

Hoyer UK Group

2018 Tax Strategy

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1. Introduction

This document sets out for HOYER Petrolog UK Limited, Hoyer UK Limited and their respective UK subsidiaries (subsequently referred to as HOYER UK Group) the policy and approach to conducting their tax affairs and dealing with tax risk.

This document has been reviewed and approved by the UK Boards of each company. This document will be reviewed periodically by the UK finance team and any amendments will be approved by the UK Boards.

It is effective for the year ended 31 December 2018 and will remain effective until any amendments are approved by the respective Boards, but it will be formally reviewed and approved at least on an annual basis.

2. Tax Policy

The HOYER UK Group is committed to conducting its tax affairs in a manner consistent with the following objectives:

- comply with all relevant laws, rules, regulations, reporting and disclosure requirements
- ensure that the tax strategy is at all times consistent with the wider HOYER Group's overall strategy and risk management framework
- apply professional diligence and care in the management of risks associated with tax matters
- maintain open communications with HMRC

3. Managing Tax Risks

The Board of HOYER UK Group are ultimately responsible for the UK tax strategy and tax risk management.

The respective Boards request that they be informed of any transactions which might present a tax risk and periodically asks for confirmation that all regulatory requirements of a financial nature are being complied with and that appropriate management controls are in place to minimise the likelihood of such risks arising.

The HOYER Group Finance Director of the ultimate parent company is responsible for ensuring all companies in the Group have appropriate accounting policies in place and all companies are expected to adhere to the Group Accounting Manual which is updated annually.

The HOYER Group maintains a Group Risk Register based on a corporate risk matrix which considers both the potential impact on the Group if a risk crystallises and the probability of it occurring. The risk register is reviewed annually and within the broad category of process risks are included integrity risk and reputational risk. One of the responsibilities of the Group internal audit function is to monitor all Group risks. This function is proactive in encouraging robust process design to ensure all employees work within company guidelines.

All tax risks are assessed by qualified finance staff and when specialist knowledge is required then advice is sought from external advisors before decisions are taken.

As part of its overall objectives the UK finance department aims to submit all UK tax returns on a timely basis, paying the appropriate amount of tax on time. To enable this to happen, reliable and timely accounting processes are established, resourced by staff with the appropriate skills. Tax returns are presented in a detailed manner to reduce the risk that HMRC will wrongly interpret the information submitted.

The finance team will always endeavour to reply to correspondence in a timely fashion and in a comprehensive and clear manner.

4. Tax planning our approach

All employees are expected to follow the Group Code of Conduct which requires them to conduct business within the laws of each country establishing only honest and sincere business relationships.

HOYER UK Group takes a conservative approach to tax and do not adopt a strategy of seeking opportunities to exploit loopholes in the law. Our general approach is to structure transactions to reflect the economic consequences as this enables employees with commercial responsibility to fully understand the impact of the business decisions they take. Where there is uncertainty as to the application or interpretation of tax law, appropriate written advice evidencing the facts and conclusions will be taken from third party advisors to support the decision making process.

5. Working with HM Revenue and Customs

HOYER UK Group deal with HMRC in an open, honest and transparent manner seeking to establish positive working relationships as we do with all of our business relationships.

Whenever there may be any doubt about the way that tax legislation is intended to be applied to a particular financial transaction the Group will seek guidance from HMRC. Similarly where there is doubt that a transaction in the past has been dealt with correctly from a tax perspective then advice will be sought from HMRC.