

Jacuzzi Group UK Tax Strategy

This UK Tax Strategy applies to the companies detailed in Appendix 1 which together form the Jacuzzi UK group ('Jacuzzi UK'), which is part of the USI American Holdings Inc international group of companies.

This strategy is prepared in accordance with Schedule 19 to the Finance Act 2016 and applies to the UK taxes for which the UK group is liable.

The tax strategy is effective for the year ended 30 September and will remain in effect until replaced in accordance with Schedule 19 FA16. It has been approved by the UK management and the US Board.

Introduction

The Jacuzzi Group is a global manufacturer of high-quality branded bath, plumbing, and backyard products for the residential, commercial, and institutional markets. The Group's main product offerings include hot tubs, whirlpool bath tubs, swim spas, showers, toilets, and various hot tub and bathroom accessories.

Risk management and governance arrangements

Jacuzzi Group's risk management is overseen by the Board and supported by the Audit Committee. It is our policy to comply with all applicable UK tax legislation, regulations and reporting requirements. We have regular management team meetings and meetings with tax advisors to assess tax risks if any. We maintain in-house tax expertise and leverage external tax experts to closely monitor new legislation and determine the appropriate tax treatment. Day to day management of the UK tax affairs resides with the UK finance team led by the CFO UK, supported by the UK Finance Team for ensuring correct VAT records, reporting and payments are maintained. UK payroll is outsourced to a UK based Payroll Bureau using up to date payroll software to ensure PAYE calculations are accurately completed and reported. PAYE calculations are reviewed internally with the responsibility for maintaining payments residing within the UK Finance Team. Customs declarations are completed by authorized 3rd party agents, again with submissions reviewed internally to ensure accuracy of reporting. UK Corporate Income Tax calculations and submissions are prepared by BDO with review and sign before submissions completed by the CFO UK supported by the group Senior Director Tax.

Attitude towards tax planning

The Jacuzzi Group has a Global Code of Business Conduct. The Group operates at all times under the general principle that all of our companies and employees are to conduct business in compliance with applicable laws and regulations and with the highest ethical business standards with integrity, transparency, and accountability. All staff are required to review and acknowledge these policies. The Group aims to ensure that all its tax obligations are met and seeks to ensure that tax is paid where and when it is due. Where there is doubt, the group works with its advisors to support accurate tax filings and payments.

The Group deals with cross-border tax matters in accordance with the terms of any relevant tax treaties and OECD guidelines. We do not engage in artificial non-business driven planning of transactions or business structures solely for the purpose of reducing tax.

Level of risk in relation to tax we are prepared to accept

The Group's objective is to ensure compliance as per tax legislation. Corporate tax calculations are reviewed by the Senior Tax Director at the corporate office and approved by the Chief Financial Officer prior to submission. The Group also keeps low tolerance in relation to tax risk. Where there is a doubt on tax treatment, we seek advice from external tax advisors and proceed based on their expert guidance.

The Group is subject to tax in various jurisdictions and countries, each of which has its own set of complex tax legislation and is updated periodically. In order to keep up with these changes, the Group ensures that its tax functions have access to tax updates, access to specialist training and opportunities to obtain professional tax qualifications. This group approach applies to the UK group and in relation to UK taxes.

The Group uses a combination of timetables and checklists to support meeting compliance and reporting obligations are met in accordance with statutory deadlines.

Approach towards dealing with tax authorities

The Group's approach towards dealing with tax authorities is that appropriate communication must be timely, honest and open. We are proactive in dealing with tax authorities and seek clarification of uncertainties through discussions with the relevant tax authorities.

Appendix 1 – companies to which this tax strategy applies

Jacuzzi Spa and Bath Limited
USI Mayfair Ltd
Hydropool UK Limited
USI Plumbing Limited
UKIOSH Ltd
UKIH Ltd
UKOS Investments Limited
BB Investments
JBOXUK Limited
JHCUK Limited