

INTRODUCTION AND PURPOSE

Elementum's strategy is to pay a fair share of taxes on time in each country and territory where it operates and manage its tax burden considering the interests of all stakeholders.

This tax policy (the "**Policy**") summarises key principles of Elementum's tax strategy and tax policy fundamentals, as well as its approach to tax management.

Any provisions of this Policy are intended to enhance compliance with effective local tax legislation and generally accepted standards and principles of and approaches to taxation.

When planning cross-border transactions involving several jurisdictions, Elementum will abide by policies, conventions, treaties, commentaries, and any other documents approved by the Organisation for Economic Cooperation and Development (including, but not limited to, Model Tax Convention on Income and Capital and official Commentaries thereto, Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations and Action Plan on Base Erosion and Profit Shifting).

POLICY STATEMENTS

Principles of tax management and management of tax risks. *Identification and management of tax risks.* Elementum regularly analyses whether any tax risks arise as a result of its activities. The identified tax risks and decisions taken to mitigate, manage or reduce such risks, as well as any measures taken by Elementum to prevent re-occurrence of such tax risks, are reflected in the unified register of group tax risks maintained by Elementum.

Tax management. Elementum has an effective tax management system and tax risk prevention system. Such systems are regularly reviewed to ensure compliance with current tax legislation and new market and industry practices, leading to the proper fulfilment of tax obligations. Elementum provides access to the relevant internal policies, processes, training, and seminars to ensure that employees in the finance department have a sufficient understanding of the tax system.

Principles of tax planning. *Tax planning.* In its business activities, Elementum uses only tax incentives and tax exemptions, which are provided by current tax legislation and meet the commercial goals of Elementum.

Tax structuring and use of low-tax jurisdictions. Elementum does not use low-tax jurisdictions (tax havens) for tax planning purposes. Notwithstanding the fact that Elementum may use such jurisdictions for general business purposes, such jurisdictions are not used for tax structuring purposes. Elementum does not use artificial tax planning as well (including, among others, transactions and activities which lack business or commercial rationale).

External advisors. Elementum may use (if and when necessary) external advisors following the tax principles stated herein.

Transfer pricing. All and any transactions which are deemed (or may be deemed) to be controlled for transfer pricing purposes per the effective tax legislation comply with the "arm's length principle". Such compliance is confirmed by the respective economic analysis (benchmarking study) and transfer pricing reports.

Principles of acceptance of tax risks. *Risk appetite.* Elementum has a low tax risk appetite. Elementum ensures timely identification and management of tax risks.

Principles of relationships with fiscal authorities. *Openness and transparency.* Elementum is open and transparent in its approach to the development of tax strategy and tax policy, as well as its approach to the management of tax risks. Elementum seeks to develop its relationships with fiscal authorities of the countries and territories where it operates based on transparency and trust. Except for compliance with effective tax legislation, as well as the use of existing tax practice and taxation, when making management decisions that affect (or may potentially affect) Elementum's tax position, openness and transparency also mean that Elementum will openly and effectively cooperate with fiscal authorities to reach a consensus on all and any areas of tax consideration which may arise.

Compliance with the effective tax legislation. Elementum is responsible, accurate, and careful in its approach to calculating, reporting, and paying its tax liabilities, as well as with any interpretations of the effective tax legislation and principles of international taxation. Elementum takes a conservative position when calculating and paying its tax liabilities, and commits to paying a fair share of taxes promptly according to the effective tax legislation and (if and when necessary) existing tax practice and taxation.

Tax risks. Elementum's decisions, transactions, and activities may lead to uncertain positions or areas of tax concern. Some of such uncertain positions or areas of tax concern may ultimately crystallise in tax risks. All and any uncertain positions or areas of tax concern are categorised by Elementum as follows:

Operational risks. Operational risks are risks related to insufficient tax processes and procedures, defects in internal systems of Elementum, and inadequate headcount or qualification of tax management personnel. To mitigate such risks, Elementum regularly (not less than once a year) reviews internal processes and procedures, as well as the existing system of controls on its adequacy and compliance with the effective tax legislation. Simultaneously, Elementum makes decisions on the improvement, exclusion, or implementation of new processes, procedures, and systems of controls.

Technical risks. Technical risks are risks related to the interpretation of certain provisions of the effective tax legislation or their applicability to some of Elementum's transactions. Supported by external advisors (if and when necessary), employees of Elementum's finance department should make decisions on the interpretation of certain provisions of the effective tax legislation and their applicability to some of Elementum's transactions considering tax principles stated herein.

Political and legislative risks. Political and legislative risks are risks related to the late identification or wrongful interpretation of changes in tax legislation and, consequently, late implementation of the respective changes in the internal systems, processes, procedures, and system of controls. To minimise such risks, Elementum regularly monitors changes in the tax legislation of all countries and territories where it operates, as well as changes in principles and approaches to international taxation. If and when necessary, Elementum implements the required changes to the internal systems, processes, procedures, and system of controls.

GENERAL PRINCIPLES FOR INTERNAL POLICIES

These General Principles for Internal Policies (the "**Principles**") apply to all policies of Elementum Energy Limited unless the relevant policy includes an express derogation from the Principles approved in accordance with the terms of these Principles.

Our commitment. Elementum Energy Limited and its subsidiaries ("**Elementum**", the "**Group**" or "**we**") commit to powering a transition to a carbon-free society with affordable, reliable, sustainable and modern energy-production technology and ensuring that our environmental, societal, economic and governance decisions benefit future generations.

SDGs 7 & 13. We believe that fulfilling our commitments helps to address the global challenges and achieve the UN Sustainable Development Goals (SDGs). Elementum embeds the SDGs in its business strategy with SDG 7 'Clean Energy' and SDG 13 'Climate Action' as our key goals.

Purpose. The policy sets out general principles to ensure that all Elementum's corporate activities are carried out in a sustainable way, contributing to the achievement of the SDGs, and rejecting actions that contradict or hinder them.

The general principles and set forth in the Policy are further developed and specified in specific environmental, social and corporate governance procedures and other documents.

Reporting. We are committed to reporting on our sustainable development policies, goals and progress, striving for the prudent practices to continually improve our sustainability performance and contribute to a more sustainable future.

We commit to transparently reporting our ESG performance to the public, institutions and other stakeholders in the Elementum's sustainability reports.

Application. The Principles apply to all employees of Elementum, regardless of their department and the position they hold as well as to outsourced staff.

Where Elementum participates in existing joint ventures as a non-controlling shareholder, the other shareholder(s) must be made specifically aware about the significance to Elementum of the Principles and shall be encouraged to apply the same policy or a similar standard to the joint venture.

Deviations. No exemptions from the policy can be granted unless well documented and there are exceptional circumstances or the policy is obviously not applicable.

Policy Revision. The policy must be regularly reviewed in order to ensure its continued adequacy and relevance. It may be amended at any time with the approval of Board of Directors. In the event of any discrepancies between the English version of the Principles and a translated version, the English version will prevail.