

## 1. Introduction

This document sets out Fleetcor's approach and strategy for handling its tax affairs and managing tax risk of its UK Companies.

It applies to all companies that form a part of the Fleetcor UK Acquisition Limited group, the companies are listed in Appendix A. The members of the group are subsidiaries of a US based parent called Fleetcor Technologies Inc., this is a public traded company on the New York Stock Exchange.

The range of UK taxes that the group pays includes Corporation Tax, VAT, PAYE and some other ad-hoc taxes.

The document will undergo continuing review and will be updated when necessary. It is effective for the financial year ending 31<sup>st</sup> December 2020. The document is intended to comply with the requirements of Schedule 19 of the Finance Act 2016.

## 2. Tax Planning in Fleetcor UK

The Group has clearly defined policies that make certain that it complies with the relevant UK laws and legislation relating to tax.

The Group's tax policy is also reviewed and approved by the ultimate parent company of the Group, FleetCor Technologies, Inc., to ensure that the tax policies are aligned with the overall tax policies of the parent company and all of its worldwide subsidiaries.

Transactions between group companies are on an arms-length basis and arm's length transfer pricing is utilized.

Tax planning is based on commercial business activity, and the company does not implement or utilise tax avoidance strategies that exploit gaps and mismatches in tax rules to artificially shift profits to low or no-tax locations.

The company will utilise tax incentives or opportunities for obtaining tax efficiencies where these:

- Do not carry significant reputational risk or significant risk of damaging our relationship with the fiscal authorities in the key jurisdictions in which we operates.
- Are aligned with the intended policy objectives of the governments which introduced the incentives

- Do not have a material adverse impact on “above the line” results,
- Are aligned with business or operational objectives.

Professional advice is taken from reputable independent external advisors on any matters where the amount of tax is significant and the tax treatment uncertain. The Financial Controllers of the relevant companies ensure that adequate controls are in place so that the correct amount of taxes are identified and paid.

### **3. Managing Tax Risk in Fleetcor UK**

Fleetcor UK has outlined its management of tax risk within an internal tax policy document. The document sets out stringent levels of controls and scrutiny to ensure that risks do not materialise, plus it states that tax risk will be kept to a minimum level.

This policy document also specifies the processes to verify that the correct amount of tax is paid and that all required disclosures are provided to the tax authorities. Tax calculations and payments are reviewed internally by the Financial Controllers; payments for Corporation Tax are approved by the Financial Controllers.

### **4. Fleetcor UK Working with HMRC**

The company has an open and honest and positive working relationship with HMRC and is committed to prompt disclosure and transparency in all tax matters with HMRC. Fleetcor’s approach to HMRC is one of a proactive stance making sure any potential issues are dealt with quickly and in a consultative way.

All dealings with the tax authorities and other relevant bodies are conducted in a collaborative, courteous and timely manner. The UK CFO and Financial Controller meet formally on a regular basis for a business review meeting with HMRC.

### **5. Tax Governance and Management of Risks in Fleetcor UK**

Fleetcor Technologies Inc. bears ultimate responsibility for ensuring the compliance of Fleetcor UK with tax law and regulations, the management of tax risks and providing information for our stakeholders.

Responsibility for tax strategy and the management of tax risk within the UK rests with the European Chief Financial Officer and the UK CFO, with delegated day-to-day responsibility for our tax functions performed by Financial Controllers and Fleetcor UK tax teams.

Fleetcor Technologies Inc. Governance Manual contains a Group-wide tax risk management framework with which all subsidiaries comply. This framework sets out the process for defining tax risk, the identification of tax risk, reporting, management and escalation of tax risks. In addition to this Fleetcor UK operates its own Tax Code of Conduct/Tax Policy.

The Chief Executive Officer and Chief Finance Officer of Fleetcor Technologies Inc regularly report the complete tax position, including the tax risk status, of Fleetcor UK to the Group Audit Committee (GAC). This occurs on at least four occasions in each fiscal year. The GAC comprises at least three Board members with financial management expertise. Reporting and scrutiny by the GAC ensures unified risk oversight throughout the Group and guarantees a consistent and integrated approach.

The known tax risks and applicable controls, as they exist for Fleetcor UK, are set out below.

**Legislative requirements and change:**

Legislation and revisions to the existing statutory and regulatory law affects our business and the business of our customers. Tax risk flowing from legislative change is effectively managed to a minimum by clear professional comprehension and the prevention of unnecessary dispute. Continuing professional development is demanded and deployed by the UK Head of Finance and the subordinate tax team at Fleetcor UK to ensure a robust, relevant and up-to-date technical understanding of the applicable law. In the event of uncertainty on the application or interpretation of any prevailing statutory provision, appropriate written advice is sought from HMRC and expert third party advisors to support the decision-making process.

**Transactional and acquisitions risk:**

The tax team at Fleetcor UK, the UK Head of Finance and the European CFO ensure that tax functions are involved in all elements of the business and all procedures including business and share acquisitions and disposals, changes in corporate structure, cross-border financing arrangements, all significant business transactions, all cross-border trading arrangements, and significant new processes affecting tax compliance. All business decision-making demands a detailed risk assessment including an assessment of the financial and non-financial costs and benefits, an assessment of risk/reality probability, the performance of due diligence of those companies suitable for acquisition, analysis of potential disputes and dispute resolution mechanisms and overarching recommendations.

**Compliance and reporting risk:**

Fleetcor UK has a well-established relationship with the UK tax authorities and co-existent compliance procedures that ensure the submission of timely, accurate and

complete tax returns. All material positions taken in such returns are supported by contemporaneous disclosure of supporting documentation and any accompanying explanatory legal analysis. Fleetcor UK deploys compliance and risk monitoring systems and internal audit reviews of all tax compliance activity across the UK Group. All of our processes are subject to Board scrutiny and oversight and subject to continuous review and revision.

**Reputational risk:**

Fleetcor UK operates within the parameters of its Tax Policy and/or Code of Conduct. All decisions made by Fleetcor UK demand a detailed risk assessment to consider financial return, financial risk, liability to tax and reputational risk. Fleetcor UK recognises that it has a responsibility not only to deliver returns and value for its shareholders but also to ensure that its tax liabilities are properly calculated and paid. The tax strategy at Fleetcor UK ensures that our legal requirements are met. Fleetcor UK ensures that tax risk, reputation, brand and corporate responsibilities are considered as fundamental parts of every business decision.

## **Appendix 1: Members of the Fleetcor UK Acquisition Limited Group**

Fleetcor UK Acquisition Limited  
CH Jones Limited  
Allstar Business Solutions Limited  
Epyx Limited  
The Fuel Card Company UK Limited  
Fambo Limited  
Fleetcor Europe Limited  
Fleetcor Fuel Cards Europe Limited  
Quadrum Investments Group Limited  
Fleetcor UK International Management Limited  
R2C Online Holdings Limited  
R2C Online Limited

Effective from: December 2020 Review date: December 2021 Classification: External  
Approved by: UK CFO