

Gentherm U.K., Ltd

In compliance with paragraph 16(2), Schedule 19, Finance Act 2016, the company is publishing its tax strategy for the year ending 31 December 2017, as it applies to Gentherm U.K., Ltd.

Gentherm, Inc (“Gentherm”) is a global leader in thermal management systems. Gentherm is continually expanding its global footprint, with over 13,000 employees worldwide helping create our thermal management solutions and providing support to our customers wherever they are. We engineer, prototype, test, manufacture and offer customer service within 13 countries. Gentherm U.K., Ltd is part of the Gentherm group.

Our business has a strong focus on corporate responsibility, and we see responsible administration and payment of taxation as a responsibility of our business. Tax compliance means paying the right amount of tax at the right time. It involves disclosing all relevant facts and circumstances to the tax authorities and claiming reliefs and incentives where available.

Risk Management and Governance Arrangements

We want our tax affairs to be transparent and compliant with tax legislation and recognize that managing tax compliance is increasingly complex. The Gentherm Group Board of Directors understands the importance of tax compliance, and how it is achieved and there is a constant dialogue between the Board and those individuals tasked with the operation of our global finance function, regarding the way our business manages its tax risk. Tax risk arises due to the complexity of tax legislation and potential differences in interpretation, and in relation to our business operating model. We have established policies and processes in place to ensure the integrity of our tax filings and other tax compliance obligations in the UK and worldwide, and our tax processes are subject to the same level of internal controls, review and external audit as the rest of the business.

Tax Strategy

We undertake tax planning as part of our overall business strategy. Professional advice is sought on a transactional basis, with the depth of such advice being driven by our assessment of the risk presented by each opportunity. We engage in tax planning that supports our business activities and that has commercial substance. We have a responsibility to minimize our tax risk and our exposure to negative publicity through non-compliance.

Attitude towards Risk

The Gentherm Group Board sees compliance with tax legislation as key to managing our tax risk. We understand the importance of tax in the wider context of business decisions and have processes in place to ensure tax is considered as part of our decision-making process. We have relationships with professional advisers that allow us to seek expert advice on specialist areas of tax. Our policies and governance framework operate to ensure compliance with tax laws and regulations, both in the UK and worldwide, and to ensure that we identify and mitigate tax risks.

Relationship with HM Revenue & Customs (HMRC)

We seek to ensure that our engagement with HMRC is professional, open and honest, and undertaken in a spirit of cooperation. We aim to respond to information requests in a timely manner and ensure that access is given to all relevant information. We employ the services of professional tax advisers to act as our agents, and in some cases, they liaise with HMRC on our behalf. This is seen by the Gentherm Group Board as a way to ensure we get the most out of our relationships with HRMC, thus reducing our tax risk.