Global Tax Strategy

Olympus Water Holdings IV, L.P.

Introduction

This Global Tax Strategy is published by Olympus Water Holdings IV, L.P., doing business as Solenis ("Solenis" or the "Company"), a tax resident of the Cayman Islands and the head of the Solenis group of companies ("Solenis Group", "we" or "our") as of November 9, 2021. This tax strategy applies to all companies forming part of the Solenis group. Our Global Tax Strategy necessitates strong governance and consideration of our global business reputation, while delivering value to all stakeholders.

Solenis is committed to being globally compliant with the tax laws in a responsible manner and pays taxes including corporate income tax and stamp duty as well as collects and pays various taxes including employment taxes, customs and excise duties and value-added taxes ("VAT") in accordance with all relevant laws and regulations globally. We believe the taxes we pay and collect form a material part of our economic contribution to the countries in which we operate. In addition, transactions between entities within the Solenis Group are conducted on an arm's-length basis and in accordance with the current Organization for Economic and Co-operation Development ("OECD") principles.

Global Tax Strategy

The Solenis Group, considering our global business activities and taking into account the prevailing regulatory environment, establishes entities in jurisdictions suitable to hold our global operations. Corporate income tax is payable on the profits made by the companies in the Solenis Group after allowable business expenses have been deducted, as permitted according to the tax laws in the relevant country. We pay the correct tax on the profits we make and in the countries where we create the value that generates those profits.

Our Global Tax Strategy requires that we must do the following:

- Respect the tax laws applicable in each country, including not only the letter of the law but the underlying tax policy intent;
- Understand how and where the different companies in the Solenis Group contribute to creating value and ensure that the prices paid on transactions between companies in the Solenis Group properly reflect where value is created (in other words, each entity operates at "arm's length");
- Prepare all tax returns in the form specified in the local country and timely file those returns;
- Prepare and retain the documentation required by local tax laws and any other documentation which will be needed to answer questions (if any) raised by our tax auditors;
- Employ appropriately qualified and trained tax professionals and where appropriate engage external advisors, each with the right levels of tax expertise and understanding of our business;
- Work collaboratively, wherever possible, with tax authorities; and
- Endeavour to obtain certainty on all tax matters, firstly by ensuring that our transfer pricing policies are consistently applied across the Solenis Group and, secondly, where appropriate, by entering into Advance Pricing Agreements with the relevant country's tax authorities based on full disclosure of all relevant information.

Approach to Tax Risk Management

As a global business, we are subject to taxation in each country in which we operate. Due to the changing business environment, increased globalization and substantial changes in the international tax system, uncertainty regarding the correct application of the tax laws in the operating regions could arise. The tax laws and regulations in many countries differ and are often complex and subject to interpretation. Recent developments in the international political and tax arena such as the OECD's Base Erosion Profit Shifting ('BEPS') initiative and the EU Tax Directives increase the likelihood of changes to tax systems globally, creating added uncertainty in the countries in which we operate.

We seek to minimize our tax risk and prevent unnecessary tax disputes by complying with our Global Tax Strategy and Global Tax Policy by:

- Adopting technical tax positions that have a strong basis (i.e., a 'more likely than not' opinion) in the tax law;
- Providing clear explanations of those positions to the relevant tax authorities;
- Consulting with outside CPA firms and law firms on such tax positions;
- Preparing thorough documentation, particularly relating to facts, justifying such tax positions;
- Establishing and maintaining open and constructive relationships with tax authorities wherever possible;
- Ensuring timely, accurate and complete tax returns through strong internal compliance procedures; and
- Monitor changes in relevant tax law and practice and undertake regular training if necessary.

The Tax Risk Framework below sets out the mitigating actions that all tax professionals working for the Solenis Group take to manage and monitor key tax risks. There are seven key risk areas covered by the tax risk framework: Policy, Organization, People, Governance, Risk Management, Compliance and Documentation, and Reporting.

Framework	Risk	Mitigating Action
Policy	Transactions and behavior not in line with our Global Tax Policy	Annual review of transactions with auditors and management to ensure transactions are performed in compliance with our Global Tax Policy.
Organization	Absence of correct organizational structure to correctly implement our Global Tax Strategy	Organizational structure reviewed quarterly by the Chief Financial Officer ("CFO") and Vice President of Global Tax ('VP Tax").
People	Insufficient tax skills and training	Regular continued professional education ('CPE') and training seminars and webcasts for tax department.

Governance	Insufficient controls in place to monitor decision making within the Solenis Group	Identify, assess, and manage tax risks, and account for them appropriately. Report on a quarterly basis to the Solenis Disclosure Committee on how tax risks are managed, monitored, and assured and on improvements (if any) being made.
Risk Management	Insufficient compliance procedures in place	Periodically the VP Tax reviews the procedures in place to ensure all decisions are taken at the appropriate level and supported with documentation that evidences the facts, conclusions and risks involved - getting comfort from third parties where required.
Compliance & Documentation	Failure to meet the statutory tax filing and disclosure obligations	Annual compliance calendar and tracker monitored weekly.
Reporting	Tax positions not accurately reflected in reporting	Quarterly review of tax positions and annual reviews of positions with management and external auditors.

Solenis has robust internal tax processes, procedures and policies in place to ensure that our tax obligations are met and are in line with our business on a global level. As Solenis is involved in transactions, uncertainty may occur with respect to the correct application of the tax laws and regulations. A higher tax risk is more common for transactions within Solenis which are not performed on a day-to-day basis (e.g., restructuring projects). For transactions involving a higher tax risk than the common day-to-day transactions, internal processes, controls and systems within Solenis are in place. Hereby the VP Tax is pro-actively involved with the transaction and closely coordinates with the regional tax departments and external parties to review whether the implementation of the transaction is correctly structured, is in line with our Global Tax Strategy and whether any appropriate internal consents/approvals are obtained from the CFO and the Management Board. We likewise ensure that key stakeholders are informed.

Transactional Risk

The commercial needs of the Solenis Group drive the business. This often results in a number and variety of transactions being undertaken with and sometimes between the Solenis Group companies. Our tax professionals work with the business to provide clear and relevant advice on the tax consequences arising from any given transaction. In the event more than one legitimate option exists to achieve the same result, the most tax efficient option in compliance with local laws and regulations is recommended to the business.

In any transaction there may be uncertainty as to how the relevant tax laws and regulations will apply – and uncertainty may also arise from certain judgement calls made by the business – particularly in the more complex areas. The more unusual and less routine a transaction is, then generally, the greater the tax risks associated with it are likely to be. One-off, non-routine transactions, such as acquisitions/disposals of various Solenis Group businesses or parts of a Solenis Group business, or significant restructuring projects or reorganizations, will generally bear greater tax risks than our routine business (for example, selling products and services).

The Company has well-designed procedures and systems in place for the processing of routine transactions. Moreover, our global tax department acts in accordance with our Global Tax Policy when engaging in any transaction. Examples of routine transactions include: the preparation and review of the current and deferred taxes on the financial statements, preparation and review of corporate income tax returns, and preparation and review of financial statement disclosures.

For non-routine, one-off transactions, our global tax department is involved from the beginning of the contemplated transaction to ensure that the Solenis business is provided with clear and relevant tax advice on the consequences arising from the transaction and understands our strategy to avoid any unnecessary internal or external disputes.

Any material tax planning or transaction undertaken by the Solenis Group seeks the assistance of outside CPA firms and legal counsel. Additionally, no material tax planning or transaction should be entered into without external advisors providing a minimum of “more likely than not” opinion. This means that the Solenis Group will only enter into a transaction where it is more than likely that a tax position will be sustained if it were to be examined and/or litigated based on the technical merits of the position. Plans or transactions that are above a certain materiality threshold level must also be approved by Solenis’ CFO, CEO and also by the Board of Directors (or the appropriate committee thereof).

Our global tax department is involved throughout the transaction, complying at all times with the Global Tax Policy, to ensure the transaction is correctly structured under the tax laws of the relevant jurisdiction(s) and any appropriate consents/approvals are obtained in advance from the local tax authorities. We keep accurate records and retain all documentation in relation to the transaction. All material transactions are undertaken with the assistance of external advisors and extensively by our external auditors.

Operational Risk

Operational risk concerns the underlying risks that stem from the tax laws, regulations and decisions around the world to the routine everyday business operations of a company or, in our case, the Solenis Group. Different types of operations will have different levels of tax risk associated with them. Given the global presence of the Solenis Group and the current tax reforms taking place around the globe, Solenis seeks to ensure that there is consistent communication between the various stakeholders within our business. For example, regular calls are scheduled between all Solenis regional business heads and finance groups and our tax department to ensure the tax team is abreast of all key Solenis initiatives. Our tax team is well positioned and has the right processes in place to ensure the Solenis Group complies with the local tax laws and regulations in the countries where we operate, including new laws driven by the OECD's BEPS initiative.

Compliance Risk

Solenis complies with all tax laws, regulations and disclosure requirements in all countries in which we operate. This requires that:

- Solenis, in accordance with local laws, submits all tax returns by their due dates. Where necessary, third-party assistance is used to complete the necessary filings.

- Where a material position is taken in a tax return, this position is supported with documentation and legal interpretation. To this end, it is strongly recommended that clear documentation of facts and circumstances surrounding a material transaction are recorded at the time of the event.
- The tax department keeps apprised of, and monitors, changes in tax law and practice relevant to the Solenis Group, with the aim of mitigating any adverse impact to a company within the Solenis Group. The department also undertakes regular training to assess any consequences of changes in tax law/practice for the Solenis Group.
- The tax department manages its compliance affairs to minimize the risk of any adverse publicity.

Key Roles and Responsibilities

Organizational Design

Solenis' tax department forms part of the Solenis Group Finance function. The Finance department functional leaders including the Vice President – Head of Global Tax ("VP Tax") reports to the Chief Financial Officer ("CFO"). Our VP Tax leads a team of in-house professionals who have tax related knowledge, skills and experience across various taxes, accounting and law with specific geographic and technical responsibilities. The tax department is organized and managed on a centralized basis which ensures we have consistent global tax policies, strategies and processes in place for the team to follow and can invest in the team's continuing professional development while using regional teams (including North America, Latin-America, EMEA and Asia-Pacific) to execute the day-to-day tax strategy and policies discussed previously.

The VP Tax and CFO meet regularly to discuss current matters and all tax initiatives. Once a quarter, they undertake a thorough review of the tax function. All material, non-routine tax transactions are approved first by the CFO and then by the CEO before being presented to the Board of Directors of Solenis (or the appropriate committee thereof).

The Board of Directors are responsible for overseeing management's overall approach to risk management (including tax risk). The Board has an active role, as a whole and also at the committee level, in overseeing management of our risks to ensure our risk management policies are consistent with our corporate strategy.
The Board annually reviews the major strategic, operational, financial and legal risks facing the Solenis Group as well as potential options for mitigating these risks. The Board has delegated to its committees responsibilities for elements of the Company's risk management program that relate specifically to matters within the scope of such committee's duties and responsibilities. The Audit Committee is responsible for the oversight of accounting, auditing and financial related risks.

As outlined throughout this strategy, the Solenis Group has robust internal policies, processes, and training and compliance programs to ensure we have alignment across our business and meet our tax obligations. The Board of Directors (or the appropriate committee thereof) are ultimately responsible for setting and approving the Solenis Group tax strategy, policies and risk management. Where the Solenis Group is considering entering into a material transaction, final approval from the Audit Committee is required before proceeding.

The VP Tax meets with the Audit Committee Chairman at least annually to provide updates on the global tax landscape at Solenis, any pending legislation that may impact the Solenis Group, any on-going audits and to advise the Board of Directors (or the appropriate committee thereof) of any risks that may impact the Solenis Group (e.g., due to changes in law).

In determining the level of tax risk the Solenis Group is willing to take in a given year, the Board of Directors (or appropriate committee thereof) considers the reputational risk of proposed and expected transactions within the Solenis Group to avoid any negative impact on shareholder value. The Solenis Group's appetite for risk is governed by its "more likely than not" principle. Consistency and transparency in applying this level of risk tolerance across the Solenis Group is essential. All members of the Solenis Group tax department should, at a minimum, meet this level of risk tolerance when making any tax-related decision, and act proactively ensure and continually improve Solenis' tax risk decision-making.

Attitude Towards Tax Planning

Any tax planning to structure our operations in a tax efficient manner is driven by a genuine business purpose or commercial rationale, whereby compliance with the law will always prevail. To the extent there is more than one legitimate option to meet a business goal or objective, we will proceed with the most tax efficient option. Such action is done in a way that is aligned with Solenis' commercial objectives, corporate and social responsibilities, our legal obligations as well as the potential impact on our reputation.

Where eligible, we may seek to utilize certain reliefs and incentives that exist, whilst complying with both the intention and letter of the law. External tax planning advice may be sought for material transactions, to assist in forming an opinion on uncertain positions, in instances where specialized knowledge is needed, or for overseas business ventures.

Solenis worldwide policies on transfer pricing are in line with the current OECD principles and all transactions within Solenis are based on the arm's length principle, which are supported by transfer pricing reports. Solenis will not enter into artificial tax arrangements for the purpose of any tax avoidance or which lack commercial rationale.

As detailed throughout our Global Tax Strategy, we pay the appropriate amount of tax on the profits we make, and in the countries where we create the value that generates those profits. We aim to do this by ensuring that we report our tax affairs in ways that reflect the economic reality of the transactions we actually undertake in the course of our trade.

The Solenis Group does not use so-called 'tax havens' in its business, nor will it undertake specific transactions with the sole or main aim of securing tax advantages that would otherwise not be available to it based on the reality of the business that it undertakes. We do not condone either personal or corporate tax evasion under any circumstances.

Our tax returns will be prepared in compliance with our Global Tax Policy and will seek to provide all information that users might need to properly appraise our tax position. We annually review each Solenis Group entity's tax return with our outside accountants to ensure that it correctly reflects our current position and is in compliance with the law.

Relationship with Tax Authorities

Solenis' global tax department is committed to having a cooperative, professional, open and transparent relationship with all tax authorities worldwide to maintain a relationship of mutual trust and respect. In the event that a dispute or difference of opinion should arise with a tax authority, Solenis will pro-actively communicate openly and transparently with the tax authorities to seek a resolution. By maintaining this approach, we aim to minimize the risk of challenge, dispute or damage to Solenis credibility arising when tax matters do arise from time to time.