

TANKERS (UK) AGENCIES LIMITED
TANKERS INTERNATIONAL LIMITED

TAX STRATEGY 2020

Background

In compliance with section 161 and section 19(2) of schedule 19 Finance Act 2016, Tankers (UK) Agencies Limited (the 'Company') is publishing its group tax strategy for the year ending 31 December 2020. The directors confirm that this strategy will apply to the Company and Tankers International Limited (the 'Subsidiary'), the Company's wholly owned subsidiary in the UK. The Company and the Subsidiary are collectively referred to as the Group below.

The business of the Group has a strong focus on corporate responsibility. The payment of taxes related to the Group's business form an integral part of that responsibility. This strategy paper is applicable from the date of its publication until the publishing of an updated version. 'UK taxation' refers to the taxes and duties arising in the UK which include the following:

- All corporate income taxes
- Indirect taxes (e.g. VAT, Custom Duty, Stamp Duty)
- Employment taxes (e.g. PAYE, National Insurance)
- Other applicable tax matters

This tax strategy is approved by management and sets out the Group's general tax arrangements as well as the policy and approach to tax risk management, attitude to tax planning and working with HMRC.

The Group are aligned with and follows the guiding principles, code of conduct and tax policy of the Company as set out below.

Code of conduct and tax policy of the Group

- The Group is committed to providing transparent and assessable information to tax administrations in order to facilitate an understanding of its tax strategy and underlying business.
- The Group sees the strict compliance with the legal framework set by all relevant national fiscal authorities as its obligation.
- The Group meets internationally recognised standards by applying transfer pricing policies such as the arm's length principle. This approach is consistently taken in all countries in which the Group operates.

The Group is committed to complying with its tax obligations and to maintain good relationships with HM Revenue & Customs. To do this the Group only engages in reasonable tax planning that is aligned with its commercial, economic and ethical goals.

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The overall tax strategy of the Group

- To meet all the filing deadlines for the appropriate tax returns.
- To meet the legal and tax requirements in accordance with the law.
- To settle the necessary tax liabilities on time.
- To utilise available tax reliefs and incentives where available in a manner which is consistent with the policy objectives of the respective government.
- To consider the tax impact of important business decisions prior to implementation.
- To be mindful of the impact of tax related actions on the reputation of the Group and that of its stakeholders.
- To comply with appropriate tax risk processes and ensure that there is broad oversight into this compliance.

Risk Management and governance arrangement

The Group understands the importance of tax in the wider context of business decisions and has processes in place to ensure that tax is considered as part of its decision making process.

The Group has maintained professional relationship with external advisers that allow the Group to seek expert advice on specific areas of tax where necessary. The Group's approach is to ensure that management understands and the Group complies with its responsibilities regarding tax law and regulations.

The Group's internal structure is set up to ensure that:

- The Board of Directors understand the importance of tax compliance and how it is achieved.
- The Group is provided with a correct view of its tax compliance and tax obligations.
- The Group fulfils all obligations including those that are specific to the shipping sector.

The Company encourages its staff to keep up to date with regulations by attending seminars and technical briefings. The Group engages external advisers and expertise where necessary to ensure that the fiscal consequences and impact of any important decisions are identified and considered before implementation.

Tax planning

The structure of the Group is based on sound commercial principles and in accordance with the regulations in the tax regimes in which it operates. The Group's structure is relatively simple and transparent. Furthermore, professional advice is sought on a transactional basis, with the depth of such advice being driven by its assessment of the risks, rules or regulations presented by each case individually.

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Tax planning (continued)

The Company's principal activities, which have been practically unchanged since its incorporation, does not require complex tax planning. The main goals of the Company are to:

- Comply with regulations.
- Minimise tax liabilities legitimately.
- File the necessary tax returns on time.
- Settle all tax liabilities before the settlement deadline.
- Minimise the overall tax risk so to avoid negative publicity through potential non-compliance of laws and regulations.

Relationship with HM Revenue & Customs (HMRC)

The Group's general policy is to be transparent and proactive in all interactions with HMRC through regular meetings and communications with HMRC. It has an open and positive working relationship with HMRC and promote an open dialogue between tax policy makers and businesses. The Group is committed to promptly disclose and be transparent in all tax matters with HMRC. The communication with HMRC is focussed around timely tax compliance, for example, meeting relevant filing and payment deadlines for tax liabilities. The Group also engages the services of professional advisers, who liaise directly with HMRC on the Group's behalf.