

Petredec (Europe) Limited UK Tax Strategy – August 2019

Petredec (Europe) Limited (PEL) is the United Kingdom subsidiary of the Petredec group. In line with group standards, it is fully committed to conducting all business activities with integrity and excellence, and to preserve the trust of its shareholders, clients, employees and business partners. PEL has been operating in the UK since 2016.

Governance

The Group Chief Financial Officer (CFO) has ultimate responsibility for the group tax strategy, the management of tax risk and governance of tax matters. He is a member of the board of PEL and the directors of the company review and approve the strategy each year. The Group Head of Tax, who is a direct report of the CFO, is based in PEL's office in London and is responsible for the day-to-day management of tax matters.

Tax Risk Management

PEL is the only company in the Petredec Group that has a presence in the UK. It has no presence outside the UK. It considers its tax risk to be low and aims to maintain this risk profile. Risks are considered under 3 headings:

1. Tax compliance and reporting, being the risk of a compliance failure leading to a return not being submitted on time or containing inaccuracies.
2. Transactional risks, where a transaction is undertaken that carries a tax risk that has not been adequately considered.
3. Reputational risk, which includes the broad contemporary issue of a company not being seen to pay the "right" amount of tax.

The Group Head of Tax seeks to identify and manage these risks and to ensure that internal controls and procedures help with the identification, quantification and management of key risks. The CFO is updated monthly on tax matters and shares key risks and matters with the board. Individual board members also discuss tax matters with the Group Head of Tax on an ad hoc basis.



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Tax compliance and relationship with HMRC

PEL seeks to comply with all of its tax filing, reporting and payment obligations.

It has an open relationship with HMRC and discusses its business and particular tax matters with its Customer Compliance Manager as they arise.

Tax planning and risk

PEL is aware of the need, as a corporate citizen of the UK, to pay an appropriate amount of tax in relation to its operations in the country.

It does not seek out or have involvement with high risk strategies and seeks to plan its affairs in a simple and straightforward way that are consistent with its obligations as a corporate citizen and also as a member of a multi-national corporate group

It works with external tax advisors in the UK and overseas where it faces issues that are complex or uncertain. It only undertakes planning that is consistent with the commercial and economic substance of the group.

Transparency

PEL carefully follows measures, such as the OECD's BEPs initiative, to improve global transparency on tax matters.

The company carries out detailed due diligence on all parties, including customers and suppliers, with which it does business.

The Petredec (Europe) Limited tax strategy has been prepared and published in compliance with paragraph 16(2), Schedule 19, Finance Act 2016 and is in respect of the years ended 31 August 2018 and 2019.