

Sundyne Group

UK Tax Strategy

Introduction

Sundyne (the “Group”) is a leading global provider of highly engineered industrial pumps and compressors and aftermarket parts and services. The Group offers a diversified array of premier, mission-critical, niche products in a variety of large and growing end markets. Sundyne Industries’ revenues and earnings are highly diversified by product, geography, end market and customer. The Group derives sales from approximately 150 countries. The Group’s corporate tax functions are managed centrally on a global basis. The Group’s global business activities incur a variety of taxes, including both corporate income taxes and non-income taxes.

The UK tax strategy describes the position of the UK entities within the Sundyne Industries Group and is considered to satisfy the legislative requirements of paragraph 16(2) Schedule 19 Finance Act 2016 in relation to the publication of tax strategy. Specifically, this tax strategy is relevant for all UK companies controlled by the Sundyne Group including: HMD Seal/Less Pumps Limited, Silver II UK Holdings Limited, Star Guernsey TopCo Limited, Star UK Topco Limited, Star UK Holdco Limited, Star UK Midco Limited, Star UK Bidco Limited. This policy applies to periods commencing on January 1, 2021 for all periods thereafter until such date an update is merited.

1. Our approach to tax risk management and governance

The Group manages risk through our established programs, policies, internal control procedures and assignment of resources designed to ensure that the Group’s assets, earnings and employees are protected from significant exposures and losses. The Group manages the risks associated with compliance with the applicable tax regimes as a part of that risk management framework. In order to manage the obligations of the Group within the backdrop of complex global tax legislation, the Group utilizes a centralized corporate tax function to oversee compliance with applicable tax laws and regulations governing the filing of tax returns and payment of taxes in a manner consistent with the applicable tax laws and regulations in the UK and elsewhere. Our tax processes are subject to the same level of internal controls, review and external audit as the rest of the business. The Group also engages with external advisers and service providers, where required, to support compliance with our obligations.

2. The level of tax risk we are prepared to accept

We view tax risk in the context of our broader risk identification and mitigation framework. Our policies and governance framework operate to ensure compliance with tax laws and regulations, both in the UK and worldwide, and to ensure that we identify and manage tax risks. Where uncertainty exists, we may seek appropriate external advice or engage directly with HMRC. As a matter of course, we do intend to accept a high degree of risk with respect to UK

tax matters. This, along with our tax governance outlined above, reduces our tax risk to an acceptable level.

3. Our attitude towards tax planning

We will not engage in tax planning that lacks commercial substance and which does not support our business activities. We ensure that our business arrangements are in line with current tax legislation and that advice is sought from external advisors, where required and appropriate. Intercompany transactions are conducted on arm's length principles, in accordance with OECD guidelines.

4. Our approach to dealings with HMRC

As a result of the size of our operations in the UK, to date we have experienced limited interaction with HMRC other than meeting our statutory UK compliance requirements. However, it would be our intent to be professional, open and honest, and to work in a spirit of cooperation, should the need arise. We would respond to information requests in a timely manner and ensure that access is given to all relevant information.