



TAXATION POLICY





APPROVED AT THE BOARD OF DIRECTORS' MEETING

HELD ON 5 OCTOBER 2022

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1. PURPOSE

The purpose of this document is to describe the fiscal and taxation responsibility model that García-Munté Energía, S.L. (GME) has drawn up and applies in all the territories where it operates.

This policy explains both the values that influence and guide all the decisions of taxation importance and the criteria and decisions adopted related to various taxes and duties that GME must pay when performing its activities.

2. OBJECTIVE

Based on a situation in which GME has set up a solid regulatory compliance system within a criminal scope, provided with a broad internal regulation that includes the ethical values and corporate responsibility principles, the extension to the taxation scope is due to the natural expansion of the field of compliance to cover any potential risk that must be analysed in depth and efficiently controlled.

GME's actions are aimed at diligently complying with its tax responsibilities in all the jurisdictions where it operates with the highest standards of good governance, integrity, transparency and good practices.

Therefore, the compliance culture in force within the company, of which its Criminal Risk Prevention Model is a good example, is fully applicable here and, together with the contents of this document, certifies the existence of a compliance culture within the scope of taxation, which GME applies not only at a national level but also exports it to all the other countries where it operates.

3. SCOPE OF APPLICATION

This policy is applicable to all the companies in which GME holds the majority, exercises control or else is assigned responsibility for the management thereof.

In companies, joint ventures and mixed economic interest groups in which GME has a holding but not the control, its representatives on the management and governance bodies must encourage adopting tax risk prevention models similar to the one included in this policy to the extent the corporate duties allow it.

If anyone has doubts about the interpretative criteria of this document, such person should immediately ask for clarification by sending an email to the following contact address:

 tax@gme.energy



4. COMMITMENTS

García-Munté Energía, S.L. undertakes and is obliged to apply the following guidelines in all the actions it carries out that have or could have an impact on the company's taxation.

GME is fully aware of the fact that payment of the taxes it must accept represents a very significant part of the company's economic contribution in the jurisdictions where it operates; therefore, the commitments listed below express GME's intention to comply with its tax obligations, placing a priority on those that imply payment, in order to ensure that GME diligently settles its taxes wherever it creates value.

1. DILIGENCE IN COMPLIANCE WITH ITS OBLIGATIONS AND THEIR PAYMENT

- ✔ GME requires strict compliance with the tax regulations and thus by all those involved, not only for tax management but also when performing transactions that could imply a tax impact. This means that all the employees and executives must comply with all the tax obligations in the countries where they perform their work, settling all the taxes on time according to applicable regulations, which must be observed to the maximum extent possible.

As the parent company of a business group on the date this policy is approved in which various subsidiaries are included, resident both in Spain and abroad, as far as possible, GME will endeavour to ensure this policy is effectively applied in all its subsidiaries. For such purpose, GME undertakes responsibility for the various subsidiaries being informed of this Taxation Policy and for explaining to the executive teams the obligation to comply with it.

- ✔ It will always aim at ensuring a reasonable interpretation of all the grounds for the applicable taxation regulations; ruling out any interpretations that could result in inefficiency for GME or that could imply fraudulent tax planning policies.

2. RELATIONS WITH THE TAX AUTHORITIES

- ✔ The existence of valid economic reasons to support any transaction of tax importance must always be the basis for developing a tax impact planning, without which such transaction must not be carried out. For such purpose, the use of opaque or contrived structures must be ruled out when their only purpose is to reduce transparency, to merely obtain a tax advantage or a lower tax burden. The use of territories categorised as tax havens by the Spanish regulations or as non-cooperating jurisdictions by the European Union is also ruled out if it is aimed at implementing transactions for the sole purpose of reducing the tax burden.
- ✔ All the foregoing must not prevent efficient management of the costs and tax benefits that GME can apply, which are supported by the applicable regulations, always fulfilling the commitments stipulated in the previous points for the purpose of creating value for the company and its partners.
- ✔ All of GME's actions with the tax authorities must always be based on principles of cooperation, transparency, good faith, observing the applicable regulations, professionalism, loyalty, mutual trust and reciprocity.
- ✔ GME must provide all information of taxation importance as soon as possible and with the required contents as could be requested by any tax authorities due to performing the duties assigned to them.
- ✔ The foregoing must not prevent the defence of the position adopted by GME, according to the criteria explained in point one, if such position is not accepted by the tax authorities. Such defence will take place by means of the appeals and actions specified in the applicable regulations, always endeavouring to reach an amicable agreement in the case of a dispute and avoiding legal actions whenever possible.
- ✔ The recommendations that could be provided by the tax authorities in each country where GME operates through their codes of good tax practices must be used as a guide and be applied; adapting the contents thereof to the needs that GME could have at a local level. In Spain, GME voluntarily applies the Spanish Code of Good Tax Practices approved by the Spanish Large Businesses Forum (*Foro de Grandes Empresas*) of 20 July 2010.



3. RELATIONS WITH THIRD PARTIES

GME publishes and provides information about its ethical principles and values both on its website and by means of direct messages sent to its customers and suppliers, to which it provides its Code of Ethics, Prevention of Corruption Policy and the various means to access GME's whistleblowing channel through which they can report any conduct they could become aware of that infringes the law or GME's internal regulations, even anonymously, among which conduct related to taxation is included.

This is how GME can operate fully transparently, not only having the option to detect possible irregularities at an internal level by means of the audits conducted by the company but also by any counterparty or third party being able to report conduct to the company, even anonymously, that is potentially illegal or infringes the corporate ethics in force in GME.

It must always be endeavoured to settle any dispute related to taxation that could arise in the relationship that GME could have with another party by reaching an amicable agreement and minimising legal actions related to tax cases.

4. MANAGEMENT AND MONITORING SYSTEM

The principle of prudence in transactions that could imply an impact on GME's taxation is fundamental in the way the company's taxation is handled to avoid any possible significant tax risks arising

Based on a solid foundation, the company promotes identification of the tax risks assigned to its activity. This ensures that the required efforts and resources are in line with efficiently mitigating potential risks of tax infringements.

Updating and maintaining these processes ensures suitable monitoring and allows the Board of Directors to be informed about any situations that could create a risk so that it can adopt the measures it considers necessary.

Moreover, the taxes with the greatest impact on the company are analysed and documented in detail to include the criteria and interpretations adopted, along with the legal basis supporting them, which enables GME to obtain information related to how it performs its activity available for the tax authorities, which could be of great assistance in the case of an inspection.

The management system for GME's tax obligations shows it operates in an organised, orderly and expert manner that allows the company's tax risks to be detected and for controls to be created, applied and monitored that efficiently mitigate these risks, except for those that GME decides to accept, which must be documented along with the legal criteria that support such acceptance.

GME has set up an Ethics and Tax Compliance Committee, to which the Board of Directors provides the required resources for its efficient functioning. It is assigned initiative and control duties as well as the required authority and independence that ensure suitable and uniform application of the taxation policy. This ensures homogenous application of the principles and values, resulting in greater efficiency of the tax management and a lower risk of infringements.

The management system is completed with information provided to the Board of Directors, a body to which the Committee has direct access. This task is regularly carried out and at least once a year. This information includes how the taxation policy has been developed during the year in the various companies controlled by GME, the possible tax contingencies arising, the risks detected and any other important aspects related to managing and monitoring tax risks.

The Committee can discuss any tax issue that could have impact on the organisation, whether minor or serious, with the Chief Financial Officer and, if it involves a risk that must be approved by the Board, the issue will be submitted to it so that it can adopt a resolution to be recorded in the minutes of the meeting.





5. BACKGROUND OF CHANGES

Version	Drawn up by	Date	Modifications
1	The Ethics and Tax Compliance Committee	5/10/2022	Original version



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