



# Indutrade AB

## Tax Policy

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Adopted by the Board of Directors on 9 April 2024

## **1. INTRODUCTION**

Indutrade is an international industrial group that sells components, systems and services with a high-tech content in industrial selected niches. Its products and solutions help customers improve their own products as well as improve the efficiency of their own production processes. We are growing steadily through acquisitions of well managed and profitable companies. Indutrade operates according to a decentralised organisational model through more than 200 subsidiaries in 30 countries across six continents.

## **2. SCOPE**

This document constitutes Indutrade's tax policy and applies for all subsidiaries and employees of the Indutrade Group.

This tax policy applies from the date of adoption until further notice.

## **3. INDUTRADE'S APPROACH TO TAX**

For Indutrade it is important that tax is paid in the country in which value is created, in due time and in accordance with local tax rules.

Indutrade's view is that tax is a business cost which, managed correctly and effectively, can help reduce the Group's business risk.

Indutrade's goal is to pay the shareholders a dividend which over time shall range from 30% to 50% of net profit.

## **4. GOVERNANCE**

This tax policy has been approved by Indutrade's board of directors and shall be adopted annually.

The tax policy covers all levies paid to the respective countries' tax authorities and applies for all subsidiaries and employees of the Indutrade Group.

Indutrade's CFO has ultimate responsibility for the Group's tax position worldwide. The CFO has delegated the day-to-day responsibility for tax to the respective local managements of each Indutrade subsidiary.

The CFO has delegated the following responsibilities to the accounting and finance function within the Parent Company:

- ensuring transfer pricing compliance for the Parent Company;
- correct tax reporting, preparation of tax returns and tax payments for Indutrade AB;
- managing Group tax reporting, including Country-by-Country Reporting (CbCR) and the Group's Transfer Pricing Masterfile; and
- responsibility to seek advice from external tax advisers and to determine when such advice is required at the Group level.

The subsidiaries are responsible themselves for managing ongoing domestic tax-related issues and tax compliance. This includes but is not limited to:

- ensuring local transfer pricing compliance and updating transfer pricing documentation for their respective companies, if required by local rules;
- correct tax reporting, preparation of tax returns and tax payments;
- maintaining sufficient knowledge of local tax rules;
- seeking external advice when deemed necessary on local tax issues in consultation with the Parent Company's accounting and finance function; and
- reporting significant tax risks, including enquiries, tax audits, legal processes and acquisitions to the Parent Company's accounting and finance function in a timely manner.

## **5. TAX RISK PROFILE**

Indutrade has a low tax risk profile, and risk management is key aspect of Indutrade's overall business strategy. Indutrade does not engage in tax structures that lack business logic for the purpose of avoiding tax. Indutrade adheres to applicable legislation and double taxation treaties, and takes advantage of available tax incentives, deductions and exemptions to lower its tax cost and in such a way enhance cost efficiency. Examples of such incentives include:

- utilising Group contribution rights;
- utilising tax losses;
- using tax incentives in special investment zones that are available to all companies; and
- tax consideration in the day-to-day business activities and in business decisions.

## **6. RELATION TO TAX AUTHORITIES**

Indutrade shall act in a transparent and honest manner in all relations with the respective countries' tax authorities, governments and stakeholders. Indutrade shall respond to requests from tax authorities in a reasonable amount of time in a cooperative and professional manner.

Unintentional errors in submissions to tax authorities shall be corrected and communicated to the relevant tax authorities as soon as they have been identified.

## **7. COMMUNICATION**

The local management of each Indutrade subsidiary is responsible for communication with local tax authorities concerning domestic tax issues, such as tax returns, tax payments and tax compliance.

For any international tax or transfer pricing questions, the local management of each Indutrade subsidiary shall inform the Parent Company's accounting and finance function in order to coordinate further communication.

The CEO, CFO and Head of IR and External Communications are responsible for the Indutrade Group's contacts with the media and other external stakeholders.

## **8. ACQUISITIONS**

Acquisitions are a key aspect of Indutrade's business strategy, and effective tax risk management in connection with acquisitions requires that tax is incorporated as part of the Group's due diligence process. Prior to all acquisitions, the tax issues shall be assessed to evaluate potential tax risks. If any tax risks are identified during the due diligence process, the CFO or the Parent Company's accounting and finance function shall be informed before proceeding with the acquisition.

## Appendix 1

This tax policy applies for the following Indutrade Group companies in the UK, among others:

ESI Process U.K. Ltd Filtration Ltd  
Verplas Ltd  
Corrosion Resistant Products Ltd  
Micro Spring & Presswork Company Ltd  
Trelawny SPT Limited  
Fluid Controls Ltd Sunflower Medical Ltd  
Young Black Industrial Stapling Ltd Alphr  
Technology Ltd  
International Plastic Systems Ltd Precision  
Products (UK) Ltd Birmingham Specialities  
Ltd  
ALH Systems Ltd Bailey Morris Ltd Flintec  
UK Ltd Indutrade UK Ltd  
Adaero Precision Components Ltd Milltech  
Precision Engineering Ltd Pipe Equipment  
Specialists Ltd Beldam Crossley Ltd  
Vacuum Engineering Services Ltd  
Flowstop Ltd  
Irvine Spring Company Ltd Ellard Ltd  
NRG Automation Ltd  
Wholesale Welding Supplies Ltd  
Precision Parts UK Ltd  
Starke Arvid Ltd  
Natgraph Ltd  
Adam Equipment Co Ltd  
Inscale Ltd  
Datum Electronics Ltd  
Barwood Process Ltd  
UK Gas Technologies Ltd  
Puretech Process Systems Ltd  
Microgas Systems Ltd  
Medical Gases Ltd  
Crossflon Ltd  
UPI Bioscience Manufacturing Ltd.  
North West Metal Sections Ltd  
Autoroll Investments Ltd  
Autoroll UK Limited  
Advance Technical Services Ltd  
Advance Technical Systems Ltd  
NTi Audio UK Ltd  
Huntingdon Fusion Techniques Limited  
Cleantech Water Management UK Ltd.  
A-C Water Management UK Ltd  
Powerpoint Engineering Ltd  
Geosense Ltd  
West Technology Systems Ltd