

Alamo Group Europe Limited - UK Tax Strategy

10th December 2018

Introduction to Group structure

This strategy applies to Alamo Group Europe Limited, and to the group of companies headed by Alamo Group Europe Limited, in accordance with Part 2 of Schedule 19 to the Finance Act 2016. A list of the entities to which it applies is set out below. In this strategy, references to the “Alamo UK Group” are to all these entities. All entities in the Alamo UK Group are wholly owned subsidiaries of Alamo Group Inc., a company incorporated in the US and listed on the New York Stock Exchange. The strategy has been published in accordance with paragraph 19(4) of the Schedule.

This strategy applies from the date of publication until it is superseded.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 Alamo UK Group has legal responsibilities.

Aim

The Alamo UK Group 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 Alamo Group Inc’s overall high standards of governance.

Governance in relation to UK taxation

- The responsibility for carrying out the UK Group tax strategy and compliance rests at the UK Board of Directors with ultimate responsibility of the tax strategy residing with the Officers of Alamo Group, Inc.
- Tax planning and compliance is part of the finance function of the Alamo UK Group. The Finance Director, member of UK board of directors, has responsibility for the Group’s tax strategy and policies. Ultimate responsibility for planning lies with the Officers of Alamo Group, Inc.
- The Finance Director delegates the day-to-day tax affairs to the UK Financial Controller.
- UK Financial Controller reports regularly to the Finance Director on changes in the Group’s tax affairs and risks. Any significant matters are communicated to the UK Board of Directors and the Officers of Alamo Group, Inc. The Alamo Group, Inc. Officers and Board of Directors have ultimate responsibility for tax strategy.

Risk Management

- The Alamo UK Group 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;
- The Alamo UK Group 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 staff who manage or process matters which have tax implications;
- Advice is sought from external advisers where appropriate.

Attitude towards tax planning and level of risk

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

The level of risk which the Alamo UK Group accepts in relation to UK taxation is consistent with its overall objective of achieving certainty in the group's tax affairs. At all times the Alamo UK Group 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 Her Majesty's Revenue and Customs (HMRC)

The Alamo UK Group seeks to have a transparent and constructive relationship with HMRC during communications in respect of developments in its business, current, future and retrospective tax risks, and interpretation of the law in relation to all relevant taxes.

When submitting tax computations and returns to HMRC, the Alamo UK Group 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.

List of entities covered by this tax strategy

Alamo Group Europe Limited
Alamo Manufacturing Services (UK) Limited
Kellands Agricultural Limited
Spearhead Machinery Limited
Twose of Tiverton Limited
Bomford Turner Limited
McConnel Limited
Multidrive Tractors Limited
Bomford & Evershed Limited
Turner International Eng Limited