

## **Group Tax Policy**

The purpose of this tax policy, which has been adopted by Group Management, is to ensure a clear framework for tax management within the Hexatronic Group. The Tax Policy applies to all Hexatronic entities and employees, and it defines principles for tax compliance and reporting, transfer pricing and tax risk management. The Tax Policy covers all taxes, including Corporate Income Tax, VAT, Social Security Contributions, Real Estate Tax and Customs Duty.

### **Responsibilities**

The CFO has the overall responsibility for tax matters within Hexatronic Group. Each local Hexatronic company is responsible for their local taxes and that local tax reporting is performed according to rules and deadlines of the country in question. For cross-border matters, such as transfer pricing, withholding taxes on interests and dividends, tax matters relating to legal structure etc., HEXATRONIC Group should always be involved. The Group transfer pricing policy is owned by the CFO.

### **General approach to taxes and risk**

Hexatronic wants to be recognized as a reliable, long-term and responsible corporate citizen, which at all times acts in accordance with applicable laws and regulations and which balances the shareholder's interest with the public interest in a transparent way.

Hexatronic reports and discloses its tax positions in accordance with applicable regulations and requirements.

Hexatronic strives to always pay the correct amount of tax in the correct country, compliant with relevant laws and regulations in each country, and to file its tax returns in a timely and correct manner. On key markets and where material, external tax advisors are being consulted for advice on tax reporting to ensure compliance.

It is the policy of Hexatronic to have a cautious approach to risk and to actively avoid it when that option exists. This is also Hexatronic's approach to tax risks and when faced with different options, Hexatronic generally opts for the alternative with the

lowest risk also taking our responsibility as a corporate citizen as well as the responsibility towards our shareholders into account.

Hexatronic has a business-oriented approach to its tax costs but does not engage in aggressive tax planning. Aggressive tax planning refers to transactions that have no business purpose other than to reduce taxes or transactions that could jeopardize the company's reputation and reputation as a responsible corporate citizen.

### **Transfer pricing considerations**

Hexatronic has intragroup transactions for the supply of goods, services, and financing.

All cross-border transactions between entities in the Hexatronic Group shall be priced in accordance with the Arm's Length Principle as defined in the OECD Transfer Pricing Guidelines and in accordance with local transfer pricing rules and regulations.

The transfer pricing methodology is reviewed as necessary and due to changes and new relationships within the Group. Both transfer pricing policy and compliance reporting is centralized within Hexatronic.

### **M&A tax implications**

Hexatronic has an active, global M&A strategy. For any material target company, a tax due diligence is performed together with local tax advisors.

In addition, a tax review of future legal structure is performed to ensure the optimal structure and avoid any risks and local tax concerns.

Post completion of an acquisition, tax will be one integration area with implementation of group policies as applicable, for example transfer pricing and internal reporting to Group.

## **Tax risk management**

Hexatronic operates in various countries with different tax laws and legislative authorities. It is not uncommon for tax legislation, current practices and/or government statements to provide unclear or contradictory answers to how a specific tax issue shall be interpreted. In such case, prudence and transparency shall guide any decisions.

If necessary, for instance due to complexity or lack of internal resources, external tax advisors, preferably at a major accounting or law firm, are engaged for advice.

Where applicable, Hexatronic should seek guidance from the local tax authority in order to clarify the authority's view on tax matters of importance and relevance.

A handwritten signature in blue ink, appearing to read 'Henrik Larsson Lyon', with a stylized flourish at the end.

Henrik Larsson Lyon

CEO Hexatronic Group