

Oglaend System UK Limited – UK tax policy

Scope

This strategy applies to Oglaend System UK Limited ('OS UK' or 'the Company') in accordance with paragraph 19 of Schedule 19 to the Finance Act 2016 ('the Schedule'). The strategy is published by OS UK in accordance with paragraph 19(4) of the Schedule.

This strategy applies for the financial year starting on January 1, 2022 and ending on December 31, 2022. 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 Company has legal responsibilities.

Background

The Hilti group of entities ('Hilti' or 'the Group') with its headquarters being Hilti Aktiengesellschaft ("Hilti AG") located in Liechtenstein was founded in 1941 by Martin Hilti in Schaan, Liechtenstein. The Group is now a global leading manufacturer and supplier of technology and solutions to the construction industry and related sectors. Hilti is present in over 120 countries and has more than 29,000 employees worldwide.

OS UK was founded in 2001 and is the distributor of Oglaend products in the UK. OS UK is part of the Norway-headquartered Oglaend System group of entities ("Oglaend System Group"). On August 23, 2017, Hilti AG closed a deal to buy 100% of the shares of the Oglaend Group Holdings AS. Since the closing of the deal, Hilti AG has been the 100% shareholder of the top holding company of the Oglaend Group, Øglænd Group Holding AS, Norway. The Oglaend System Group has its global headquarters in Klepp, Norway, and is a leading manufacturer and distributor of cable management solutions and multidiscipline support systems mainly for the offshore oil and gas, shipbuilding and wind energy industries. As such Oglaend's solutions are complementary to Hilti's own systems, mainly in the areas of installation and direct fastening, and should further strengthen Hilti's position in the offshore Energy and Industry segment. Oglaend was founded in 1977, employs approximately 415 people worldwide and has own operations in six countries besides Norway.

OS UK considers corporate responsibility to be integral to its business and this is reflected within its core corporate values of solution focus, entrepreneurial spirit, dedication and reliability.

The Company is committed to full compliance with all statutory obligations and full disclosure to relevant tax authorities. OS UK undertakes to ensure that the tax affairs are managed in a way which takes into account its wider corporate reputation.

Governance in relation to UK taxation

- Ultimate responsibility for OS UK's tax strategy and compliance rests with its Board of Directors ('the Board')
- Executive management for tax matters of the Company is delegated by the Board to the Company's finance team
- Day-to-day management of OS UK's UK tax affairs is delegated to the finance team
- Specialist tax support is provided by external advisors. OS UK's finance team and Managing Director are in regular contact with the external advisors and the Group's global tax team
- The Company reports key financial decisions and information (including tax) into the Board meetings

Risk Management

- As part of its general risk management process, OS UK supported by external consultants and the Group's global tax team operates a system of tax risk assessment and controls as a component of the overall internal control framework applicable to its financial reporting system
- OS UK ensures that reasonable care is applied in relation to all processes which could materially affect its compliance with its tax obligations
- OS UK together with its external tax consultants shall regularly review updates and changes to the relevant tax legislation. The Group's global tax team also frequently cascades information, including updates on tax legislation, on a regular basis to OS UK's managing and finance director
- Advice is sought from external advisers where appropriate, who may also be used to provide updates and training as required for key staff
- Appropriate training may be provided by the global tax team to OS UK's management and staff

Attitude towards tax planning and level of risk

OS UK undertakes to manage tax risks to ensure compliance with legal requirements in a manner which generates payment of the right amount of tax.

OS UK does not undertake tax planning unrelated to its commercial transactions. The level of risk which the Company accepts in relation to UK taxation is consistent with its overall objective of achieving certainty in its tax affairs. OS UK seeks to comply 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, together with OS UK's finance team and supported by the global tax team, 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. The Company's Board and executive management align, therefor with the global tax team and external advisors, if needed.

Relationship with HMRC

OS UK does not have a formal, dedicated point of contact at HMRC therefore the majority of its communication with HMRC relates to obligatory filing requirements. Above and beyond this OS UK seeks to be cooperative with HMRC as far as possible and seeks to develop relationships with HMRC wherever possible.

Inadvertent errors in submissions made to HMRC are fully disclosed as soon as reasonably practicable after they are identified with full consideration given to the circumstances of those errors to facilitate remedial action.

Date approved: January 27, 2022