

## **Panalpina Tax Strategy and Tax Code of Conduct**

### **Scope and Aim**

The tax strategy and tax code of conduct applies to Panalpina World Transport (Holding) Limited and its subsidiaries (together “Panalpina”).

Panalpina is committed to full compliance with all statutory obligations and full disclosure to relevant tax authorities. Panalpina’s tax affairs are managed in a way which takes into account the group’s wider corporate reputation in line with Panalpina’s overall high standards of governance.

### **Governance**

- Ultimate responsibility for Panalpina’s tax strategy and compliance rests with the Board of Panalpina World Transport (Holding) Limited;
- The Board has delegated executive management to the Chief Financial Officer who has executive responsibility for all tax matters;
- Day-to-day management of Panalpina’s tax affairs is further delegated to the Head of Tax and to appropriate officers such as the subsidiaries’ Country Head of Finance;
- The Board ensures that Panalpina’s tax strategy is one of the factors considered in all investments and significant business decisions taken;
- Internal governance forums such as the Audit, Risk and Compliance Committee allow tax issues and risks to be highlighted and escalated. These forums ensure that tax strategy is one of the factors considered in all business decisions.

### **Risk Management**

- Panalpina operates a system of tax risk assessment and controls as a component of the overall internal control framework applicable to the group’s financial reporting system;
- Panalpina 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 carry out a review of activities and processes to identify key risks and mitigating controls in place. These key risks are monitored for business and legislative changes which may impact them and changes to processes or controls are made when required;
- Key risks, controls and related actions are reported, monitored and tracked in accordance with internal risk reporting processes;
- Panalpina employees managing day to day tax matters are appropriately qualified and trained with formally defined roles and responsibilities;
- Advice is sought from external advisers where appropriate.

### **Attitude towards tax planning and appetite for tax risk**

Panalpina manages risks to ensure compliance with legal requirements in a manner which ensures payment of the right amount of tax.

When entering into commercial transactions, Panalpina seeks to take advantage of available tax incentives, reliefs and exemptions in line with, and in the spirit of, tax legislation.

Panalpina does not undertake tax planning unrelated to such commercial transactions.

The level of risk which Panalpina accepts in relation to taxation is consistent with its overall objective of achieving certainty in the group's tax affairs. At all times Panalpina seeks to comply fully with its regulatory and other obligations and to act in a way which upholds its reputation as a responsible corporate citizen. In relation to any specific issue or transaction, the Board is ultimately responsible for identifying the risks, including tax risks, which need to be addressed and for determining what actions should be taken to manage those risks, having regard to the materiality of the amounts and obligations in question.

### **Relationship with Tax Authorities**

Panalpina seeks to have a transparent and constructive relationship with tax authorities through regular meetings and communication in respect of developments in Panalpina's business, current, future and retrospective tax risks, and interpretation of the law in relation to all relevant taxes.

Panalpina ensures that the tax authorities are kept aware of significant transactions and changes in the business. When submitting tax computations and returns, Panalpina discloses all relevant facts and identifies any transactions or issues where it considers that there is potential for the tax treatment to be uncertain.

Any inadvertent errors in submissions made are fully disclosed as soon as reasonably practicable after they are identified.

Basel, December 2018