

Fiat Chrysler Automobiles Group Tax Policy

UK Tax Strategy – Fiat Chrysler Automobiles UK Limited

Fiat Chrysler Automobiles UK Limited and related companies¹, referred to as Fiat Group, operate in the automotive industry. The business activities of the Fiat Group generate a substantial amount and variety of taxes. In the UK, we pay Corporation Tax, Customs Duty, Stamp Duty Land Tax, employer and other taxes. In addition, we collect and pay employee taxes and VAT. The taxes we pay and collect form a significant part of our economic contribution to the UK economy. Fiat Group's tax strategy reflects the business practices and ethos, as demonstrated in the arrangements described below.

Introduction

Fiat Group and its controlled subsidiaries (collectively, the "Group") is committed to managing its business responsibly through a strong, group-wide commitment to the highest standards of integrity, accountability and transparency. This commitment is also incorporated in the principles and rules governing tax processes and management as defined in the Group Tax Policy.

Group Tax Policy

The Group has adopted the Group Tax Policy (the "Tax Policy") and supporting Guidance to ensure that Tax Compliance, Tax Planning and Tax Risks are effectively and consistently managed at the Group, Regional and Sector and levels. Governance within the Group's tax organization is structured to effectively and fully support the Group's Tax Policy. The Tax Policy is guided by the primary consideration that all material tax positions taken by the Group must comply with applicable laws and regulations and with the core principles that define the Group's relationships with its main stakeholders and govern how it conducts its business activities.

Tax Compliance

The Group is committed to fulfilling all fiscal obligations in administering and paying all required taxes. We remain compliant with the tax law in the jurisdictions in which the Group operates and international standards where applicable. Cross-border transactions between members of the Group are conducted on an arms-length basis in accordance with applicable laws and regulations including OECD² Guidelines where applicable. The Group does not operate in countries considered as non-compliant according to the OECD tax Transparency Report. Secrecy jurisdictions or so-called 'tax havens' are not used for tax avoidance.

¹ The tax strategy applies to : FCA Services UK Limited, FCA UK Limited, FC Motor Village Limited, Maserati GB Limited, CG EU NSC Limited, CG Venezuela Holdings Limited, Comau UK Limited, FCA Foreign Sales Holdco Limited, Fiat Common Investment Fund Limited, SFS UK 1 Limited, SFS UK 2 Limited, SFS (Scots) LP.

Tax Planning

The Group is structured and operates in the most tax efficient manner. In making commercial decisions we take tax into account in the same way as any other cost. Where there is more than one way of structuring a commercial business arrangement, we take a holistic view, considering all factors including tax. We may implement an alternative with a lower tax cost, provided it is compliant with the laws and relevant regulations in the applicable jurisdiction. As the Group's fiscal policy is to pay taxes legally due in countries within the course of its industrial or commercial activities, the Group's tax policy is not driven by fiscal considerations or artificial arrangements that shift value to low-tax jurisdictions.

Relationship with Tax Authorities

The Group's policy is to maintain an open, honest and transparent relationship in all dealings with tax authorities and other relevant government bodies in the jurisdictions in which we operate. The Group recognizes that there will be areas of differing legal interpretations with the tax authorities at times and where this occurs, we will engage in proactive discussions to resolve any such issues as quickly as possible. If we are unable to resolve any such differing interpretations of law, we may initiate legal proceedings but only if supported by competent and sufficiently supportable legal opinions.

Tax Risk Management

The Group only takes tax positions that are appropriately supported by relevant law. If the relevant law is unclear, Stellantis will obtain opinions from outside advisors to clarify and support the position. In any case, all information will be clearly presented to the tax authorities or other relevant bodies for approval. The Group follows best practice and adheres to the Group's Tax Internal Control framework. Accordingly, the Group has a system of tax risk controls, which establishes specific procedures for managing tax risks identified by the Group's tax department as material and intrinsic to the Group's business operations.

Governance

The Group Vice President of Tax is responsible for centralized coordination and management of the Tax Policy and for ensuring that the Group complies with all fiscal obligations for administering and paying all applicable taxes. These responsibilities are achieved through a dedicated Group tax structure of Regional Heads and Sector Heads of Tax who manage all tax-related matters at the Group level and within each of the Business Operating segments and Service companies, which are clearly defined and regularly updated. The Group Tax Policy is approved by the Audit Committee of the Board of Directors, and is implemented under the direction of the Chief Financial Officer.

Criminal Finances Act 2017

We support the government's policy objective of tackling tax evasion and do not tolerate tax evasion or the facilitation of tax evasion. Following the introduction of the Corporate Criminal Offence of Failure to Prevent the Facilitation of Tax Evasion legislation, FCA Group seeks to apply appropriate procedures and controls to prevent any person acting on its behalf from facilitating tax evasion.

This tax strategy has been fully approved by the Board of Directors of FCA Group companies and is published in accordance with Paragraph 16(2), Schedule 19, Finance Act 2016. This tax strategy is effective for the year ending 31 December 2022 onwards and will be reviewed and approved annually. It was last approved on 20 December 2022.

Issued 21 December 2022.