

I V E C O • G R O U P

Tax Strategy

Our Tax Purposes

This Strategy, approved by the Board of Iveco Group N.V., is aimed at affirming a set of values, recognized as underlying principles of tax behaviour for the Group, and providing correlative guidelines, to ensure the Group's integrity and reputation over time and to guarantee a uniform approach when conducting business affairs and dealing with tax risks in all Group entities.

Iveco Group's Ethical Code sets the principles which all employees are expected to adhere to and which are applicable to the taxation field.

Iveco Group is committed to pursuing the following objectives:

- **Tax Compliance:** Ensuring timely compliance with all applicable laws in all the jurisdictions where the Group operates.
- **Tax Risk Management:** Controlling and monitoring tax risks by taking on the commitment to manage and minimise the possibility of operating in violation of tax regulations or in a way that is contrary to the principles or purposes of the tax system (low tax risk appetite).
- **Trust and transparency:**
 - Establishing strengthened and transparent relationships with the relevant Tax Authorities, ensuring trust, loyalty, and fairness.
 - Disclosing the Company's strategy and risk management policies related to its tax affairs.

Our Tax Principles

The principles set out in this section form an integral part of the Tax Strategy that Iveco Group intends to pursue. These principles are the foundations for the guidelines for the Group, inspire the Company's operations in managing the tax affairs with the appropriate processes that can guarantee their effectiveness and application.

- **Tax Sustainability:** In respect and in line with its own sustainability strategy, the Company intends to conduct tax management activities with openness and honesty, acting with integrity towards sustainable tax outcomes, being aware that tax revenues constitute one of the main sources of contribution to the economic and social development of the Countries in which the Group operates.
- **Tax Legality:** The Group best endeavours to act in compliance with the tax regulations applicable in the Countries in which it operates.
- **Tax transparency:**
 - Iveco Group promotes a co-operative and transparent relationship with the Tax Authorities ensuring that the latter, among other things, is able to fully understand the facts underlying the application of tax rules, without compromising the confidentiality entailed in running its business and ensuring its commercial operations are competitive.
 - The Company is committed to tax risk mitigation and aims for full transparency in its management of tax-related risks and opportunities.
- **Stakeholder value:** The Group manages its taxes, also through the available incentives and provisions that allow for the optimisation of the tax burden, in compliance with the principle of legality, acting with the aim of safeguarding the Company's assets and pursuing the primary interest of creating sustainable value for all stakeholders in the medium and long term.

Our Tax Guidelines

To ensure the effective implementation of the general principles outlined above, the Tax Strategy sets out in the following guidelines:

- **Tax Control Framework:** The Company is committed to design and implement - for the benefits of the most relevant subsidiaries of the Group - an internal control system to assist in the identification, evaluation, and prioritisation of tax risks, followed by a coordinated and balanced application of resources to minimise, monitor, and control the probability or impact of adverse events.

The so-called Tax Control Framework (“TCF”) adopted by the Company and progressively spread throughout the Group, is in line with OECD guidelines, as implemented by the Italian Tax Authority, and provides therefore that: i) the tax risk assessment is properly executed, ensuring the identification of risks and controls in place at an operational level; ii) the roles and responsibilities in the tax management process are clearly assigned, with the appropriate consideration towards the principles of segregation and decision escalation.

By linking up the TCF with the Internal Control over Financial Risks, the Company ensures that tax affairs are managed in a way that is consistent with its own low tax risk appetite.

- **Co-operative compliance:** With a view to enhancing its relationship with the Tax Authorities, the Company promotes the adherence to co-operative compliance regimes, for Group entities that integrate the requirements of the relevant domestic regulations.

Even beyond the co-operative compliance regimes, Iveco Group operates with transparency and good faith in its relations with Tax Authorities, including in the case of tax audits and adheres to the transfer pricing documentation provisions, in compliance with the OECD Transfer Pricing Guidelines.

- **Agree to disagree:** In the interests of the Group and its stakeholders, Iveco Group supports - even through dispute resolution processes - interpretative positions that are considered solid and reasonable, even if not shared by the Tax Authorities, including within the framework of the co-operative compliance regimes.

- **Tone at the top:** Together with the implementation of the TCF, Iveco Group companies must also include clear processes to identify and manage tax positions that are to be taken, in the off chance that they may be uncertain or controversial. The tax uncertainties arising from the interpretation of tax regulations and from non-routine operations, should be managed through appropriate decision-making escalation processes and the appropriate dispute prevention tools provided for by the co-operative compliance regime or by other tax provisions.

- **Transfer pricing:** Cross-border intercompany transactions are regulated, for tax purposes, on the basis of the arm’s length principle, as outlined by the OECD (Model Tax Convention and Transfer Pricing Guidelines), with the aim of aligning, as fairly as possible, the transfer pricing outcomes to value creation. Where Iveco Group operates in countries that do not follow the

OECD rules, transfer pricing policies apply domestic tax legislation and relevant double tax treaties.

- **Aggressive tax planning:** Iveco Group does not engage in conduct and/or operations, whether domestic or cross-border, that result in purely artificial arrangements that do not reflect economic reality and from which improper tax advantages can reasonably be expected, to the extent that they are contrary to the purpose or spirit of the relevant tax provisions or regulations.
- **Low tax jurisdictions and economic substance:** Iveco Group is committed to having a tax presence only where the Group carries out a substantial economic activity. More specifically, the Group does not make artificial use of tax havens for the sole purpose of reducing the Group's tax burden.
- **Tax Whistleblowing:** In compliance with the provisions of the Group's Code of Conduct, the Company is committed to fully implementing and maintaining a procedure that allows its own employees and third parties to report alleged irregularities or suspicious conduct in tax matters. This procedure also provides for anonymous channels (Compliance Helpline) to seek advice or to initiate reports. All violations are in any case subject to mandatory reporting, which may also be directed to the Human Resources Department or the Legal and Compliance Department.
- **Soft controls:** It is ensured that the Group Tax Department is adequately resourced (human, material, financial) and is organised to perform its functions. The Group Tax Department is responsible for promoting the culture and values of tax compliance, including by organizing training initiatives aimed at all personnel, including those that are not involved in the tax department.

There are no reward mechanisms for managers linked to the reduction of the tax burden.

Appropriate technology solutions maximise the quality and accuracy of the data that sustain tax management and the related tax returns.

Effective date, update, and oversight

The Tax Strategy enters into force on the first day following its **publication** on the Company's website (www.ivecogroup.com).

The Tax Strategy is approved by the **Board**, which then takes on the responsibility to ensure that the purposes, principles, and guidelines set out therein are known and that the underlying values are applied and disseminated, and to define the way the TCF is implemented across the Group. The **Audit Committee** of the Company assists and advises the Board and acts under authority delegated by the Board, with respect to the Company's tax strategy thus adopted.