

Hyster-Yale – 2019 United Kingdom Tax Strategy

In compliance with its duty under paragraph 19(2) to Schedule 19 of the Finance Act 2016, Hyster-Yale UK Limited, a UK group member of Hyster-Yale Materials Handling, Inc. (“Hyster-Yale”), is publishing the tax strategy for the year ended 31 December 2019 on behalf of all Hyster-Yale group members located and operating in the United Kingdom.

General Overview

Hyster-Yale UK Limited is part of a group of UK companies headed by Hyster-Yale Materials Handling, Inc., a US multinational corporation publicly listed on the New York Stock Exchange.

Hyster-Yale is committed to its corporate and social responsibilities. Its mission, values, business ethics policy and culture are built on a foundation of respect and of being a good “corporate citizen.”

The UK Group’s Approach to Tax

- We comply with all tax legislation requirements.
- We meet all our tax compliance obligations, accurately and on a timely basis.
- We obtain and utilize tax relief and incentives where available that are consistent with the policy objectives of the relief or incentive.
- On major transactions, we ensure that we use a structure that is fully supportable under applicable UK law and beyond.
- We are transparent with HMRC to ensure we have certainty in our tax positions and reporting.
- We provide clarity and insight into the tax risks, processes, compliance and reporting obligations in our internal governance structure and to our board of directors.
- Hyster-Yale’s brands are key to its success and we want to ensure that its reputation is not impacted by any improper tax positions.

Risk Management and Governance Arrangements

As part of a large multinational group, the UK group can be exposed to a variety of tax risks. These include, amongst others, legislative and regulatory changes, uncertainty in the interpretation of tax law, operational and compliance risks, and the impact of these risks on the reputation of our brands. We minimise these risks through ensuring we have the appropriate level of resources, including IT systems and training for employees, documented procedures,

and internal and external audit oversight so that the work can be carried out to be fully compliant with the applicable laws.

We will seek external tax advice when there is a need for specialist guidance and support. For example, we will seek advice in relation to material or non-routine transactions or areas of uncertainty surrounding the interpretation of tax law.

Tax Planning

Our tax department supports the commercial needs of the business. The department engages with the business functions to assess the tax treatment of the relevant transaction or new business strategy. Where two or more legal options are available and fully align with the commercial reality of the transaction, the most tax efficient method may be pursued. This may mean that, amongst other things, certain tax reliefs or exemptions are claimed. Hyster-Yale's tax departments' vision is that Hyster-Yale always makes business or commercial and financial decisions on a tax sensitive/optimization basis consistent with legal requirements.

Attitude towards Risk

The UK group adopts a conservative approach to tax risk management, driven by our policy to be a good "corporate citizen." We are committed to complying with the spirit and letter of UK tax laws and regulations, and seek to obtain certainty with respect to the tax consequences of transactions our business undertakes. From time to time, advice from professional advisors is sought in specialist areas of tax to obtain comfort with respect to more complex transactions.

Relationship with HM Revenue & Customs

As a consequence of the foregoing, we have been classified as having "low risk status" with HMRC (as determined by HMRC's Business Risk Review process). To maintain our low risk status with HMRC, we strive to be fully transparent and cooperative with our Customer Compliance Manager. We discuss, where possible, any significant transactions on a timely basis. We seek to achieve this through being open and collaborative with HMRC, providing it as required, relevant information and acting in a courteous and timely manner.