Our Approach to Tax

Introduction

Dover Corporation is a diversified global manufacturer, delivering innovative equipment and components, specialty systems, consumable supplies, software and digital solutions, and support services through five operating segments: Engineered Products, Fueling Solutions, Imaging & Identification, Pumps & Process Solutions, and Refrigeration & Food Equipment. We strive to create long-term value for shareholders.

Our business activities around the world generate a variety of taxes. We pay corporate income taxes, capital gain withholding taxes, stamp duties, employment and other taxes. In addition, we collect and pay employee taxes as well as indirect taxes, such as excise duties and VAT. The taxes we pay and collect form a significant part of our economic contribution to the countries in which we operate.

Dover is committed to observing and adhering to all applicable laws, rules and regulations in meeting our tax compliance and reporting responsibilities everywhere we operate. The UK tax function is supported by suitably-qualified individuals who strive to apply care in making judgements to ensure all tax-related items are well thought-out, analyzed and documented. When considering tax, strong attention is given to Dover’s corporate and social responsibilities and the value it places on maintaining public trust.

Dover’s Code of Business Conduct & Ethics sets out expectations for all of the Company’s employees and directors worldwide, and our approach to tax strategy in the UK also aligns with this code on a global basis. As a good corporate citizen, Dover considers tax an important part of corporate responsibility.
Our commitment is supported by the following operating principles:

1. **Tax Planning**

   Tax follows our business’ commercial and economic activity. We do not engage in tax planning where we understand this to be contrary to the spirit of the legislations.

   We adhere to relevant tax law and seek to minimize the risk of uncertainty or disputes, by applying for advance agreements or by tax rulings where these are available or by collaborating with tax authorities in real-time to review the tax treatment of key transactions.

   Our policy is to conduct transactions between Dover operating companies on an arm’s–length basis and in accordance with current OECD principles. The underlying aim is that profits should be taxed where value is created according to these guidelines.

   We establish entities in jurisdictions suitable to hold our overseas investment, giving consideration to our business activities and the prevailing regulatory environment available.

2. **Managing Relationship with Tax Authorities**

   We work positively, proactively and collaboratively with tax authorities in all relevant jurisdictions globally, including HMRC, in a transparent way to resolve disputes. We strive to achieve early agreement on disputed issues when they arise and achieve certainty whenever possible.

   Specifically, during 2017, Dover’s growth in the UK led to it being assigned a Customer Compliance Manager (CCM) within HMRC’s Large Business Directorate. Since 2018 and throughout 2019, the UK group has taken the opportunity to engage more closely with HMRC through this single point of contact, as it continued to develop its tax accounting arrangement, following submission of its first set of Senior Accounting Officer (SAO) certificates.
3. Tax Risk Management

We strive to identify, assess and manage tax risks and account for them appropriately. We seek to implement risk management measures, including controls over compliance processes, and monitor their effectiveness.

Dover’s Vice President of Corporate Tax is accountable for tax risk management. We report on a periodic basis to the Audit Committee of Dover’s Board of Directors on how tax risks are managed and monitored.

4. Governance

Dover’s Vice President of Corporate Tax is responsible for overseeing the implementation of our tax planning and tax risk management activities and our interactions with tax authorities around the world, as well as leading the group of tax professionals charged with responsibility for carrying out those activities.

Dover takes seriously its responsibilities under the UK Corporate Criminal Offence of Failure to Prevent the Facilitation of Tax Evasion (CCO) legislation and is fully committed to continuous development of its risk assessments and taking action on them.

This tax strategy relates to accounting period 1 January 2019 - 31 December 2019.

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