

# EXIDE TECHNOLOGIES APPROACH TO TAX

## Introduction

Exide Technologies, “Exide,” is a global leader in stored electrical energy solutions, including batteries and associated equipment and services for the transportation and industrial markets. We are committed to providing world-class stored energy solutions that lead the industry in quality and performance, drive customer results and make a difference in people’s lives. Exide will stand for safety, innovation and partnership while providing a rewarding workplace for our employees.

Our business activities generate a substantial amount and variety of taxes. We pay corporate income taxes, stamp duties, employment, custom duties and other taxes. In addition we collect and pay employee taxes as well as indirect taxes such as excise duties and value added taxes. The taxes we pay and collect form a significant part of our economic contribution to the countries in which we operate.

Exide is committed to complying with tax laws in a responsible manner and to having open and constructive relationships with tax authorities. Exide supports efforts to increase public trust and transparency in tax systems and we engage with our stakeholders to build understanding and clarity of business tax consequences wherever we operate.

Exide’s core values of integrity, accountability and quality are supported by the Code of Ethics and Business Conduct. Compliance with this Code of Ethics and Business Conduct is required of everyone at Exide; our approach to tax aligns with this requirement.

Our commitment is underpinned by the following principles:

## Governance and Risk Management

Tax risk can arise from ambiguities in various laws and regulations, as well as differences in interpretation. As is common for many multinational corporations, Exide’s most significant source of uncertainty arises where two or more governments adopt different interpretations in relation to pricing inter-company cross border transactions (i.e. the transfer pricing of goods and services between affiliated members of the Exide Technologies group of companies) resulting in the same income being taxed in two or more jurisdictions.

Our approach is to manage tax risks and tax costs in a manner consistent with applicable regulatory requirements and with stakeholders’ best long term interests, taking into account operational and, economic factors.

## Our Values



We have established and maintain robust policies and compliance processes to ensure the integrity of our tax returns, and timely and accurate tax payments in all countries in which we operate. This includes ensuring that our tax professionals and staff have the necessary training to manage our tax position appropriately.

Our approach to taxation is reviewed periodically in light of changes to:

- The general business environment
- Our business operations
- Tax laws and regulations (national and international)
- Emerging business and tax risks

Exide is committed to compliance and paying the correct tax at the appropriate time. To ensure compliance, Exide maintains documented tax policies and procedures in relation to key tax processes which are reviewed annually. Tax policies and processes are subject to the same level of robust internal controls, assurance processes and external audit as the rest of Exide’s business. Additional assurance is gained from Internal Audit reviews of tax risk management processes from time to time.

Exide’s Vice President—Global Tax implements our approach to tax and determines the level of acceptable tax risk which is approved and monitored by Exide’s CFO and Audit Committee on a quarterly basis. The Vice President—Global Tax is also responsible for ensuring that policies and procedures that support the Company’s approach to tax compliance are in place, maintained and disseminated consistently around the world, and that the global tax team has the skills and experience to implement the approach appropriately. Performance is monitored via quarterly reporting to the CFO and Audit Committee.

### Tax Planning

We engage in efficient tax planning that supports our business and reflects commercial and economic activity. We do not engage in artificial tax arrangements.

We adhere to relevant tax laws with an understanding of the intent of the legislation and we seek to minimize the risk of uncertainty or disputes.

We conduct transactions between Exide group companies on an arm’s-length basis and in accordance with OECD Transfer Pricing Guidelines and the laws of relevant jurisdictions. Tax incentives and exemptions are sometimes implemented by governments and fiscal authorities in order to support investment, employment and economic development. Exide seeks to apply incentives and exemptions as appropriate for the business.

#### Our Values



### Relationships with Governments

We seek to develop and maintain professional and transparent relationships with tax authorities. We ensure there is access to relevant information demonstrating the integrity of our tax processes, returns and payments. We support the principle behind multilateral moves towards greater transparency that increase understanding of tax systems and build public trust.

Exide Technologies and its UK subsidiaries:

- Euro Exide Corporation Limited
- GNB Industrial Power (UK) Limited
- Exide Technologies (Transportation) Limited
- CMP Batteries Pensions Limited

Regard this publication as complying with the requirements under paragraph 16(2) of Schedule 19 of the UK Finance Act 2016.

#### Our Values



Integrity



Accountability



Quality



Safety



Courage



Customer  
Success