

PETROFAC LIMITED

TAX STRATEGY

Petrofac's tax strategy is to comply with applicable laws and regulations in the countries in which it operates, mitigate its tax risks and seek to enhance and protect its reputation and shareholder value. It does this through the application of its [Tax Policy](#), which is approved by the Petrofac Limited Board and implemented at a Group and divisional level through a Tax Governance Standard. The tax strategy is delivered with integrity, in accordance with the Petrofac [Code of Conduct](#).

Responsibilities

Responsibility for taxes is delegated to the Chief Financial Officer, Group Head of Tax and divisional Finance VPs. Petrofac manages its tax affairs through a team of tax specialists. Tax specialists are embedded within divisions to ensure compliance with tax laws and regulations, working alongside a Group Tax function that oversees compliance, provides technical tax advice, supports business transactions and operations, and manages and monitors the Group's tax risks. External advice and support are sought where Petrofac's position is complex or uncertain.

Risk management

Group Tax reports at least twice a year to the Audit Committee, in compliance with the Group's tax governance and assurance framework. These reports focus on the Group's material tax positions, as well as the Group's response to developments in tax regulation and other tax related activities. On a day-to-day basis, tax risks are managed through the Group Risk Committee and Divisional Risk Review Committees and tax compliance control procedures.

- Risk Review Committees: tax positions of proposed transactions and activities are considered by management in Group Risk Committee and Divisional Risk Review Committees, based on tax risk assessments undertaken by tax specialists. Where appropriate, proposals are then recommended for approval by the Board or Group Executive Committee. The level of tax risk appetite is not rigidly defined but based on a set of principles that are governed through Delegated Authorities and the Group Risk Committee and Divisional Risk Review Committees. These provide limits, parameters and levels of oversight that are applied dependent on tax risk factors.
- Tax compliance: controls over tax compliance procedures comprise automated systems wherever possible, with additional procedures undertaken by appropriately qualified personnel. Periodic reviews are undertaken to monitor the effectiveness of controls.

Tax planning and tax authority interaction

Petrofac will consider utilising tax incentives and reliefs available within the law, but it does not participate in any marketed tax avoidance schemes or other arrangements that take advantage of tax positions that are inconsistent with the commercial and economic substance of the Group's operations.

Petrofac seeks to maintain a collaborative working relationship with tax authorities, being cooperative, open and transparent. Typically, this involves timely communication in response to tax authority enquiries but may also involve proactive discussion to establish and agree the application of the laws or regulations to Petrofac's historic, current or future tax positions.

This Petrofac Tax Strategy and related Tax Policy are published in compliance with the requirements of UK law under paragraph 16(2) of Schedule 19 of Finance Act 2016, for the year ending 31 December 2023. References to "tax" and "tax authorities" should be read to apply to "UK taxation" and "HMRC" (HM Revenue and Customs, the UK tax authorities).