

Gazprom Companies in the UK

Tax Strategy

This Tax strategy is prepared in accordance with the Tax strategy of PAO Gazprom.

The Tax strategy of PAO Gazprom is based around the following core principles:

- legality,
- good faith and transparency,
- rationality, optimality and reasonable due diligence in tax planning,
- flexibility and promptness,
- centralization and unification.

Gazprom Companies in the UK (“GCUK”) carry on a mix of upstream, downstream, trading and retail gas marketing operations in the UK and abroad.

GCUK pays a broad range of UK taxes, including: corporate tax and supplementary charge to taxation, irrecoverable VAT, employer national insurance, energy taxes (e.g. climate change levy) and property taxes (e.g. stamp duty land tax), as well as taxes in other jurisdictions in which it operates.

UK Tax Strategy for GCUK

In managing their liabilities and compliance obligations in relation to UK taxes, GCUK adheres to its UK Tax Strategy which is summarised as follows:

GCUK’s tax strategy is to conduct itself in a way which is in full compliance with the tax laws and practices of each jurisdiction in which it operates and which is also within an acceptable and pre-determined level of risk, with particular regard to the Gazprom Group reputation. In delivering the tax strategy, GCUK recognises that tax is a significant global cost and, in pursuing its commercial vision, it will proactively and legitimately seek to minimise this cost and eliminate double taxation through effective and efficient tax management and operations.

The strategy comprises six key component parts:

1. Commercial tax advice

The interests of the shareholder and commercial needs are paramount and all tax advice is provided in this context. Where alternative approaches exist to achieve the same commercial result, the most tax efficient approach will be recommended, subject to due consideration of GCUK’s tax risk parameters and ensuring that positions taken are sustainable and defensible over the long term taking into account the interests and strategic aims the shareholder. Tax advice and planning is only provided to support genuine commercial activity, not against the intention of the law and will be

correctly applied and implemented with senior management aware of all such proposals before implementation. GCUK will not provide tax advice that is contrived or artificial.

2. Transfer Pricing arrangements and operations

GCUK accepts and complies with the transfer pricing legislation and recommendations established by the OECD. GCUK carries out transactions on an arm's length basis. Transfer pricing policies are set according to the OECD guidelines and will be consistently applied from year to year and from jurisdiction to jurisdiction. The only deviations from this policy will be to comply with local law in non-OECD countries.

3. Tax accounting and reporting

GCUK strives to ensure that its taxes and tax affairs are accurately recorded in financial statements through appropriate accounting and reporting systems and internal control processes and this information is provided to its shareholder. Timely and appropriate tax information is also provided to management to assist with commercial and financial decision making.

4. Tax compliance

Tax compliance for GCUK means meeting all tax return and other filing obligations on a timely basis and paying the correct amount of tax based upon applicable tax laws in all countries of operation. GCUK will disclose all relevant facts and circumstances to tax authorities on a timely and transparent basis. In line with this, GCUK strives to meet its tax compliance and associated reporting requirements around the world in the most efficient and effective manner possible.

5. Tax risk management

Proportionate to the complexity of the underlying business risks, a tax risk framework is used to identify, track and manage tax risks. This ensures that GCUK is operating within an acceptable level of tax risk and that unexpected tax issues that could have a material financial or reputational cost to GCUK or the wider Gazprom group are recognised, tracked and minimised. Where there is significant uncertainty or complexity in relation to a tax risk, external advice may be sought to ensure appropriate risk assessment. GCUK's policy is to respond quickly to the rapidly evolving external environment and adapt promptly to operations under new conditions.

6. External stakeholder communication

GCUK engages with HMRC and other external stakeholders with honesty, integrity and transparency. This includes disclosure of all facts and circumstances to the tax authorities on a timely and transparent basis. The aim is to ensure a positive reputation and relationship and where possible to achieve "low risk" status. GCUK makes an effort to maintain open and professional communications and to meet statutory and legislative tax requirements across all taxes.

Board oversight of the UK Tax Strategy of the Gazprom companies in the UK

The Tax Strategy is approved, overseen and ultimately owned by the Boards of Directors of the Gazprom companies in the UK. There are procedures in place that allow the Boards to oversee the underlying tax management processes and to ensure that appropriate status is placed on tax matters within the overall business control environment. In addition formal tax updates are

provided to the Boards periodically and there is an escalation process in place for unresolved tax issues or exceptional tax risks.

This Tax Strategy was reviewed and approved by the companies concerned. This statement is understood to meet the companies' requirement to disclose their UK tax strategy under Schedule 19 FA 2016.

Gazprom companies in the UK covered by this strategy

- Gazprom Marketing & Trading Ltd.
- Gazprom Marketing & Trading Retail Ltd.
- Gazprom Global LNG Ltd.
- Gazprom Mex (UK) 1 Ltd.
- Gazprom Mex (UK) 2 Ltd.
- Gazprom (U.K.) Ltd.
- Gazprom UK Resources S.A.
- Wingas UK Ltd.
- Wingas Storage UK Ltd.
- Gazprom International UK Ltd.

This document is published on the website of Gazprom Marketing & Trading Limited
<http://www.gazprom-mt.com/WhoWeAre/OurTaxStrategy/Pages/default.aspx>