

## Haworth International, Ltd. & Subsidiaries

### UK Tax Strategy

In compliance with the requirements outlined in paragraph 16(2), Schedule 19 of UK Finance Act 2016, Haworth International, Ltd. ("HIL") publishes this statement on behalf of its UK companies, which include:

Haworth U.K., Ltd  
Poltrona Frau UK Ltd  
JANUS et Cie UK Limited  
JANUS et Cie Holdings Limited

This annual statement is effective for HIL's fiscal year ended December 31<sup>st</sup>, 2016.

#### **Risk Management & Governance**

We proactively manage tax issues and risks while maintaining compliance with UK tax laws and regulations. HIL maintains internal policies and procedures to support its tax control framework and employs professionals that are experienced in identification and management of tax risk with additional support provided through ongoing training and input of external advisors when appropriate.

HIL has a policy by which an internal team holds a monthly meeting to review and approve all transactions that result in income tax implications or risk. The team consists of the two corporate Tax Directors and the Vice President of Finance for the company and occasionally seeks input from the Corporate Controller and/or Director of Treasury. The management of tax risks for all non-U.S. locations is performed by the company's Director of International Taxes with the assistance of local finance members within HIL's Global Finance Organization.

#### **Tax Planning**

HIL only engages in tax planning that is aligned with its commercial business activities and in compliance with UK tax rules and regulations. We do not engage in artificial tax arrangements that lack economic substance but evaluate potential options resulting from business transactions with consideration of tax efficiency. Any business-related tax planning that we engage in is consistent with the principles set forth in HIL's stated Values, which guides our corporate culture and defines our ethical conduct. We utilize independent reputable firms to help us evaluate the tax implications and risks related to potential transactions. HIL has a strong history of compliance and is committed to paying the correct amount of tax due, while availing ourselves of relevant claims and reliefs that are provided for under UK tax legislation and policy.

#### **Tax Risk**

HIL's tax arrangements are based upon its commercial business and economic activities. HIL monitors and reviews its operations in the UK to realign its tax arrangements when necessary to be compliant with the tax rules and regulations, including transfer pricing guidelines. HIL aligns its transfer pricing policy with the OECD as well as HMRC guidelines. HIL applies the arm's length standard to ensure the parties to intercompany transactions are appropriately remunerated and our tax audit history reflects this. We regularly seek professional opinions and advice from independent external advisors to confirm our internal assessments of tax

risk. Our internal and external assessments of tax risk help to ensure that HIL's tax positions are documented with an acceptable level of risk under UK tax laws and regulations and consistent with our Values.

## **Relationship with Her Majesty's Revenue & Customs (HMRC)**

HIL is committed to the principles of openness and transparency with tax authorities. We engage with all tax authorities with honesty, integrity and respect and work collaboratively to resolve disputes and obtain certainty. HIL has had a positive record of working together with HMRC to resolve past inquiries and examinations. Recurring interactions with HMRC are managed by our European Global Finance members with direction and guidance provided by HIL's Corporate Tax Department.