

Strategy in relation to UK Taxation

Ritchie Bros. Auctioneers Incorporated (“RBA”) is the parent company of the RBA and IronPlanet group of companies. RBA is a global asset management and disposition company, offering customers end-to-end solutions for buying and selling used heavy equipment, trucks and other assets. RBA and IronPlanet conduct unreserved onsite auctions, online auctions, and provide additional marketplaces for customers to buy and sell equipment.

This Tax Strategy applies to all RBA and IronPlanet UK tax resident subsidiaries and subsidiaries with a permanent establishment within the UK. RBA’s UK subsidiaries and permanent establishments (“The UK Subsidiaries”) are listed below. The publication of this UK Tax Strategy is considered to fulfill The UK Subsidiaries obligations under paragraph 19 and 22 of Schedule 19 of the Finance Act 2016 which includes Income Tax, Corporation tax, PAYE, NIC, VAT, Insurance Premium Tax, and Stamp Duty Land Tax.

RBA is committed to a high standard of ethical and professional conduct. The RBA Code of Business Conduct and Ethics (“Code of Conduct”) provides guidelines of business practices and conduct that every employee must adopt and uphold.

Our UK Tax Strategy is to pay the appropriate amount of UK tax and to comply with all applicable UK tax laws and regulations, consistent with our Code of Business Conduct and Ethics.

Risk Management and Governance in relation to UK Tax

UK tax risks are managed in line with our RBA global risk management processes and controls. The Chief Financial Officer of Ritchie Bros. Auctioneers Incorporated has the overall responsibility for global tax risk and tax strategy. The Chief Financial Officer delegates the responsibility to the Director, Global Tax. RBA has an independent Audit Committee that assists the Board of Directors in fulfilling its oversight responsibility with respect to the Company’s risk identification, assessment, and management. The Audit Committee’s Charter includes oversight of RBA’s tax planning, treasury, corporate structure initiatives, financial reporting, internal and external audit functions, and legal and regulatory compliance in all jurisdictions which it conducts business.

Significant UK income tax matters and risks are monitored and mitigated by the Director, Global Tax. Indirect Tax, Payroll tax, and other corporate taxes are monitored and controlled by the Finance Director EMEA & APAC, Breda Admin. Payroll tax matters are also monitored and controlled by the Global Human Resources Department. Day to day responsibility for tax compliance and risk management rest with RBA’s European head office team.

The UK Subsidiaries are inherently exposed to compliance, transactional and reputational risks. Strict adherence to RBA's Code of Conduct and execution of the internal control procedures support tax risk mitigation and a low level of residual risk is achievable.

Tax processes and controls relating to compliance with income tax, indirect tax, payroll tax, and other taxes are performed by various RBA teams. The design and operation of process controls are assessed by RBA's internal audit function for effectiveness and results are reported to RBA's management and Audit Committee.

Approach to tax planning and level of risk

Consistent with RBA's Code of Conduct, our UK tax strategy is to pay the appropriate level of UK taxes and comply with UK tax laws and regulations. In general terms, RBA has a low tolerance for tax risk. RBA consults with external advisors when necessary to confirm compliance requirements and tax risks. While there is inherent risk in a complex and large organization such as RBA, we consider that the governance process and procedures for growth and expansion are in place to ensure low levels of risk are maintained.

The UK Subsidiaries approach toward dealing with the HM Revenue and Customs ("HMRC")

The UK Subsidiaries are relatively small in revenue size compared to RBA as a whole. If interactions with the HMRC were needed, then they would be conducted in a professional, timely, and transparent manner. RBA works with tax authorities to respond to queries in a timely manner and is committed to work collaboratively wherever possible to resolve disputes.

RBA companies covered by this strategy:

Ritchie Bros UK Limited
IronPlanet UK Limited
IronPlanet Field Ltd
SalvageSale UK Limited
Mascus International BV