

Alexander Dennis Tax Strategy

This strategy applies for the financial year ended 31 December 2020.

Introduction & Scope

Alexander Dennis is one of the world's leading bus and coach builders with a history and heritage of design, engineering and manufacturing excellence that spans more than a century, with operations in the UK, USA, Canada, Mexico, Europe, Hong Kong, Singapore, Malaysia and New Zealand. As a pioneer in embracing the latest technology, Alexander Dennis has brought the widest range of low and zero emission buses to market. Alexander Dennis is now recognised as the leading bus and coach manufacturer in the UK and one of the fastest growing bus and coach builders in Western Europe.

On 28 May 2019, the Alexander Dennis group was acquired by NFI Group Inc, North America's largest and most diversified bus and coach manufacturer. The acquisition increased NFI Group's global footprint and is now a leading global independent bus and coach manufacturer. NFI Group is a publicly traded company whose shares are listed on the Toronto Stock Exchange.

Our business activities around the world incur a substantial amount and variety of business taxes. We pay corporate income taxes, customs duties, employment and many other business taxes in all jurisdictions where applicable. In addition, we collect and pay employee taxes and indirect taxes such as Value Added Tax (VAT).

We operate policies and governance to ensure compliance with tax laws in the territories in which we do business. We are committed to transparent and constructive relationships with all relevant tax authorities.

Paragraph 16(2) of Schedule 19 of Finance Act 2016 (the "Act") requires companies to publish annually a statement regarding their tax strategy. Following the acquisition of the Alexander Dennis group by NFI Group, Inc on 28 May 2019, NFI International Limited is the immediate parent company of Alexander Dennis Limited. This statement and strategy contained within it applies to NFI International Limited a limited company registered in England & Wales, and its UK subsidiaries, listed below, and serves to comply with the Act's requirements from the date of publication until it is superseded. References to "UK Taxation" are to the taxes and duties set out in paragraph 15(1) of Schedule 19 which includes Income Tax, Corporation Tax, PAYE, NIC, VAT, Insurance Premium Tax and Stamp Duty Land Tax.

Approach to Governance

Responsibility for Alexander Dennis' tax strategy and compliance rests with the Board of Alexander Dennis Limited and the tax strategy is approved by the Board. Tax is a centralised group function and the AD Group Tax Manager reports to the Chief Financial Officer ("CFO") of NFI. Group.

As a listed entity, NFI Group operates a rigorous framework of Internal Controls over Financial Reporting ("ICFR") and requires a quarterly certification from the tax function that the Tax Risks and Controls have been reviewed and that the Controls are operating as intended.

Approach to Risk Management

Alexander Dennis seeks to reduce the level of tax risk arising from its operations as far as is reasonably practicable by ensuring that reasonable care is applied in relation to all processes which could materially affect its compliance with its tax obligations.

Processes relating to different taxes are allocated to appropriate process owners who are appropriately qualified individuals and advice is sought from third party advisors in cases of uncertainty or complexity in relation to tax risk.

Attitude towards Tax Planning and Level of Risk

Substantive business transactions including intragroup trade and expansion into new territories determine our approach to tax planning and consequent tax liabilities. All relevant tax incentives and reliefs available under United Kingdom law are claimed in line with tax legislation, and advice is sought from external professional advisors as appropriate on the implications of changes in UK tax law.

No tax planning is undertaken that is inconsistent with the commercial objectives of Alexander Dennis.

The level of risk that Alexander Dennis accepts is consistent with our overall objective of achieving tax certainty, creating value for shareholders and seeking to fully comply with regulatory and other obligations and to act as a responsible corporate citizen.

Approach to Working with HMRC

Alexander Dennis fosters and maintains a professional and transparent relationship with HM Revenue & Customs ("HMRC"). This is primarily facilitated through the relationship with our Customer Compliance Manager at HMRC. Alexander Dennis ensures that HMRC is kept aware of significant transactions and changes in the business and seeks to discuss any tax issues arising at an early stage. Any inadvertent errors in submissions made to HMRC are fully disclosed as soon as reasonably practicable after they are identified.

List of Entities Covered by this Tax Strategy

NFI International Limited

Alexander Dennis Limited

Plaxton Holdings Limited

Plaxton Limited