

## **Horizon Global Corporation - UK Tax Strategy for Financial Year 12-31-2017**

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### **Overview**

Horizon Global Corporation (hereinafter, “Horizon”, the “Company” or “we”) is the #1 designer, manufacturer and distributor of a wide variety of high-quality, custom-engineered towing, trailering, cargo management and other related accessory products in North America, Australia and Europe. The Company serves OEMs, dealer networks, retailers, distributors, installers and the end consumer as the category leader in the automotive, leisure and agricultural market segments. Horizon is home to some of the world’s most recognized brands in the towing and trailering industry, including: Reese, Hayman-Reese, Draw-Tite, Bulldog, Fulton, ROLA, Tekonsha, and Westfalia. Horizon Global has approximately 4,600 employees in 58 facilities across 21 countries.

### **Introduction**

The following information is presented on behalf of Horizon’s UK affiliates CP Witter Ltd, Horizon Global European Holdings Ltd, Cequent UK and Westfalia UK Ltd pursuant to paragraphs 19(2) and 22(2) Schedule 19 of the HMRC Finance Act of 2016. This disclosure is intended to comply with all other obligations within Schedule 19 of the Finance Act of 2016.

### **Governance**

Horizon recognizes our responsibility to adhere to the tax laws throughout the jurisdictions in which we operate. We also recognize that we have a responsibility to our stake holders to operate our business in a competitive and financially efficient manner. Horizon’s global tax affairs and the management of tax risk are performed by the corporate tax team with assistance from global tax advisors. Horizon also adheres to a comprehensive set of internal policies designed to meet the requirements of the Sarbanes-Oxley Act of 2002. Under these policies, tax strategies are reviewed by the Audit Committee under the Company’s Board of Directors.

### **Tax Planning**

Horizon does not engage in tax planning without business or commercial substance. Our planning approach regarding tax may require the transfer of products or services throughout our organization. Horizon applies current OECD guidelines and bases its transfer pricing policies on an arms-length standard. Due to the changing environment of global tax, Horizon regularly consults global and local experts on tax planning initiatives to make sure all necessary considerations are weighted.

## **Risk Management**

Horizon is subject to taxation in the jurisdictions in which we operate. The tax legislation in these jurisdictions often differ, which creates complexity that is subject to the interpretation of management and local tax authorities. Recent developments in international tax have created uncertainty as governments attempt to create competitive environments to attract new taxpayers while adhering to the OECD Base Erosion and Profit Shifting Initiative. Horizon's tax strategy is to comply with the relevant regulations while minimizing the tax consequences. The Company does not undertake aggressive tax planning. Horizon engages experts on both a global and local level to ensure proper compliance.

### **Level of risk in relation to UK taxation that Horizon is prepared to accept**

Horizon does not have a defined level of acceptable risk in relation to UK taxation. However, if there is significant doubt regarding the tax treatment of any particular transaction, Horizon would only proceed on the advice of global or local experts. Horizon's stakeholders have not influenced the overall level of risk the Company is willing to accept.

### **Relationships with government authorities**

Horizon maintains an open and transparent relationship with governments worldwide, including HMRC. We are committed to timely disclosures and transparency regarding tax matters with HMRC. We understand circumstances will arise where legal interpretations will differ between ourselves and tax authorities. In these incidences, we will actively participate with authorities, including HMRC, to bring matters to a timely resolution.