TAX POLICY

HORSE POWERTRAIN LTD

Table of Contents

1 Introduction ... 2

2 Purpose ... 3

3 Tax principles ... 3

4 Review ... 5

5 How to report a violation ... 5

1 Introduction

This Tax Policy (the “policy”) was adopted by the Board of Directors on 13 February 2025 and applies to all Horse Powertrain[1] employees[2].

It covers all tax obligations to which the company is subject in the different jurisdictions that Horse Powertrain operates in. If and where local operations or subsidiaries choose to develop local tax policy, it is expected to be compliant and aligned to this policy.

Monitoring of adherence to this policy is the responsibility of the CFO, who delegates to the Tax function the implementation and adherence to this policy.

This Tax Policy is published on the company’s corporate website and is available free of charge for all stakeholders.

2 Purpose

The purpose of this Tax Policy is to set out Horse Powertrain’s approach to tax administration and compliance which includes the tax principles that govern all of the company’s activities. Tax administration includes accurate and timely filing of tax returns and making of tax payments.

The policy is aligned with the company’s business and financial strategies along with the values and principles contained within the Code of Business Ethics and other policies.

All employees and directors must act in a proactive, responsible and efficient way. They must act with integrity, honesty and transparency, and furthermore with a credible and trustworthy attitude, which is reflected in our approach to tax administration.

In addition, the Environmental Social and Governance (ESG) strategy plays a pivotal role in guiding this policy. This is reflected in Horse Powertrain’s commitment to comply with the United Nations’ Sustainable Development Goals (SDG) and, particularly, to contribute to the development of societies and economies where Horse Powertrain operates.

This policy is aligned with the relevant OECD Guidelines and recommendations along with the good tax practices set out by a number of different tax authorities. In addition, this policy is periodically reviewed and aligned with best practice, including market trends, stakeholder expectations (e.g. institutional investors) and wider regulatory reporting frameworks

---

1 “Horse Powertrain” means Horse Powertrain Ltd. and its subsidiaries (i.e. all persons and entities directly or indirectly controlled by Horse Powertrain Ltd., where control may be by management authority, equity interest or otherwise).

2 For purposes of this policy, the notion of “employees” includes:

I. all Horse Powertrain employees, regardless of function, position or location, whether working full-time or part- time, under a permanent contract or on a temporary basis, as well as
II. consultants and agency personnel who work at Horse Powertrain premises or under the direction of Horse Powertrain (who usually have a Horse Powertrain identification and/or a Horse Powertrain email address). Note that this policy shall not be construed as an employment contract and does not give consultants or agency personnel any right to continued employment by Horse Powertrain; and
III. the members of the Horse Powertrain Board of Directors of any Horse Powertrain entity.

(e.g. corporate sustainability reporting frameworks).This tax policy meets the UK Tax Strategy requirements and is published in accordance with paragraph 16(2) Schedule 19 Finance Act 2016.

3 Tax principles

The following tax principles guide Horse Powertrain's tax behavior and must be adhered to regarding all activities the company is involved in:

TAX COMPLIANCE AND TAX PLANNING

- Horse Powertrain is committed to complying with the spirit and the letter of the law and regulations (local and international) of the countries in which we operate.
- We are committed to paying the right amount of taxes at the right time according to where value is created within the normal course of our commercial activity.
- Our business is driven by genuine commercial and economic activities. Therefore, we neither use artificially fragmented structures for the purpose of avoiding tax nor do we undertake aggressive tax planning.
- In our regular course of action, Horse Powertrain seeks to conduct business in an efficient manner. Thus, we may benefit from various statutory tax reliefs and incentives in line with applicable laws and regulations. Such incentives or benefits may only be applicable in a transparent manner and in accordance with the business and corresponding legislative framework.
- Horse Powertrain applies the arm's length principle as set by the OECD Transfer Pricing Guidelines adapted to the post-BEPS standards, ensuring that transfer pricing outcomes are aligned with best practices and international standards.
- The company has implemented the appropriate internal procedures to ensure that all related-party transactions are carried out in accordance with the arm's length principle and in compliance with applicable transfer pricing regulations.
- The company is committed to managing its intangible assets in a responsible manner, refraining from their use and generation for mere tax purposes.

TAX RISK AND GOVERNANCE

- Horse Powertrain adopts a conservative approach to tax risk with the Board of Directors responsible for setting the tax strategy of the business. The Board of Directors delegate authority for day-to-day tax risk management to the Global Head of Tax, who is supported by the wider tax and finance function.
- The company has formalized a governance framework for tax risk management to ensure that tax risk across the business is managed and tax compliance requirements are satisfied.
- The tax function maintains a sound system of risk management and internal controls to identify, assess and manage tax risks. Communication and reporting lines, approval levels and roles and responsibilities have been clearly defined and established within our tax governance framework.
- The governance framework operated by the group also considers the various tax governance regimes as required within the jurisdictions the group operates within to ensure compliance with these local requirements. As an example, the company adopts zero tolerance to tax evasion and its facilitation.
- The tax function reports at least annually to the Board of Directors on tax compliance, tax risks, tax policies and adherence to the tax strategy as well as other relevant tax matters.

- Personnel belonging to the tax and finance function have the necessary knowledge, skills and experience to perform their roles. The tax and finance function are also supported by reputable tax experts and, where appropriate, the company will seek external tax advice.
- The company operates a whistleblowing channel which is available to all employees where they can confidentially report any fact or conduct that could infringe its internal regulations or current legislation. This mechanism can be used to report tax matter issues, concerns and / or infringements.

RELATIONSHIP WITH TAX AUTHORITIES

- Horse Powertrain endeavors to build open and transparent relationships with tax authorities where both parties engage in proactive and constructive dialogue to ensure matters are dealt with in a timely manner for the business and the tax authority.
- The company is committed to strong tax administration practices that include accurate and timely filings our tax returns and payment taxes. It will proactively engage with tax authorities, where matters are identified and make relevant representations and disclosures in a timely manner.
- The company values certainty and where appropriate, we will seek clarifications or rulings from the relevant tax Authorities on significant transactions or interpretation of tax law.

RELATIONSHIP WITH STAKEHOLDERS

- Horse Powertrain is committed to providing regular information and updates about our approach to tax compliance to its stakeholders, including investors, policy makers, employees, civil society and the general public.
- The company promotes a constructive debate with other stakeholders in order to foster responsible tax practices. We support initiatives to help develop the capability of tax authorities and systems if requested.
- The company engages in relevant tax debate and initiatives to foster and support tax administration best practices.

4 Review

Further reviews of the policy will be periodically made by the Global Tax function and subject to the Board of Directors' endorsement, if required.

In order to ensure this Tax Policy meets its purpose, it is subject to annual review. However, in the event of modifications in the applicable laws and regulations or any other relevant circumstances, this policy will be reviewed and updated, as necessary.

5 How to report a violation

If you notice any activity or conduct that may result in a violation of this policy, you are expected to report the issue promptly to either your direct manager or your local HR representative. If for some reason you are not comfortable with this reporting procedure, you can also contact another manager or Legal & Compliance or report via the whistleblowing reporting line[5]. For more information about reporting, please refer to the Internal Reporting Policy.

Horse Powertrain will ensure that there are no adverse work-related consequences for any employee who, in good faith, alerts management to possible violations of this policy.

Note that in accordance with the Internal Reporting Policy, employees are required to report any violation of this Policy and failure to do so may result in disciplinary action, up to and including dismissal, within the limits of applicable laws.