



Meritor, Inc.
2135 West Maple Road
Troy, Michigan 48084-721 USA
800-535-5560 Tel

meritor.com

United Kingdom (“UK”) Tax Strategy

In accordance with the United Kingdom Finance Act 2016, Schedule 19, Paragraph 16(2), Meritor, Inc. (“Meritor”, “we”, or “our”) sets out below its UK tax strategy for all UK companies (“Meritor UK”) within the Meritor global group.

The fundamental objective of the UK tax strategy is to ensure compliance with all applicable tax laws and regulations through tax-conscious management of business operations.

Code of Ethics

At Meritor, we expect the highest standards of honesty and integrity from every employee. We are committed to providing accurate and reliable financial disclosures. We work to ensure compliance with the latest regulatory measures and to demonstrate high ethical standards and sound corporate governance. Our Meritor UK tax strategy is consistent with these values.

Management of Tax Risks

Meritor UK’s primary tax objective is to meet its legal obligation to pay the correct amount of tax at the point it is due. Meritor UK may utilize allowable exemptions and reliefs to minimize its tax liability, but only to the extent these provisions are available in accordance with statutory tax law.

While the ultimate responsibility for Meritor UK’s tax affairs resides with each company’s Board of Directors, the tax function is supported by qualified internal and external tax professionals. This expertise allows the group to make fully informed decisions on tax matters and to satisfy the long term financial objectives of the business while maintaining compliance with the applicable tax laws and regulations.

Meritor maintains an internal control system designed to provide reasonable assurance regarding the reliability of financial reporting. Appropriate risk management measures are maintained in the area of tax consistent with the Meritor code of ethics and subject to internal and external audit procedures, including:

- Internal controls over compliance processes;
- Regular group tax risk reviews and maintenance of a tax risk matrix;
- Independent assistance with review and filing of tax returns;
- Seeking and documenting external advice to support tax decisions.



Approach to Tax Planning

Meritor always seeks to act in accordance with local tax laws in jurisdictions where we do business. The UK group's activities are predominantly driven by commercial business decisions and substantive business activities. It is the fiduciary responsibility of each Meritor UK company's Board of Directors to optimize the financial performance of such company while complying with all laws and regulations. Careful management of each company's tax position falls within this obligation. This ensures that management is able to carry out its strategic business decisions while meeting its legal tax obligations.

Meritor works closely with external advisors to ensure tax risk is adequately managed and that the group meets its tax obligations in a tax conscious manner, whilst maintaining its aim of being a good corporate citizen.

UK Tax authority relations

Meritor is committed to complying with tax laws and to maintaining an open and transparent relationship with HM Revenue and Customs (HMRC). To this end, Meritor engages with HMRC with honesty, integrity, respect and fairness.

We seek to take a proactive approach and take appropriate action in the event we discover errors or omissions; disclosing these to HMRC as appropriate, implementing remediation as quickly as reasonably possible and putting in place appropriate measures and controls to prevent reoccurrence.

For the period ending 27 September 2020