

TULLOW OIL PLC – GLOBAL TAX STRATEGY

1 INTRODUCTION

This document sets out Tullow's group-wide approach to conducting its tax affairs and dealing with tax risk. It applies to all taxes borne and collected by Tullow, primarily corporate income tax, employment, withholding, and indirect taxes. The strategy is compliant with the UK tax strategy publication requirement set out in Paragraph 16 of Part 2 of Schedule 19 of the UK Finance Act 2016.

Tullow's tax strategy is approved by the Board. It was last reviewed by the Audit Committee in November 2022 and is applicable to the financial year ending 31 December 2023.

1. TAX POLICY

Under our Code of Ethical Conduct, we seek to comply with all applicable laws and reporting obligations. We aim to pay our taxes on time in the jurisdictions in which our activities are undertaken in accordance with the domestic tax law or applicable production sharing agreement.

We are committed to transparency in our payments to Governments and support the Extractive Industries Transparency Initiative. Our most recent disclosures under the European Transparency Directive and additional voluntary disclosures of taxes paid may be found here (2021 Payment to Government Report, pages 1-2)

When we enter new territories, our primary objective is to achieve clarity and certainty regarding the application of the applicable rules through engagement with the authorities. We then aim to be compliant with those rules and put in place processes and controls to ensure we meet our obligations through timely and accurate returns.

We engage with governments on the development of tax laws either directly or through trade associations and similar bodies within the guidelines of our Code of Ethical Conduct.

We conduct transactions between Tullow Group companies on an arm's length basis in accordance with the Organisation for Economic Co-operation and Development Guidelines ([available here](#)). These transactions relate primarily to the provision of technical and administrative support to our local operations, and funding for those operations. The pricing of such transactions is based on fair market terms, reflects the commercial nature of the services provided, and is subject to review and audit by tax authorities in the jurisdictions in which we operate.

2. ATTITUDE TO TAX PLANNING

When entering into transactions we seek a tax efficient approach that reflects the commercial and economic substance of those transactions. We do not take an aggressive approach to the interpretation of tax legislation for tax planning purposes, nor do we use artificial schemes or tax havens to reduce the tax liabilities of the Group.

Tullow will use available incentives and reliefs implemented by governments and tax authorities to minimise the tax costs of conducting our activities, enhancing our ability to generate value for all stakeholders and supporting further investment for oil and gas exploration and production activities.

If the tax treatment of a particular transaction is uncertain or particularly material, we may seek assurance from the relevant authorities if that option is available from them, or an opinion from an external advisor.

We do not enter into transactions that have a main purpose of gaining a tax advantage, or intentionally make interpretations of tax law that are opposed to the original intended policy objectives of the governments which introduced the legislation.

3. RISK MANAGEMENT AND GOVERNANCE

Responsibility for our tax strategy, policies and the management of financial risks as they relate to taxation, ultimately rests with the Chief Financial Officer. Our Head of Tax manages the tax affairs of the Group within the strategy approved by the Board with the assistance of a dedicated team of appropriately qualified and experienced tax personnel. The Group Tax function deals with corporate tax matters, oversees compliance, and monitors and reports on the Group's

tax risks. The function also includes Tax specialists who deal with operational tax matters and work closely with the Business Units.

The strategy is incorporated in a Group Tax Standard within the framework of the Group's Risk Management Process described here (ARA 2021, p37). This sets out the controls required over our compliance processes, the effectiveness of which is reviewed centrally. Tax risks are monitored locally, and the tax function engages with the local Business Units regularly to identify and manage tax risk. Tax risk is reported to the Board as a specific area within the Group's wider risk governance framework. The Head of Tax also reports to the Group Audit Committee on the Group's tax position and risks as noted here (ARA 2021, p118)

4. LEVEL OF ACCEPTABLE RISK

We take a responsible approach to managing our tax risk and complying with applicable tax laws and regulations in the countries in which we operate.

The Tax Policy above reflects a low appetite for tax risk in determining our strategy. There is an inherent level of tax risk associated with our operations across a large number of jurisdictions where the tax regime may be unclear. Those tax risks are monitored and managed in a manner consistent with all other business risks, and the risk levels arising from operations in any jurisdiction are managed within risk tolerances determined by the Board.

5. RELATIONSHIP WITH HM REVENUE & CUSTOMS (HMRC) AND OTHER TAX AUTHORITIES

It is Tullow's intention to have open and transparent relationships with all tax authorities. To that end, Tullow will:

- conduct all tax authority dealings with openness and honesty;
- build good relationships with tax authorities by engaging in real-time dialogue about our business and tax affairs, where possible. This may involve us disclosing significant matters to the authorities in order to gain agreement on the applicable tax treatment;
- where tax authorities take a different approach, seek to respond in a timely and courteous manner and work together to resolve issues by agreement where possible; and
- respond to consultations where appropriate, either directly with tax authorities or via industry representations. Such representations as are actually made do not necessarily represent the views of Tullow.

Agreed by the Board of Tullow Oil plc

29 November 2022