



REGIONAL GENERAL DOCUMENT

RGE.0001.TRI.NWE

Tax Strategy for Exolum International UK Ltd and its NWE Subsidiaries

**Financial Years ended 31 December 2021 and
31 December 2022**

Version 1.0
(20/09/2023)

Document Author:	SME Reviewer / Pre-Approver:	Approver:
Head of Tax and Corporate Finance	NWE Finance Lead	NWE Region Lead
Date: 30/08/2023	Date: 30/08/2023	Date: 19/09/2023

Changes since previous version

New document, first issue.

TABLE OF CONTENTS

- 1. AIM**
- 2. SCOPE**
- 3. REFERENCE DOCUMENTATION**
 - 3.1. Internal References
 - 3.2. External References
- 4. DEFINITIONS**
- 5. ROLES AND RESPONSIBILITIES**
 - 5.1. Head of Tax and Corporate Finance
 - 5.2. Board of Directors of Exolum International UK Ltd
- 6. IMPLEMENTATION**
 - 6.1. Governance and Tax Risk Management
 - 6.2. Attitude to Tax Planning and Tax Risk
 - 6.3. Relationship with Tax Authorities
- 7. REVIEW**
- 8. REVISION HISTORY**

1. AIM

The aim of this document is to comply with the legal requirements of Schedule 19 of the UK Finance Act 2016, which is to publish the company's tax strategy and make it available to the public via the company website.

2. SCOPE

This has been prepared in accordance with Schedule 19 of the UK Finance Act 2016, and has been approved by the Board of Exolum International UK Ltd on 27 July 2023.

Exolum International's' tax strategy applies to Exolum International UK Ltd, a UK registered company, and all its subsidiaries in the United Kingdom, Ireland, Germany, and the Netherlands, together the Exolum International Group.

The Exolum International Group's business comprises the storage and distribution of aviation fuel and ground fuels, including petrol and diesel, via a pipeline network to commercial and military customers in the UK, together with bulk liquid fuel, oil and chemical storage operations in the United Kingdom, Ireland, Germany and the Netherlands. The Exolum International Group comprises the N W Europe Region of the Exolum Group, headed by Exolum Corporation S.A., a Spanish registered company.

3. REFERENCE DOCUMENTATION

3.1. Internal References

Document Number	Document Title
	Code of Conduct

3.2. External References

Document Number	Document Title
	UK Finance Act 2016

4. DEFINITIONS

Acronym/Term	Definition
HMRC	HM Revenue & Customs
NWE	North West Europe

5. ROLES AND RESPONSIBILITIES

5.1. Head of Tax and Corporate Finance

- Responsible for writing the group tax strategy, which covers all members of the group and ensuring the document is published and available via the company website.

5.2. Board of Directors of Exolum International UK Ltd

- The Board of directors of Exolum International UK Ltd is responsible for approving the tax strategy document.

6. IMPLEMENTATION

6.1. Governance and Tax Risk Management

In keeping with the guiding principles set out in the overall Exolum Group's published Code of Conduct, and in line with the vision and values of the wider Exolum Group, the Exolum International Group undertakes to report and pay its taxes responsibly in the territories in which it operates, balancing the fulfilment of its tax obligations with the commitment to create value for its shareholders.

The Exolum International Group is committed to preventing the perpetration of wilful, culpable or negligent tax violations. These actions could give rise to a tax-related debt or a fine for the Group and/or its governing bodies, executives or colleagues. The resulting financial damage, and in certain cases, reputational damage could be costly and long term.

To enable them to comply with these rules of conduct, the Exolum Group has provided its members with an appropriate framework designed to prevent, detect, manage and mitigate in a timely manner the tax-related risks to which it is exposed.

The Exolum International Group's' tax affairs are managed and reviewed by appropriately qualified in-house tax and Customs assurance professionals based in the UK. Support on routine compliance matters is also provided by finance professionals, and where applicable, external advisors, who prepare corporate tax returns in, Ireland, Germany, and the Netherlands, where the activities in those locations are insufficient to warrant a full time in-house tax resource. In the UK, external advisors are engaged to review the corporate tax returns.

In-house tax and Customs assurance management are responsible for communicating and maintaining appropriate operating and accounting procedures, which help to ensure that the applicable controls are in place to facilitate timely and accurate compliance with tax legislation.

Exolum International's Head of Tax & Corporate Finance and the N W Europe Finance Lead report on material tax risks and on the tax impact of significant transactions to the Board of Directors of Exolum International UK Ltd and/or the Boards of the applicable subsidiary companies, who are responsible for approving such transactions and any legal processes to be undertaken.

Oversight is also provided by Exolum Corporation S.A.'s Spanish based team of tax professionals, who regularly report on the Group's tax affairs to the Exolum Corporation Executive Board and Audit Committee.

Tax risks are identified, assessed by reference to likelihood of occurrence and potential impact, and reported in accordance with a risk management framework established and regularly reviewed by the Exolum N W Europe Region leadership team and the overall Exolum Group's risk management team.

Risk Management Frameworks are utilised to inform internal testing programmes, both routine checks and annual plans across the Exolum International Group. Results are openly reported with anomalies rectified and appropriate measures adapted ensuring risk is continually reassessed.

6.2. Attitude to Tax Planning and Tax Risk

The Exolum International Group has a low tax risk appetite and is not willing to accept risks that may result in reputation damage, financial loss or exposure, or significant incidents of regulatory non-compliance.

All subsidiaries of Exolum International UK Ltd are tax resident in countries where their business operations are located, and accordingly tax is paid in the jurisdictions in which the Exolum International Group's employees and assets are located.

Intra-group transactions are undertaken on an arm's length basis and in compliance with transfer pricing legislation, ensuring that appropriate profits are earned in the UK and any other applicable jurisdictions where personnel are employed in provision of intra-group management and advisory services.

Transactions, financing and structuring within the Exolum International Group are undertaken tax efficiently, but always with a commercial purpose, supporting underlying investment and business activities.

The Exolum International Group uses legitimate tax incentives put in place by governments to promote investment in the applicable tax jurisdiction. For example, the Group operates a continuous programme of maintaining and investing in growth and improvement of its infrastructure, which is dedicated to the provision of specialist transport, storage and handling facilities for its oil, gas, chemical and biofuel storage business, and storage and distribution of aviation and ground fuels. The Exolum International Group benefits from tax relief on the majority of such capital expenditure.

External advisors are engaged to provide advice where there is a need for specialist support to ensure transactions and processes are structured to minimise tax risk and to be compliant with the relevant local tax legislation, for example in the case of unusual transactions such as acquisitions and corporate restructuring, or where complex new legislation is being introduced, or where there is any uncertainty in the interpretation of tax law.

6.3. Relationship with Tax Authorities

In keeping with the guiding principles set out in the Exolum Group's published Code of Conduct, the Exolum International Group seeks to comply with applicable tax regulations, respecting the purpose of the rules and always interpreting their contents in a reasonable manner.

The relationship with public administrations, including tax authorities, is based on collaboration, mutual respect and transparency, and also on the guarantee of compliance with the law.

The Exolum International Group seeks to conduct business with all internal and external stakeholders, including tax authorities, in an ethical, open and honest manner at all times.

A transparent approach is taken to disclosing all relevant facts and circumstances to the tax authorities, and the Exolum International Group seeks to maintain an open and constructive relationship with them. A policy of proactive consultation is adopted, including sharing relevant information regarding business activities.

7. REVIEW

This general document shall be reviewed annually or following an incident or awareness of changes to internal or external statutory requirements, policy, procedure or guidance.

8. REVISION HISTORY

Version No	Summary Of Revision	By	Date
1.0	New document, first issue.	Head of Tax & Corporate Finance	19/09/2023