

ALKEGEN UK TAX STRATEGY

Introduction

ASP Unifrax Holdings, Inc. (a privately held US corporation) and its subsidiaries (collectively “Alkegen”) is a leading global specialty material platform dedicated to sustainability and human health. We design, manufacture, and market highly customizable and engineered products and solutions that store energy, conserve energy, filter air, and improve fire protection. We serve mission-critical systems and processes including battery technologies, electric vehicles, filtration media, and specialty insulation materials for energy-intensive manufacturing. Our customers operate in highly regulated industrial, technology, and healthcare markets in the U.S. and globally. The group has over 60 manufacturing sites with operations in more than 20 countries worldwide, supported by 9,000 plus employees.

In compliance with paragraph 19 of schedule 19 of the UK Finance Act 2016, the following UK Tax Strategy Statement sets out the approach of Alkegen to managing their UK tax affairs. In particular the Tax Strategy covers the UK subgroups headed by Unifrax Europe Holdings Limited and Lydall UK Limited, and includes all UK tax resident subsidiaries thereof. This statement is current through year ending December 31, 2022, has been approved by all appropriate directors, and is subject to periodic review.

Commitment to Compliance

We intend to fulfil our tax obligations in accordance with the UK tax law and practices. Our commitment to compliance means that appropriate arrangements are in place to calculate accurately our tax liabilities so we can ensure we pay the right amount of tax in the right place at the right time. We disclose all relevant facts and circumstances to the tax authorities on a timely basis while claiming available reliefs and incentives relevant to our business activities.

Tax risk management and governance

Maintaining ethics in all respects is one of Alkegen’s Core Values and highest priorities. All directors and employees have a responsibility to maintain and advance the group’s ethical operating values and undertake annual Code of Conduct training to re-iterate and embed these principles. In line with its Values, the Group is committed to complying with the tax laws and practices in all the territories in which it operates.

As the Group operates in several tax jurisdictions around the globe, changes in tax laws and regulations are frequent and can be complex. The Group’s tax function (based in the US, headed by the Global Tax Director, and including a UK Chartered Tax Adviser) closely monitor developments in the tax environment to ensure tax arrangements and practices in each jurisdiction remain appropriate. The same is done at a local level by the local finance teams. Support in each country for monitoring developments, and for specific advice on complex issues, is provided by our network of local and global external tax advisors.

UK tax risks are therefore identified, assessed and mitigated by the local finance teams, working in conjunction with the Global tax team. Regular reports are made to the Group’s Chief Financial Officer and periodic reports on tax matters are presented to Alkegen’s Leadership Team. Thus, the Leadership Team provides ultimate governance and oversight of tax risks.

The governance of our arrangements in relation to UK tax matters is managed day-to-day by our local UK finance teams, with dedicated support from the Global tax team. Each entity within the Alkegen UK subgroups has a qualified accountant appointed as financial controller, leading a finance team.

Tax planning and acceptable risk

In line with our Core Values, the Group strives to comply with all UK tax obligations. When structuring our business activities, we consider (along with all other relevant factors) the tax laws of the countries in which we operate. Consequently, we will not undertake aggressive or contrived tax planning for the purpose of reducing our UK tax liabilities – we are committed to paying our ‘fair share’ of tax. Any tax planning undertaken will align with our business objectives and current business economics and have commercial purpose. External tax advice will be sought for complex transactions or in grey areas. These principles mean that Alkegen will undertake transactions/ planning in the UK in the most tax efficient manner without exposing our UK corporate members to undue tax risk.

Where appropriate, available statutory tax reliefs and incentives are claimed, in line business activities and with the intended purpose of the relevant tax legislation.

Relationship with HMRC

When required to engage with HMRC, the Alkegen UK Group strive to collaborate and maintain an open, honest and transparent relationship with HMRC. All engagement is conducted with integrity and respect and is based on mutual trust. In general, all contact with HMRC is maintained by the UK financial controllers. Alkegen does not have a Customer Relationship Manager, or other dedicated point of contact, with HMRC.