



Petrogas E&P UK Group Tax Strategy Financial Year Ending 31 December 2021

This strategy applies to Petrogas E&P UK Limited (the **Company**) and all its UK entities in this UK Group, specifically listed in the Appendix.

The Company's business principles and reputation form an integral part of its approach to tax management. The tax strategy therefore reflects the Company's commitment to be a responsible business and to pay the right amount of tax at the right time.

The Company supports the OECD's commitment to enhance tax transparency and is committed to be in full compliance with applicable laws in countries where it operates. Consistent with this approach, the Company supports the initiatives on base erosion and profit shifting, including but not limited to the recent European Union Anti-Avoidance directives.

The Company makes use of the availability of international tax treaties to avoid double taxation

The Company aims to be a good corporate citizen in the countries where it operates, by complying with the law and by contributing to the countries' progress and prosperity through employment, training and development, local spending, and through payment of the various taxes it is subject to.

The boards of the Petrogas entities in the UK have approved and endorsed the tax strategy.

As part of a large group, the Company is required to comply with HMRC's legislation to publish its approach to tax management. This publication is considered as complying with the duty under Schedule 19, Finance Act 2016, paragraph 22(2).

1. Approach to Risk Management and Governance

The Company aims to ensure compliance with applicable tax laws, rules and regulations by managing and mitigating its tax risks in a timely, diligent and professional manner as follows:

- Maintaining support from staff of other group companies and in-house staff with the necessary skills to ensure a high standard of governance in relation to taxation;
- Ensure separation of duties (prepare, review, approve, authorize) to provide a reasonable level of oversight and review;
- Engaging tax advisory firms with the necessary skills and experience to provide advice, guidance and training, to ensure that the Company's interpretation of the related legislation is appropriate and meets its tax obligation;
- Ensure all important compliance documents are being signed by the Board of Directors;
- Having all key business decisions and/or business transactions (including potential transactions) being reviewed by the Board and assessed for any potential tax risks and how to manage those tax risks, including seeking external professional advice where necessary;
- Tax updates are provided regularly to and are being discussed by the Board of Directors. The Board uses independent third-party professional advisors to monitor, check and confirm the tax-related aspects of all plans and proposals presented to them;
- Setting internal policies and procedures and adherence thereto through a business support framework of control. This framework identifies key risks and the controls to put in place to manage those risks.

PETROGAS E&P UK LIMITED

Registered in England & Wales under 5152884
Office address: 1 Bartholomew Lane, London, EC2N 2AX, United Kingdom
Telephone: +44(0) 207 832 8929
Website: www.petrogasep.com (A member of MB Holding Group)



2. Appetite towards Tax Planning

In structuring and carrying out its day-to-day commercial activities the Company is committed to seek the most tax efficient position, while observing the applicable law and without obstructing the business operations, by making the most of legitimate tax opportunities and managing tax risks. Tax follows the business.

Only reputable external advisors are chosen to assist the Company where guidance or assistance is required on:

- Interpretation and understanding of a particular topic, including new laws and regulations;
- The correct approach to HMRC for a clarification on interpretation, or a clearance on a material complex matter;
- Handling of all tax compliance obligations and requirements under applicable tax laws, rules or obligations.

The tax advisor of choice is expected to pro-actively inform the Company on any developments in tax legislation affecting the Company and on any tax planning or savings opportunities.

3. Approach to dealings with HMRC

It is the Company's policy to be transparent and pro-active in all interactions with HMRC. The Company always tries to maintain a good and open relationship, as well as clear communication, with HMRC. If and where appropriate and possible, the Company will pro-actively disclose relevant information to HMRC in advance in respect of material tax events to ensure clarity, or volunteer on certain tax matters on a real time basis to minimize tax risk. When seeking clarity from HMRC, all relevant facts and circumstances of the situation will always be provided.

For example, where errors have arisen and are discovered by the Company they will be corrected and revised systems and controls put in place internally to minimize future occurrence. A review will be carried out to establish the past occurrences of the problem and, if necessary the appropriate disclosure to HMRC will be made.

4. Level of tax risk tolerated

When considering a material commercial transaction or restructuring or new activity, the Company will, in respect of seeking the most tax efficient position:

- Try to reach clarity and agreement in advance with HMRC where it is possible and appropriate to do so;
- If this is not possible or appropriate, obtain external professional advice on the success of the tax treatment;
- Maintain flexibility in case legislation or the commercial operation changes.

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Appendix: Petrogas E&P UK Group

The following entities are part of the Petrogas E&P UK Group as per 31 December 2021:

- Petrogas E&P UK Limited
- Petrogas North Sea Limited

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