



Trek Bicycle Corporation Limited – 2021 Tax Strategy

1. Introduction

This document sets out the tax strategy of Trek Bicycle Corporation Limited ("Trek" or "the company") for the period ending 1 January 2022.

This strategy is published to comply with the legislative requirements under paragraph 16(2) of Schedule 19 of the Finance Act 2016. It will be reviewed and updated annually.

The overall aim of the tax strategy is to:

1. ensure compliance across all taxes;
2. adhere to both the spirit and letter of the law;
3. pay the right amount of tax at the right time;
4. mitigate exposure to any errors that may arise.

Trek has a strong focus on corporate responsibility and considers administration and payment of taxes as an important obligation of its business.

The tax strategy is broken down into the planning approach, risk considerations and how Trek works with Her Majesty's Revenue & Customs ("HMRC").

2. Tax Planning Approach

The tax strategy of the company aims to support the commercial needs of the business. A conservative approach is adopted, and it is ensured that all tax consequences are understood before decisions are made.

A key criteria of the decision-making process is to be tax compliant at all times, so if any commercial opportunities could affect this, they will not be pursued.

The company does not engage in artificial tax arrangements. Trek engages with professional tax advisers to ensure all actions are both in the spirit and letter of the law.

3. Risk Review

Tax risk is reviewed regularly, and the following steps are taken to ensure appropriate action is taken to minimise risk:

- to regularly review financial controls to ensure they remain appropriate at all times, ensuring accurate and complete reporting of all taxes;
- Trek utilises relationships with professional tax advisors to seek expert advice on complex areas of tax regulation to aid decision making where appropriate. Trek then uses this advice to ensure the company is compliant at all times;
- tax risks are identified and assessed on a case by case basis, and controls are implemented to reduce the likelihood and scale of impact of each risk;

- when reviewing tax risks, the following are considered by the appropriate level of personnel and escalated to the European Finance Director and Chief Financial Officer where applicable:
 - the legal and fiduciary duties of directors and employees;
 - the requirements of any related internal policies or procedures;
 - the maintenance of the company's corporate reputation, having particular regard to the way it interacts with the communities around us.

4. Working with HMRC

Trek works collaboratively with HMRC to ensure full compliance and transparency. The approach taken is:

- to maintain a professional relationship with all HMRC departments, centred around integrity and cooperation;
- to ensure effective communication with HMRC at all times to facilitate real time sharing of information.

5. Summary

In summary, Trek is committed to:

1. ensure compliance across all taxes;
2. adhere to both the spirit and letter of the law;
3. pay the right amount of tax at the right time;
4. mitigate exposure to any errors that may arise.