

Tax Strategy 2024 – Bufab UK Business

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Introduction

Tax revenue is a substantial contribution in helping governments fulfil the expectations of society. Bufab Group, including the Bufab UK subsidiaries, believe that a fair and transparent tax system, as well as a fair and transparent adherence to such a system are vital to society. The long-term interest of all stakeholders; the society, shareholders, business partners, financiers, and employees, shall be considered and balanced. This Tax Strategy has been prepared in line with 16(2) of Schedule 19 of the Finance Act 2026.

Purpose

The purpose of this UK Tax Strategy is to set out the main principles on tax management in the UK business which affecting the handling of UK taxation.

Scope

This UK Tax Strategy is mandatory for all the Bufab Group UK entities and all employees employed in those entities and applies from the date of adoption until further notice.

Aerotight Manufacturing Limited

Altiplas Limited

Apex Inox Limited

Apex Marinetech Limited

Apex Stainless Fasteners Limited

Apex Stainless Holdings Limited

Bufab Ireland Limited

Bufab UK Holdings Limited

Bufab (UK) Limited

Montrose Fasteners Limited

Montrose Holdings Limited

Precision Stainless Fasteners limited

T.I.Midwood & Co Ltd

Thunderbolts Limited

How to manage tax risks – The business approach to tax

Identification and reduction of tax risk & the governance framework

The Bufab UK entities shall comply with applicable local and international tax laws and regulations, as well as relevant standards. The business shall strive to act in accordance with the purpose of the legislation. The UK entities shall pay the correct amount of tax, in due time, with due consideration, and in a transparent manner. Bufab believe that tax should be paid in the country in which the value is created. Sustainable development as defined in the goals of the UN shall always be considered in tax matters.

Bufab shall manage the transfer pricing matters in accordance with the OECD's Transfer Pricing Guidelines and pertinent domestic tax legislation. The Arm's Length Principle as set out in Article 9 of the OECD Model Tax Convention shall always be applicable for pricing cross border related party transactions within the Group.

Proper resources and competence shall be allocated to the management of tax issues of the Group itself. Employees that handle tax issues shall receive regular training and guidance in the field. Also, the UK business seek advice from external consultants when needed.

Involvement of the Board of Directors

The Board for respective Bufab UK entity is responsible for approving the Tax Strategy. The Tax Strategy shall be reviewed annually and reported to the Board of Bufab AB (publ). Deviations from the Strategy should be reported at each regular board meeting.

Key roles, responsibilities & systems and controls

The CFO is responsible for the Group's tax position worldwide and has delegated the day-to-day responsibility for tax to the respective management of each subsidiary in the Group.

The CFO has delegated the following responsibilities to the CFO of each Bufab UK subsidiary:

- Ensuring transfer pricing compliance for the UK entity;
- Correct tax reporting, preparation of tax returns and tax payments for the UK entity; and
- Responsibility to seek advice from external tax advisers and to determine when such advice is required for the UK business.

Each UK subsidiary is responsible for managing ongoing domestic-tax related issues and tax compliance affecting UK taxation. This includes but is not limited to:

- Ensuring local transfer pricing compliance and updating transfer pricing documentation for the local UK entity, 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 necessary, on local tax issues in consultation with Group Finance; and
- Reporting significant tax risks, including enquires, tax audits, legal processes, and acquisitions to Group Finance.

Any tax related questions should be directed to UK Regional Controller, c/o Bufab UK Holdings Limited, Montrose House Lancaster Road, Cressex Business Park, High Wycombe, Buckinghamshire, United Kingdom, HP12 3PY.

Internal follow-ups and controls are regularly performed in order to ensure that necessary actions are taken in order to manage tax risks. A system of tax risk assessment and controls is included in the internal control framework.

Tax planning

Taxes are business expenses and should be managed as such. Tax planning measures shall always be in line with tax legislation. The Bufab Group, including the Bufab UK entities, do not engage in artificial arrangements with the purpose of reducing tax liabilities.

In addition, the Bufab UK entities take advantage of available tax incentives, deductions, and exemptions to lower the tax cost. Examples include utilization of group contributions rights, tax losses and tax incentives. Tax is considered in daily business activities and in business decisions.

Level of risk – UK taxation

The Group, including the Bufab UK subsidiaries, have a cautious approach to risk and try actively to avoid it whenever possible. Tax risk shall always be on an acceptable low level. Advice is sought from external advisers when appropriate.

A system of tax risk assessment and controls is included in the internal control framework. Key risks are identified and monitored business and legislative changes, and processes and controls are changed when required. Each tax-paying UK entity should document and retain all information required to determine the taxable amount and related taxation.

How the business works with HMRC

The local management of respective Bufab UK subsidiary in the Group is responsible for communicating with HMRC regarding domestic tax issues. For international or transfer pricing questions, the local management of respective UK subsidiary shall inform Group Finance to coordinate further communication. Communication with HMRC and any other tax authorities shall be documented. The UK business shall act in a transparent and honest manner in all relations with tax authorities, governments, and stakeholders. The UK business shall respond to requests from HMRC in a cooperative and professional manner. Inadvertent errors in submissions to HMRC shall be corrected immediately upon identification.

Any tax related questions should be directed to UK Regional Controller, c/o Bufab UK Holdings Limited, Montrose House Lancaster Road, Cressex Business Park, High Wycombe, Buckinghamshire, United Kingdom, HP12 3PY.

Strategy breach and exceptions

Exceptions to this Strategy are not allowed.

Any case of suspected breaches against this Strategy should immediately be reported by all Bufab employees to the CFO of respective UK subsidiary or to the CFO of the Bufab Group. The CFO shall in turn inform the Board of Directors.

The Group also provide a whistleblower hotline on the Group website where concerns about unethical or unlawful behavior, or suspicions of activities that compromise the integrity of Bufab Group in relation to tax can be reported anonymously.