

## **Sojitz: UK Tax Strategy**

This document sets out the approach of Sojitz companies operating in the UK (“Sojitz UK companies”) to conducting their tax affairs and dealing with tax risk.

Sojitz UK companies are committed to:

- Following all applicable laws, rules, regulations and reporting and disclosure requirements relating to its tax activities;
- Applying diligence and care in our management of the processes and procedures by which all tax related activities are undertaken, and ensuring that all our governance is appropriate; and
- Using incentives and reliefs to minimise the tax cost of conducting our business and ensuring that these reliefs are not used for purposes which are knowingly contradictory to the intent of the legislation.

### **Risk Management**

- The management of the companies’ tax affairs is a complex process across many functional areas of the business.
- The risk management process seeks to remove tax uncertainty and thereby manage the level of risk. The risk level accepted will reflect the character of any particular transaction.
- Diligent professional care and judgement will be employed to assess tax risks in order to arrive at well-reasoned conclusions on how the risks should be managed. Where there is uncertainty as to the application or interpretation of tax law, appropriate written advice evidencing the facts, risks and conclusions may be taken from third party advisors to support the decision making process.
- When reviewing the Tax Risks associated with a specific decision or action, the Sojitz UK companies ensure that the following are considered:
  - The legal and fiduciary duties of the directors and employees;
  - The requirements of our Group Code of Conduct and Ethics; and
  - The maintenance of the Company and the Group’s corporate reputation, having particular regard to the way in which we interact with communities around us.

### **Tax Planning**

- The Sojitz UK companies have clearly defined lines of responsibility for their tax affairs, with all decisions being taken at an appropriate level.
- The companies’ tax planning aims to support the commercial needs of our business units by ensuring that the companies’ affairs are carried out in the most tax efficient manner whilst remaining compliant with all applicable laws. The relevant tax functions are involved in commercial decision making processes and provide appropriate input into business proposals to ensure a clear understanding of the tax consequences of any decision made.

### **Approach towards dealings with Her Majesty's Revenue and Customs (HMRC)**

The Sojitz UK companies are committed to the principles of openness and transparency in their approach to dealing with HMRC and in particular commit to:

- Making fair, accurate and timely disclosure in correspondence and returns and respond to queries and information on a timely basis;

- Seeking to resolve issues with HMRC in a timely manner, and where disagreements arise work with HMRC to resolve issues by agreement where possible;
- Being open and transparent about decision-making, governance and tax planning;
- Only entering into transaction that we reasonably believe are structured to give tax result which is not inconsistent with the economic consequences (unless specific legislation anticipates that result), nor contrary to the intentions of Parliament;
- Interpreting the relevant legislation in a reasonable way, and ensure transactions are structured consistently; and
- Ensuring that all interactions with HMRC are conducted in an open collaborative and professional manner.

### **Transfer Pricing**

In line with current OECD\* guidelines we base our transfer pricing policy on the arm's length principal and support our transfer prices with economic analysis and reports.

\*OECD stands for Organisation for Economic Co-operation and Development.

### **Board Ownership and oversight**

This Strategy is aligned with the Sojitz Group Code of Conduct & Ethics and has been approved by the relevant Boards of Directors.

The publication of this Tax Strategy by:

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is regarded as complying with para. 19 (2) and para. 22 (2) of Schedule 19 of the 2016 Finance Act..