

Year ended 31 December 2020

UK Tax Strategy Statement – Group 1

The Tax Strategy Statement for Group 1 Automotive UK Limited (“Group 1”), and its United Kingdom (“UK”) subsidiaries, was published 22 December 2020 and Group 1 regards this publication as complying with its duty under of Para 19(2), Schedule 19, Finance Act 2016, in its financial year ended 31 December 2020. This statement was last published with respect to the financial year ended 31 December 2019. This statement is intended to apply to all UK taxes that may be applicable to Group 1, including, but not limited to, Corporation Tax, PAYE, NIC, VAT, and Stamp Duty Land Tax.

Group 1 is a subsidiary of Group 1 Automotive, Inc. (“GPI”), a publicly owned company trading on the NYSE [symbol: GPI]. GPI is a leading operator in the automotive retail industry headquartered in Houston, Texas in the United States (“U.S.”). As of 31 December 2019, GPI owned and operated 242 franchises, representing 31 brands of automobiles, at 186 dealership locations and 49 collision centers worldwide. GPI owned 119 dealership locations in the United States of America, 50 dealership locations in the United Kingdom, and 17 dealership locations in Brazil.

Tax Strategy

Group 1’s tax strategy is to structure the company’s affairs to maximize shareholder value in a manner consistent with the company’s core values and aligned with its business operations, while complying with relevant tax laws and regulations in the jurisdictions it operates. Group 1 places a high priority in meeting its tax reporting and compliance obligations and devotes significant resources to this purpose.

Attitude toward tax planning

As with its general business practices, Group 1’s tax planning activities are consistent with its core values: integrity, transparency, professionalism and teamwork. Group 1’s philosophy is to achieve a tax efficient structure that is sustainable under the laws and regulations for the jurisdictions it operates in. Tax strategies should support genuine commercial activity and should be consistent with the underlying economic consequences of business activities.

Tax Risk Tolerance

Group 1 views tax risk management as important to the integrity of its financial statements, as well as to its reputation and operational effectiveness. Tax strategies implemented should be likely to be upheld upon review based on relevant tax laws and regulations. Group 1’s Vice President – Taxes, reporting to the Chief Financial Officer, is responsible to identify and address tax risks. No less than annually, material tax risks are reviewed by the Finance and Risk Committee of the Board.

Approach to dealing with tax authorities

Group 1’s policy is to maintain open and transparent relations with HMRC and cooperate fully and promptly to communications from tax authorities. We will routinely seek feedback from HMRC on the quality of our relationship and will confirm the correct application of the law as appropriate. Group 1 anticipates meeting with HMRC no less than annually to discuss Group 1’s business activities and tax matters.

Tax management and governance

Group 1's tax function is the responsibility of management and overseen by the Board of Directors. Tax planning positions that are material to Group 1's financial statements must be independently reviewed and approved by management, and regularly monitored with regard to technical developments. External expert advice is obtained in matters of significant uncertainty or complexity. Group 1 devotes significant resources to train competent tax personnel and maintain effective tax systems and processes to ensure that accurate tax returns are timely filed and appropriate taxes paid. Internal controls relative to Group 1's tax processes are reviewed annually by its internal and external auditors.