

COMPANY TAX STRATEGY

1.0 Introduction

This document, approved by the Board of KAEFER Ltd, sets out the company's policy and approach to conducting its tax affairs and dealing with tax risk. The document will be periodically reviewed by the Board of KAEFER Ltd. It is effective for the year ending 31 December 2025 and will remain in effect until any amendments are approved by the KAEFER Ltd Board of Directors.

The directors along with its external tax advisers, Deloitte LLP, seek to ensure that:

1. The strategy is adopted and followed consistently across the company, with clear lines of responsibility and accountability
2. There is alignment of the strategy with the company's overall approach to corporate governance and risk management and
3. KAEFER Ltd pays the right amount of tax required of it under the laws and regulations of the countries in which it operates.

2.0 Company Tax Policy

The strategy covers all taxes including, inter alia, Corporation Tax, VAT, PAYE, NIC and stamp duty. KAEFER Ltd is committed to conduct its tax affairs consistent with the following objectives, to:

1. Comply with all relevant laws, rules, regulations, and reporting and disclosure requirements, wherever the company operates
2. Ensure the tax strategy is at all times consistent with the company's overall strategy, its approach to risk, and the KAEFER Group's Values
3. Apply professional diligence and care in the management of all risks associated with tax matters, and ensure governance and assurance procedures are appropriate
4. Foster constructive, professional and transparent relationships with tax authorities, based on the concepts of integrity, collaboration and mutual trust
5. The company will use available tax incentives and reliefs to minimise the tax costs of conducting its business activities, but ensuring that these will not be used for purposes which are knowingly contradictory to the intent of the legislation.
6. Tax planning around specific transactions will be undertaken in conjunction with appropriate professional advisors and any non-routine items will be reported to the Board.
7. Statutory disclosure of taxation matters is reviewed by the company's auditors and external advisers, Deloitte LLP
8. The Board is ultimately responsible for tax governance policy

3.0 Company Tax Code of Conduct

This Tax Code of Conduct (CoC) outlines the principles setting out how KAEFER Ltd employees are expected to operate with respect to tax matters in support of the above Company Tax Policy. Non adherence to this CoC could constitute a disciplinary matter, potentially leading to sanctions up to and including dismissal. The Company Tax CoC is set out in detail below.

1. Compliance with laws, rules and regulations.

KAEFER Ltd is committed to observing all applicable laws, rules, regulations, and reporting and disclosure requirements, wherever there is a requirement to do so as a result of our business presence and transactions

The company will work closely with its external tax advisers, Deloitte LLP, to provide internal advice and guidance necessary to ensure compliance.

2. Consistency with Company strategy

Tax decisions will be made at all times in a manner which is consistent with and complements the company's overall strategy. Key business decisions should be made cognisant of the tax consequences and with the aim of optimising the after-tax returns for the company's shareholders.

3. Governance, Assurance and Tax Risk Management

Managing the company's tax affairs is a complex process across many functional areas of the business and as such there will inevitably be risks of error or omission within those processes (Tax Risks) which may result in the incorrect application of tax rules or calculation of tax returns. Eliminating tax risks entirely is impossible, therefore the company's attitude towards the level of control required over the processes is designed to reduce these Tax Risks is driven by the likelihood of occurrence and scale of impact of each Risk.

The identified Tax Risks are then assessed on a case by case basis, allowing the company to arrive at well-reasoned conclusions on how each individual Risk should be managed. Where there is uncertainty in how the relevant tax law should be applied, external advice may be sought to support the Group's decision making process.

In reviewing the risks of a tax action or decision, the following would be considered:

- > the legal and fiduciary duties of directors and employees
- > the requirements of the KAEFER Group Values and Ethics policies and any other internal policies
- > the maintenance of corporate reputation, together with the company's social responsibilities regarding the way the business interacts with the communities around it
- > the tax benefits and impact on the company's reported result comparative to the potential financial costs involved, including the risk of penalties and interest
- > the wider consequences of potential disagreement with tax authorities, and any possible impact on relationships with them.
- > the company will apply diligence and care in its management of the processes and systems to provide assurance that the requirements of any tax reporting requirements are met, that all tax liabilities are properly reported, correctly calculated and paid on time. Any inadvertent errors will be promptly and fully reported to HMRC

4. Tax Planning

The company and KAEFER Group has clearly defined lines of responsibility for its tax affairs.

The company's tax planning aims to support the commercial needs of the business by ensuring that its affairs are carried out in the most tax efficient manner whilst remaining compliant with all relevant laws.

In cases where the tax guidance is unclear or the company does not feel it has the necessary expert knowledge to assess the tax consequences adequately, external advice may be sought to support the decision making process.

5. Relationships with tax authorities

KAEFER Ltd is committed to the principles of openness and transparency in its approach to dealing with tax authorities wherever we operate around the world. All dealings with the tax authorities and other relevant bodies will be conducted in a collaborative, courteous and timely manner. The aim would be to strive for early agreement on disputed matters, and to achieve certainty wherever possible.

6. Incentives and reliefs

KAEFER Ltd believes that it should pay the amounts of tax legally due in any territory. There will, however, be circumstances where this amount may not be clearly defined, or where alternative approaches may result in differing tax outcomes. The company will use its best judgement in determining the appropriate course of action, using available reliefs and incentives where possible.

7. UK context

In line with the Finance Act 2016, which addresses the relationship between businesses and HMRC in the UK, and promotes best practice in a business' governance over its UK tax affairs, KAEFER Ltd commits to:

- > adopt open and collaborative professional relationships at all times with HMRC;
- > engage in full, open and early dialogue with HMRC to discuss tax planning, strategy, risks and significant transactions where appropriate;
- > make fair, accurate and timely disclosure in correspondence and returns, and respond to queries and information requests in a timely fashion;
- > seek to resolve issues with HMRC in real time and before returns are filed if possible, and where disagreements arise, work with HMRC to resolve issues by agreement (where possible);
- > be open and transparent about decision-making, governance and tax planning;
- > reasonably believe that transactions are structured to give a tax result which is not inconsistent with the economic consequences (unless specific legislation anticipates that result), nor contrary to the intentions of Parliament; and
- > interpret the relevant laws in a reasonable way, and ensure transactions are structured consistently with a co-operative relationship

Signed on behalf of the KAEFER Ltd board

Bob Bell
Company Secretary
05 February 2025