

## Sulzer – UK tax strategy

*Financial year ending 31 December 2018*

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### Scope

This tax strategy document sets out Sulzer's approach to managing its own tax affairs, and has been approved by the Board of Directors of Sulzer (UK) Holdings Limited.

This strategy applies to Sulzer (UK) Holdings Limited and all UK entities in its group. A list of the entities to which it applies is set out below as an appendix to this document. References to 'Sulzer' or 'the group' are to these UK entities. The strategy has been published in accordance with paragraph 16(4) of the Schedule 19 of the Finance Act 2016 by being included on the website of Sulzer (UK) Holdings Limited.

This strategy applies for the financial year ending 31 December 2018. It applies to all taxes and duties as set out in paragraph 15(1) of the Schedule which includes 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 obligations to which Sulzer UK Group has a legal responsibility.

### Aim

Sulzer is committed to full compliance with all statutory tax obligations and full disclosure to all tax authorities as is required by law.

### Governance in relation to UK taxation

- Ultimate responsibility for Sulzer's UK tax strategy, tax risk management and compliance rests with the Board of Directors for Sulzer (UK) Holdings Limited.
- The Board delegates tax risk management to the Senior Accounting Officer (SAO) in the UK.
- Day-to-day management of the Sulzer's tax affairs is delegated to the UK tax team who reports to the SAO and the Board, where relevant, on Sulzer's tax affairs and risks during the year.
- The UK tax team is staffed with appropriately qualified individuals.
- The Board of Directors ensures that Sulzer's tax strategy is one of the factors considered in all significant business decisions.
- The Board is committed to ensuring that any significant business transaction or restructuring exercise will have commercial and economic substance, and will not be contrived for tax advantage.

### Risk Management

- Sulzer strives to operate a framework of tax risk management and controls that are integral to its overall financial accounting control system, and deliver a high degree of certainty in relation to its tax obligations and maintain its low risk status.

- Sulzer seeks to mitigate its level of tax risk in relation to its business operations by ensuring that reasonable care is applied to all processes that may affect its compliance with its tax obligations.
- Sulzer is committed to high standards in operating a review process of policies and procedures that have material tax implications.
- Processes relating to different taxes are allocated to appropriately qualified personnel, who periodically undertake a review of procedures and processes to identify tax risk.
- Key tax risks and controls are monitored for business and/or legislative changes that may affect them and processes and controls are amended appropriately.
- Sulzer's aim is to provide appropriate guidance and/or training to staff outside the tax team that may be involved in managing or processing matters that may have a tax implication.
- Tax advice is sought from third party specialist tax advisors where appropriate.

#### Attitude towards tax planning and level of risk

- Sulzer manages its tax risks to ensure adherence to tax obligations and timely payment of the correct amount of tax.
- Sulzer UK Group is risk averse in its attitude to tax planning. In undertaking its business activities, Sulzer seeks to operate tax compliance in the spirit of tax legislation.

#### Relationship with HMRC

- Sulzer seeks to have an open, transparent and respectful relationship with HMRC in the management of its tax affairs. Sulzer participates in regular meetings and communication in respect of business updates, compliance filings, tax risks and interpretation of tax legislation, and seeks to resolve any tax issues in a timely manner.
- Sulzer is committed to the timely and accurate submission of tax computations and returns to HMRC, and endeavours to disclose all relevant facts where there is the potential for any uncertain tax treatment.
- Any inadvertent errors in submissions made to HMRC are fully disclosed as soon as reasonably practicable after identification.

Appendix – List of UK entities covered by this Tax Strategy

Sulzer (UK) Holdings Limited

Sulzer Pumps (UK) Limited

Sulzer Chemtech (UK) Limited

Castle Support Services Plc

DM Technical Services Limited

Dowding and Mills Limited

Dowding & Mills (Overseas) Limited

Sulzer Electro Mechanical Services (UK) Limited

Sulzer Pumps Wastewater UK Limited

Sulzer Mixpac (UK) Limited