

Cox Automotive UK Tax Policy: Financial year ending 31 December 2018

This policy applies to Manheim Global Management UK Limited, all its UK subsidiary companies and UK subsidiary companies of the ultimate parent company, Cox Enterprises Inc, a company incorporated in the United States of America.

This strategy is considered to meet the requirements under schedule 19 of Finance Act 2016. The policy covers our approach to arranging our tax affairs and comprises the following key components:

1. Commitment to compliance

We undertake to comply with tax law in the UK. We are committed to:

- Paying the right amount of tax in the right place at the right time;
- Filing all the required returns accurately and within HMRC deadlines; and
- Engaging with HMRC to seek clarification on any matters of uncertainty

2. Responsible attitude to managing our tax affairs

We will consider UK tax laws when structuring our commercial activities and ensure that we pay the right amount of tax. External tax advisors will be engaged to advise on any areas of uncertainty to ensure the group remains tax compliant.

We will not jeopardise the reputation of the UK or our ultimate parent company (Cox Enterprises Inc) by entering into any arrangements that are considered unlawful or contrived.

3. Risk management

There will always be a level of inherent risk in complying with tax laws due to the size of our group and the volume of transactions. The group does not have prescribed levels of acceptable risks but seeks to ensure full consideration of the reputational and commercial implications of tax decisions in line with normal business risk procedures.

The group ensures this risk is managed through the implementation of controls, in particular through ensuring all aspects of tax work is appropriately reviewed and signed off. The group will always consider seeking external tax advice before entering into new or unfamiliar arrangements.

4. Responsibilities

Management has overall responsibility for the group's approach to tax management with day-to-day responsibility delegated to appropriate group finance representatives. This Tax Strategy has been reviewed and approved at board level.

5. Open and honest approach to engaging with HMRC

We seek to engage with HMRC in an honest and fair manner. We encourage open dialogue and we will use this wherever possible to mitigate our tax risk. We will seek advance clearances from HMRC to mitigate the risk of applying incorrect tax treatment to any areas of uncertainty.

The group operates robust risk programmes and has taken the opportunity to share previous findings relating to tax with HMRC.