizes statutorily available tax incentives in the UK, including, for example and when applicable, R&D tax incentives in line with UK legislation and its intention.

#### **NOVARES PETERLEE's level of risk in relation to UK taxation**

- NOVARES GROUP is committed to meeting its applicable legal and regulatory requirements in respect of UK taxes. NOVARES GROUP maintains robust tax administration which includes timely filing of tax returns and making required payments of tax when legally due.
- As part of the Group's corporate governance framework, the Group assesses each matter on its specific facts and circumstances. Due to the size, breadth and complexity of the Group's business, the Group Senior Tax Manager actively identifies, evaluates, monitors and manages tax risks so they remain aligned with the Group's business and strategic objectives

#### **NOVARES PETERLEE's approach towards its dealings with HMRC**

- NOVARES GROUP competent staff is monitoring and ensuring tax compliance in all its entities. The Group Senior Tax Manager is usually in constant contact with the local Manager of NOVARES PETERLEE Ltd and with Tax consultants whenever necessary. Local Manager (i.e. Financial Controller) is generally directly dealing with HMRC, with support of tax consultant Group Tax Senior Manager whenever needed
- NOVARES GROUP and NOVARES PETERLEE commit to a transparent and collaborative approach in our dealings with the HRMC and to resolve any issue that may arise quickly and appropriately.

- As above mentioned, UK Financial Controller is working with a UK Tax consultant to constantly maintain a legislative watch to make sure to meet statutory and legislative tax requirements. Given that the company does not perform very complex business, there is no much need to refer to HMRC for any tax topic preliminary analysis or preliminary clearance on any tax return, but if such situation may arise, Financial Controller and / or tax consultant may engage with HMRC to make sure their tax law interpretation is correct.

Business, accounting and tax records are retained at least for the statutory period to allow HMRC to perform any analysis or audit it may wish to perform.