

Business Strategy and Tax Strategy Vision

As the world's leading provider of smart solar solutions, Trina Solar delivers PV products, applications and services to promote global sustainable development. Through constant innovation, we continue to push the PV industry forward by creating greater grid parity of PV power and popularizing renewable energy. Our mission is to boost global renewable energy development around the world for the benefit of all of humanity.

Our overall vision for tax is to deliver value to key stakeholders in a sustainable and compliant way and to grow our business, tax efficiently, and with Integrity. Our Tax strategy is aligned with the overall business strategy, our Code of Conduct and to the Group's approach to corporate governance and risk management wherever we operate. It is of primary importance that we pay the correct amount of tax at the right time and aim to be compliant with all relevant laws and regulations.

We manage tax by focussing on the below objectives.

Approach to tax risk management and governance

Our tax strategy is owned by the Global Tax Director and the Tax Manager for Europe and Latin America is responsible for its delivery through our tax risk management framework. This facilitates the capturing of key risks, such that they can be mitigated through the operation of effective controls.

Our tax governance framework is in line with our overall approach to corporate governance.

In the UK we outsource our tax compliance to professional tax advisors . As a one-stop-service provider, our external advisors support the business by updating the regional Tax/Finance function on relevant tax law changes and tax measures/risks applicable to the UK business.

Our regional Tax/Finance function is responsible for ensuring all UK tax filings are made in a timely manner, compliant with UK tax law and regulations and that any required tax payments are made on time.

All individuals with a tax responsibility are suitably qualified to understand tax issues and keep up to date on tax. We promote the attendance at conferences and tax updates for all employees with a tax responsibility to assist the company act as good tax citizen complying with local rules and regulations.

Our regional Tax function is integrated in the group's Finance function and all material and/or significant transactions, reorganisations and other key events are discussed with the regional Tax/Finance function. The Tax/Finance function thereby acts as a business partner and liaises with professional tax advisors as required to ensure the tax consequences and risks of such transactional events are considered.

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We conduct a quarterly closing process which includes a review of financial data from a tax perspective by the regional and global tax function.

The global tax function has a direct reporting line to the Group CFO. Thus, the Group's senior management closely follows tax aspects.

Level of risk we are prepared to accept

Our appetite for tax risk is low and operations are only structured based on sound commercial and business principles. Our approach to acceptable tax risk management follows our enterprise wide approach to risk management and is driven by the Board.

Trina Solar acknowledges that the elimination of all tax risk is impractical due to complexity of tax legislation and differences in interpretation, however the group is committed to the identification and monitoring of relevant tax risks within the UK. This is achieved through our tax risk and governance framework.

All transactions within the group follow OECD arm's length principles in line with our group transfer pricing policy. This addresses our transfer pricing tax risk. We ensure our European businesses, including the UK earn a fair arm's length remuneration for the functions performed, assets owned and risks managed by these businesses. Additionally, we also closely monitor the functions carried out in the different tax jurisdictions we operate in, to mitigate the risk of creating inadvertent foreign tax presences. In addition we also require all contracts and other key documents, either external or intercompany, to undergo a standardized contract review process to be officially signed off by relevant department heads (including Tax/Finance) before such documents are executed by legal signatories.

Attitude towards tax planning

Our attitude to tax risk and tax planning is carefully aligned to the strategic and commercial objectives of the UK entities. We aim to comply with all applicable UK laws and regulations, however we will consider the most tax efficient way to undertake business transactions to deliver value to our stakeholders where appropriate.

The advantages of available tax reliefs, incentives and exemptions, for example available tax deductions on capital investments are only taken if aligned with commercial and economic activity and are not opposed to the original spirit of the law and are offered to all taxpayers by the UK government.

Though we strive to be tax efficient in order to grow our business, we do not enter into any aggressive tax planning arrangements. Our tax activities shall not compromise our businesses ethical principles as detailed in our Code of Conduct or cause damage to the brand or reputation of the Trina Solar group.

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Approach towards dealing with tax authorities

We are committed to fostering an open and transparent relationship in all our dealings with HMRC encouraging open dialogue on a timely basis. Where any tax law is unclear or subject to interpretation, we will engage with external tax advisers to ensure we remain compliant in all our operations and ensure appropriate disclosure of corporate information where applicable. We will work with HMRC to answer any queries or resolve any differences in a timely and professional manner.

Our published tax strategy applies to all UK subsidiaries of the Trina Solar group and covers all UK taxes. It has been approved by Management and satisfies Schedule 19 of the UK Finance Act 2016 in respect of the period ending 31 December 2017.

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