

THE AHLSTROM-MUNKSJÖ GROUP TAX POLICY

AHLSTROM-MUNKSJÖ OYJ

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General

- The Ahlstrom-Munksjö group tax policy sets the framework for handling tax matters within the group.
- Ahlstrom-Munksjö Group Policy is to report and pay taxes in a timely manner and in compliance with local regulations in the countries where the Group operates.
- Taxes and tax risks are always a consequence of business operations. Tax should be managed as any other cost and risk.
- Ahlstrom-Munksjö acknowledges that aggressive tax planning and artificial arrangements purely aiming at achieving tax benefits are not in line with good corporate citizenship and constitutes a direct threat to the company's brand and reputation. Such arrangements are therefore strictly prohibited according to the Group's policy. No transaction is to be executed solely based on tax planning schemes.
- Double taxation, i.e. when the same income is taxed in more than one country, is costly and should be avoided. If it occurs mutual agreement processes and other legal procedures are used in order to eliminate double taxation effects.

Responsibility

- Group Tax is overall responsible for tax issues in the Group:
 - Manage and mitigate tax-related uncertainties.
 - Support business and identify cost-efficient solutions to add shareholder value, while operating in accordance with law and regulations. Tax is an integrated part of business processes.
 - Ensure that tax matters are handled in a sustainable manner.
 - Issue guidelines to ensure compliance with the Group's tax policy, risk policy and other relevant policies.
 - Ensure an efficient legal and capital structure, in collaboration with other Group functions.
- Each legal entity is responsible for tax compliance and to comply with the Group's tax policy and guidelines.
- Tax coordinators are appointed in countries with tax groups to ensure efficient tax handling and optimization.

Specific Areas

- Transfer Pricing – All cross-border group internal transactions are to be priced according to the “Arms's length principle” as defined in the OECD Transfer Pricing Guidelines, i. e. according to the same terms as would have been agreed between independent parties in similar conditions.



- Tax risks – Tax-related uncertainties are assessed on a quarterly basis. Key findings and actions related to tax audits, tax risks and any other tax issue of significant importance for the Groups financial position are reported regularly to the Group Management and to the Audit Committee.
- New business transactions – Material business transactions, such as business acquisitions and disposals, are subject to tax review involving Group Tax before launched / implemented in order to ensure tax compliance.
- Disclosure – Compliance with all relevant disclosure requirements according to local regulations and bodies such as OECD, EU, IFRS is to be ensured. Transparency and enhanced relationship with authorities are encouraged.