

Wolverine Worldwide - UK Tax Strategy

Our published tax strategy applies to all UK subsidiaries of the Wolverine Worldwide (“WWW”) group and covers all UK taxes. It has been approved by WWW’s Chief Financial Officer and the UK Board of Directors and satisfies the duty of the UK subsidiaries under paragraphs 19(2) and 22(2) of Schedule 19 of the UK Finance Act 2016 with respect to the period ended December 29, 2018.

Our goal is to manage the tax affairs of the group in accordance with the letter and spirit of the law as efficiently as possible and to support the commercial objectives of the group. We seek to maintain strong compliance controls and operate a policy of open and transparent dialogue with the relevant tax authorities. WWW is committed to achieving full compliance with all statutory obligations and full disclosure to the relevant tax authorities.

Our overall vision for tax is to deliver value to shareholders in a sustainable and compliant way, with the highest of personal and professional ethics, integrity and values to grow our business in a tax efficient manner in a way which the Company’s corporate reputation and governance is considered.

Meeting the four key tax objectives below supports delivery of our overall tax policies and wider business objectives:

Approach to tax risk management and governance

We proactively manage tax issues and risks while maintaining a tax rate in compliance with UK tax laws and regulations. WWW maintains internal policies and procedures to support its tax control framework and employs professionals that are experienced in identification and management of tax risk with additional support provided through ongoing training and input of external advisors when appropriate.

WWW always acts in accordance with, and seeks to comply with, the relevant tax laws and obligations in each of the countries in which we conduct business. In order to accomplish this, the group seeks to identify and mitigate tax risks, carefully plan strategic transactions that may have a tax consequence and work carefully to ensure the group is compliant with all its obligations. We do not engage in tax evasion, nor do we engage in transactions that are artificial or contrived.

In order to ensure that our tax footprint is managed in the long term interest of shareholders, we maintain appropriate controls including:

- An adequately resourced in house tax function maintained at the US corporate headquarters with appropriately trained tax professionals. This enables the group to make fully informed decisions on tax matters and aims for outcomes that satisfy the long term interest of the group, both financial and reputational.
- Maintain tax policies and procedures for key processes such as corporate tax return submission, VAT collection and payment, transfer pricing and tax planning. Our processes are subject to internal controls, external audits and our global Code of Business Conduct.

- We have financial reporting obligations to report on our tax position to the US Securities and Exchange Commission through our annual and quarterly financial statement filings and therefore maintain robust accounting and tax processes and controls in order to recognize and measure tax positions accurately.
- Preparation of tax returns is outsourced to external local country tax professionals with expertise in the specific taxation laws and regulations for each country.
- Effective oversight of the tax function is maintained by periodic presentations to the Audit Committee of the Board of Directors and frequent meetings with the Corporate Controller and the Chief Financial Officer to discuss emerging tax matters.
- Wolverine ensures its employees adhere to a global Code of Business Conduct.

Level of acceptable tax risk

We strive to minimize risk, report and pay taxes due and manage all material tax transactions and risks across the UK group consistent with the overall objective to achieve certainty in the group's tax affairs. WWW's tax arrangements are structured upon sound commercial business and economic activities. At all times WWW seeks to comply fully with its regulatory and other obligations and to act in a way which upholds its reputation as a responsible corporate citizen. Given the scale of our business and volume of tax obligations, risks will inevitably arise from time to time in relation to the interpretation of the tax laws and the nature of our compliance arrangements. The elimination of all tax risk is impossible due to the complexity of tax legislation and differences in interpretation that arise. While we do not have a prescribed level of tax risk, WWW proactively monitors and reviews its operations in the UK to identify, evaluate and manage these risks to ensure they remain consistent with our Code of Business Conduct, and we regularly seek professional assistance from independent external advisors to confirm our internal assessments of tax risk. To minimize the level of risk, we consult with external tax advisors or engage with HMRC directly to ensure compliance with UK tax laws and regulations.

Attitude toward tax planning

We do not engage in aggressive tax planning, but we will claim tax reliefs and government incentives where available and in the manner they are intended by the legislation.

In structuring WWW's commercial activities, we will consider, among other factors, the tax laws of the countries within which we operate with a view to maximizing value on a sustainable basis for our shareholders. Any tax planning strategy undertaken will have commercial and economic substance and will have regard to the potential impact on our corporate reputation, brands and broader goals.

Approach to dealing with tax authorities

We engage with tax authorities, including HMRC, with honesty, integrity, respect and fairness and in a spirit of cooperative compliance. Due to the complexities of tax law, WWW may at times disagree with a ruling or decision of a tax authority. WWW will seek to resolve any disputed matters through pro-active and transparent discussion and negotiation.

WWW has had a positive record of working together with HMRC to resolve past inquiries and examinations. Day to day interactions with HMRC are managed by our European finance organization with direction and guidance provided by WWW's US based corporate tax department.