



TAX STRATEGY
United Kingdom
(updated December 2020)



SCOPE

PGS ASA ('PGS') is a Norwegian headquartered group providing seismic services to oil companies. PGS has local offices in 13 countries and has regional centres in the UK and the US.

This statement sets out PGS' tax strategy in relation to its UK companies and will be subject to annual review. It is published in order to satisfy the requirements of Schedule 19 Finance Act 2016 (UK Legislation) and is effective from 1 January 2021. It has been approved on behalf of the Board by the PGS Chief Financial Officer ('CFO').

PGS TAX PRINCIPLES

PGS conducts its UK tax affairs in accordance with the following principles:

- To observe all applicable laws, rules and regulations
- To apply diligent, professional care and judgment to arrive at well-reasoned conclusions
- To ensure that decisions are taken at the appropriate level and are supported with documentation that evidences the facts, conclusions and risks
- To seek professional advice where tax law is subject to interpretation
- To undertake dealings with tax authorities in a professional, courteous and timely manner

GOVERNANCE

Ultimate responsibility for PGS' UK tax strategy rests with the PGS Board of Directors. The PGS Board delegates the management of UK tax risk to the Executive Management Team ('EXT'), led by the Chief Executive Officer ('CEO'). The EXT are required to operate within guidelines set by the Board. The CFO is the EXT member with specific responsibility for accounting and tax matters and is the Senior Accounting Officer, as defined in UK legislation.

Day to day management of PGS' UK tax affairs is delegated to the Global Head of Tax who reports directly to the CFO, and holds regular meetings with the CFO to discuss and approve UK tax matters.

Tax issues, including UK tax issues, are escalated to the Board/Audit Committee as deemed appropriate. In addition, the Board and Audit Committee receive regular updates throughout the year in accordance with the PGS Group Risk Management Framework.

TAX RISK MANAGEMENT

PGS' Tax department is organized in accordance with the PGS regional hub structure. The UK Tax Team is part of the AMME & UK (Africa, Mediterranean, Middle East and UK) regional hub, and comprises 1.5 members of staff. It is PGS' policy to employ suitably qualified tax professionals with the necessary experience to manage tax matters for the region.

PGS has designed its Tax Risk Management processes for the PGS UK Group in accordance with the PGS Group Risk Management Framework. There are specific controls which operate to ensure that UK tax risk is appropriately identified and managed in four functional areas, being tax compliance, tax audit, tax planning and tax reporting. Robust review procedures are contained within the controls.

The tax risk position for the UK is reviewed on a half yearly basis with the Group CFO. The reviews consider potential tax exposures, the likelihood of crystallization, and identify appropriate tax risk management strategies.

ATTITUDE TOWARDS TAX PLANING AND LEVEL OF RISK

In structuring commercial activities PGS will consider the tax laws of countries in which it operates with a view to maximizing value for shareholders. PGS seeks to take advantage of available tax incentives, reliefs and exemptions. Any UK tax planning undertaken will consider the impact on PGS' reputation and will be undertaken in accordance with PGS' [Code of Conduct](#) and [Our Values](#).

PGS relies on its Risk Management Framework to ensure that UK tax risk is appropriately assessed. Where the interpretation of tax law is uncertain professional advice will be taken from reputable external advisors. PGS will then use its best judgement to determine the appropriate course of action. Controls are in place to ensure that decisions are taken at the appropriate level.

WORKING WITH HMRC

PGS seeks to have an open and collaborative working relationship with HMRC and welcomes regular engagement. It is committed to effective and proactive communication with HMRC regarding any current, future and past UK tax risks, which may be relevant to the UK Group.

PGS seeks to undertake all dealings with HMRC in a professional, courteous and timely manner. PGS provides HMRC with updates in relation to the Group's business, in order that any associated tax issues can be discussed at an early stage. In relation to interpreting the law, PGS will seek clarification from HMRC if it is considered appropriate.
