

Scope

This strategy applies to Kelvion Ltd., Kelvion UK Ltd. and Kelvion Searle Ltd. (hereinafter referred to as the 'UK Sub'). This strategy has been published in accordance with paragraph 16(4) of Schedule 19 to the Finance Act 2016.

UK Sub is performing business in international Heat Exchange.

This strategy applies from the date of publication until it is superseded. References to 'UK Taxation' are to the taxes and duties set out in paragraph 15(1) of the Schedule which include Income Tax, Corporation Tax, PAYE, NIC, VAT, Insurance Premium Tax, and Stamp Duty Land Tax. References to 'tax', 'taxes' or 'taxation' are to UK taxation and to all corresponding worldwide taxes and similar duties in respect of which the UK Sub has legal responsibilities.

Aim

UK Sub is committed to full compliance with all statutory obligations and full disclosure to relevant tax authorities. UK Sub's tax affairs are managed in a way which takes into account the group's wider corporate reputation in line with UK Sub's overall high standards of governance.

Governance in relation to UK taxation

- Ultimate responsibility for UK Sub's tax strategy and compliance rests with the Board of UK Sub;
- Executive management of the group is delegated by the Board(s) to the Chief Financial Officer ('CFO') of Head of UK Group;
- The Chief Financial Officer ('CFO') is the Board member with executive responsibility for tax matters;
- The Finance and Tax teams are staffed with appropriately qualified individuals;
- The Board ensures that UK Sub's tax strategy is one of the factors considered in all investments and significant business decisions taken;

Risk Management

- UK Sub operates a system of tax risk assessment and controls as a component of the overall internal control framework applicable to the group's financial reporting system;
- UK Sub seeks to reduce the level of tax risk arising from its operations as far as is reasonably practicable by ensuring that reasonable care is applied in relation to all processes which could materially affect its compliance with its tax obligations;

- Processes relating to different taxes are allocated to appropriate process owners, who carry out a review of activities and processes to identify key risks and mitigating controls in place. These key risks are monitored for business and legislative changes which may impact them and changes to processes or controls are made when required;
- Appropriate training is carried out for staff who manage or process matters which have tax implications;
- Advice is sought from external advisers where appropriate.

Attitude towards tax planning and level of risk

UK Sub manages risks to ensure compliance with legal requirements in a manner which ensures payment of the right amount of tax.

When entering into commercial transactions, UK Sub seeks to take advantage of available tax incentives, reliefs and exemptions in line with, and in the spirit of, tax legislation. UK Sub does not undertake tax planning unrelated to such commercial transactions.

The level of risk which UK Sub accepts in relation to UK taxation is consistent with its overall objective of achieving robustness in the group's tax affairs. At all times UK Sub 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. In relation to any specific issue or transaction, the Board is ultimately responsible for identifying the risks, including tax risks, which need to be addressed and for determining what actions should be taken to manage those risks, having regard to the materiality of the amounts and obligations in question.

Kelvion Global Code of Conduct is available on www.kelvion.com.

Relationship with HMRC

UK Sub seeks to have a transparent relationship with HMRC ensuring that relevant information in respect of developments in UK Sub's business, current, future and retrospective tax risks, and interpretation of the law in relation to all relevant taxes are made available as and when required.

UK Sub ensures that HMRC is kept aware of significant transactions and changes in the business. When submitting tax computations and returns to HMRC, UK Sub discloses all relevant facts and identifies any transactions or issues where it considers that there is potential for the tax treatment to be uncertain.

Any inadvertent errors in submissions made to HMRC are fully disclosed as soon as reasonably practicable after they are identified.