Stahl Parent B.V.

Tax Policy

February 2024

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1. Introduction

Stahl Parent BV and its subsidiaries ("Stahl") conduct its business with the highest standards of integrity and ethical behavior. With this Tax policy, Stahl intends to set out the goals and guiding principles which should direct and control tax activities within Stahl. This policy applies to all taxes, including but not limited to: corporate income tax, indirect taxes and excise duties and wage taxes including social security contributions. This Tax policy is relevant to all employees of Stahl dealing with tax matters.
Stahl, global leader in specialty coatings and treatments for flexible substrates, provides performance coatings which can be found on everyday materials in the automotive, apparel, luxury goods, footwear, packaging, and home furnishings industries, among others.

2. Goals

Our goal is to manage tax affairs efficiently and effectively and with transparency, honesty and integrity. This Tax Policy is to regulate the basic principles applicable within Stahl and will be reviewed from time to time against external developments. Stahl's tax policy is in line with its sustainable development strategy, as summarized in its annual ESG reporting.

3. Governance and Compliance

Tax is part of Stahl's social & governance responsibility, which is overseen by the Board of Stahl Parent BV. This tax policy is approved by the Audit Committee on behalf of the Stahl Parent BV Board.

The Stahl CFO is responsible for tax policy and reporting. The CFO has delegated responsibility to the Stahl Group Head of Tax for this function. The Stahl Group Head of Tax monitors tax governance, together with the Regional and Local finance managers and the Stahl Group Financial controller. The Stahl Group Head of Tax sets internal tax guidelines and is responsible for the transfer pricing related matters (including the global transfer pricing documentation) in coöperation with the Regional and Local finance managers. The Stahl Group Head of Tax is based at the HQ in Waalwijk, the Netherlands.

Regional and Local finance managers are responsible for the local tax governance. Each quarter they report to the Stahl Group Head of Tax about any pending tax topics, issues and risks. The local entity has to inform the Stahl Group Head of Tax without delay about the announcement, start and subject of a new Tax audit. Tax audits are managed locally and monitored/supported by the Stahl Group Head of Tax. The local hiring of external tax advisors need to be approved by the Stahl Group Head of Tax. The Stahl Group Head of Tax informs the Stahl CFO and the Audit Committee on pending tax topics, issues and risks on a regular basis.

Stahl complies with all statutory obligations and International Financial Reporting Standards (IFRS) as adopted by the EU. Information on country-by-country reporting is included in the consolidated report to the French tax authorities issued by Stahl's majority shareholder, Wendel.

The Stahl group's total tax rate is a result of the reported profits of Stahl's subsidiaries and the corporate tax rates in effect for each country. Stahl Group companies report estimated income taxes on a quarterly basis. The Stahl Group Head of Tax is responsible for reviewing the income tax charge in the income statement and the current and deferred income tax in the balance sheet.

Tax regulations need to be complied with and breaches are not tolerated. All incidents that indicate non-compliance will be investigated, and if necessary, will cause disciplinary actions. Stahl employees in tax-relevant functions need to notify the Stahl Group Head of Tax about any potentially non-compliant issues.

4. Tax Risk Management

Stahl considers tax risks as any uncertainty arising either from interpretation of tax law (judgmental) and/or not meeting its relevant filing or tax payment obligation. Stahl has a low tax risk appetite with regard to tax risk. Stahl's approach to tax risk is consistent with its long standing commitment to corporate social responsibility and transparency, as expressed in its annual Sustainability/CSR/ESG reports.

Stahl has put in place an organizational structure and processes to ensure that all applicable tax rules are respected and taxes are paid in accordance with those rules. This includes a tax control framework in the Netherlands, a tax risk monitoring system, and internal and external audit reviews of tax compliance activity across the Stahl Group. In addition to tax policy, all Stahl employees must also adhere to the Stahl Employee Code of Conduct.

In case material uncertainty exists or in case of changes in tax laws and regulations, Stahl may proactively seek the advice of external experts as appropriate, and/or if available, seek clarification of the application of tax laws and regulations through consultation with the relevant Tax Authority.

5. Communication with tax authorities

Stahl discloses information when legitimately required by the Tax Authorities. This includes information on tax return filings and on tax audit enquiries. Stahl provides evidence that tax positions adopted are sustainable in the event of challenge by a Tax Authority.

As a result of our low tax risk appetite, the relationships with tax authorities are based on seeking open dialogues if possible, rather then seeking controversy. In the event of a disagreement with a Tax Authority on the appropriate tax treatment of a case, Stahl will endeavor to resolve the issue in a constructive manner.

6. Business Rationale

Stahl's tax position is consistent with it's long standing commitment to corporate social responsibility and transparency, as expressed in its annual Sustainability/CSR/ESG reports, as well as the geographic spread of its activities. Stahl applies the principle that "tax follows business", ie: taxable profits are recognized in the countries where value is created, and in accordance with domestic and international tax rules and standards (e.g. OECD Guidelines) and applying the "arm's length" principle with regard to transfer pricing transactions. Stahl does not make use of artificial structures or instruments, tax havens, acquisition of loss-making companies, conversion of income and/or cross-border transactions. Stahl does not pay success fees for the implementation of structures based on tax advantages obtained.

This policy took effect on July 20, 2021 and was updated in February 2024.