

Tax Strategy

This document is intended to satisfy the reporting obligations of Schedule 19 of the UK Finance Act 2016, which imposes, as a legal requirement on all large businesses operating in the UK, to publish a UK tax strategy online.

About Sogefi Group

Sogefi group (“**Sogefi**” or the “**Group**”) is a leading global supplier of original parts for the automotive industry, with over 35 years’ experience. Sogefi designs, develops and produces filtration systems and flexible suspension components as well as air management and engine cooling systems.

The group - headed by its Italian listed holding company Sogefi SpA - consists of 36 affiliates structured in three business unit: the Air&Cooling Business Unit, the Filtration Business Unit and the Suspension Business Unit.

Introduction

In compliance with schedule 19 of UK Finance Act 2016, Sogefi SpA, in its role of Group holding company, publishes this statement on behalf of its UK companies, which include:

- Allevard Springs Ltd;
- United Springs Limited;
- Sogefi Filtration Ltd.

(hereinafter jointly “**UK Group Companies**”)

As the UK Group Companies are part of a wider listed group, they have a strong policy of tax compliance, arising from the Group’s strong compliance focus.

The UK Group Companies adopt an approach to tax which is aligned to the wider Group’s business strategy and corporate culture, bearing in mind the impact on both internal and external stakeholders.

Sogefi is committed to high standards of corporate governance, transparency and responsibility. We pay tax in all of the countries in which we operate in accordance with local laws and international guidelines.

This document sets out Sogefi’s approach to conducting its tax affairs and dealing with tax risks (“Tax Strategy”). This Tax Strategy applies to all UK Group Companies.

This document will be reviewed and – if needed – updated annually.

1. Approach to risk management and governance arrangements

Sogefi has a very little appetite for reputational, legal, regulatory and taxation risks.

Sogefi strives to maintain strong tax risk management with a goal to ensure that all Group companies fully comply with all filing obligations and tax disclosure requirements in all jurisdictions in which the Group operates.

The Group monitors proposed changes in tax law and jurisprudence.

The Group is committed to comply with the tax laws and practices in all the territories in which it operates, including the UK, which is the main place of business for the UK Group Companies.

The key principles of Sogefi’s tax strategy, which apply also to UK Group Companies, are:

- To comply with all primary and secondary legislation, reporting and disclosure requirements in the countries in which it operates as well as to international rules and OECD guidelines;
- To govern tax activities by commercial purpose;
- To apply professional diligence and care in the management of tax matters and ensure governance procedure are appropriate.

As stock quoted group, as indicated above Sogefi's tax (and overall) strategy reflects a strong governance and consideration of its reputation.

Sogefi is committed to upholding high standards of business conduct and ethics as reflected in Sogefi's published *Code of Conduct and Code of Ethics* (a copy is available on Group website).

Responsibility for the tax strategy, the supporting governance framework and management of tax risk ultimately sits with the Group Chief Financial Officer, under the supervision of the Group Board of Directors.

Day-to-day responsibility for each of these areas sits with the local CFO of each Group companies, under the supervision of the Group CFO.

2. Attitude towards tax planning

Sogefi Group meets taxation obligations in the jurisdictions in which it operates.

The Group's tax strategy follows the business strategy meaning that Group structures and transactions are business- and not tax driven.

In business-driven transactions, Sogefi benefits from available tax incentives, relief programs and exemptions in line with the spirit of tax legislation. Sogefi does not undertake tax planning unrelated to such business-driven transactions.

3. Level of tax risk that the Group is prepared to accept

Given the scale of Sogefi' business and volume of tax obligations, risks will inevitably arise from time to time in relation to the interpretation of tax laws and the nature of our compliance arrangements.

The Group's tax risk appetite requires that, where tax law is unclear or subject to interpretation, its adopted tax position is at least more likely than not to be allowable under applicable tax laws.

Sogefi proactively seeks to identify, evaluate, manage and monitor these risks to ensure they remain in line with the Group's risk appetite. Where there is significant uncertainty or complexity in relation to a risk, external advice may be sought.

4. Approach towards dealings with tax authorities

The Group seeks to comply with its tax filing, tax reporting and tax payment obligations globally.

Sogefi Group engages with tax authorities, including UK Tax Authorities (i.e., HMRC- Her Majesty's Revenues and Customs), with honesty, integrity, respect and fairness and in a spirit

of cooperative compliance. Sogefi is prepared to litigate where it disagrees with a ruling or decision of a tax authority but will first seek to resolve any disputed matters through proactive and transparent discussion and negotiation.

Sogefi's aim is to have professional and constructive relationships and maintain transparent disclosure in its relationships with tax authorities, recognizing that early resolution of risks is in the best interests of the Group and such tax authorities.

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