



# Tax Strategy

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**Overview:** This document sets out the Tax Strategy that applies to NEO NEXT Energy Limited (NNEL) and its subsidiaries.

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Revision:	Date:	Author:	Reviewer:	Approver:
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		Tax	Tax	

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# 1 Introduction

NEO NEXT Energy Limited (“NNEL”) and its subsidiaries (“NEO NEXT”) is an independent full-cycle energy business breathing new life into the United Kingdom Continental Shelf (“UKCS”).

NEO NEXT’s overriding business strategy is to be a leading operator in the UKCS through operational excellence and a combination of organic and inorganic growth, underpinned by a prudent financial strategy

## 2 Purpose

This document sets out the Tax Strategy that applies to NEO NEXT Energy Ltd, ensuring compliance with paragraph 16 (2) of Schedule 19 of the Finance Act 2016.

## 3 Scope

The Tax Strategy applies to all taxes that NEO NEXT Energy Ltd is subject to including, without limitation, Corporation Tax, Corporate Income Tax, the Supplementary Charge to Tax, the Energy Profits Levy, Petroleum Revenue Tax, Government Royalties, Indirect Taxes (including VAT, Sales Tax and Customs and Excise Duties), Withholding Taxes, Capital Taxes, Stamp Taxes, Transactions Taxes and Employer Taxes.

This Strategy is owned by NNEL’s Board of Directors (“the Board”) who delegate its implementation and execution to NEO NEXT Energy Ltd’s Director: Taxation, ESG & Communications.

## 4 References

### 4.1 Internal References

Document Title	Number
None	–

### 4.2 External References

Title	Number or link
Finance Act 2016	–

## 5 Revision History

Revision	Date	Issue Description / Changes
04	30/07/2025	Updated for NEO NEXT Energy Ltd integration
03	03/12/2024	Change of introduction to reflect current company strategy. Update to job titles, roles and responsibilities.
02	16/11/2023	Minor updates following annual review
01	10/12/2021	First issue of new document.

### 5.1 Review Frequency

This document is on a three-yearly review cycle, unless regulatory and/or operational or functional circumstances require a material change and earlier review.

The Document Approver shall decide the periodic review frequency and ensure the document is reviewed within that period.

## 6 Roles & Responsibilities

Role	Responsibility
Audit, Tax & Finance Committee (ATFC)	<ul style="list-style-type: none"> <li>Supports the Board in matters relating to tax risk inter alia.</li> </ul>
NNEL's Board of Directors (the Board)	<ul style="list-style-type: none"> <li>Delegates implementation and execution of the Tax Strategy to the Director: Taxation, ESG &amp; Communications (DTEC)</li> <li>Assesses the Strategy's ongoing appropriateness, considering recommended amendments received following the annual review by the DTEC and Tax Team</li> <li>Accountable for tax risk within NEO NEXT Energy Ltd</li> </ul>
Director: Taxation, ESG & Communications (DTEC)	<ul style="list-style-type: none"> <li>Delegate for implementation and execution of the Tax Strategy</li> <li>Supported by the Tax Team, provides periodic tax updates to the ATFC and the Board</li> <li>Along with the Tax Team, reviews this Strategy annually and recommends amendments to the Board, after consultation with the ATFC</li> </ul>
Tax Team	<ul style="list-style-type: none"> <li>Supports the DTEC in the implementation and execution of the Tax Strategy</li> <li>Ensures that the tax management framework that supports this Strategy is in place, maintained, reviewed and applied consistently</li> <li>Supports the DTEC to provide periodic tax updates to the ATFC and the Board</li> <li>Along with the DTEC, reviews this Strategy annually and recommends amendments to the Board, after consultation with the ATFC</li> </ul>

## 7 Tax Strategy Commitments

NEO NEXT Energy Ltd is committed to

- Managing its tax affairs in a responsible, proactive and transparent manner,
- Making tax decisions that are consistent with (1) NEO NEXT Energy Ltd's Code of Conduct and (2) the wider business strategy of NEO NEXT Energy Ltd,
- Ensuring appropriate tax accounting arrangements (in the form of processes, systems, and controls) are in place, and
- Maintaining a professional and collaborative relationship with HM Revenue & Customs.

### 7.1 Tax Governance

NEO NEXT Energy Ltd shall:

- Annually review the Tax Strategy to ensure its ongoing appropriateness
- Comply with tax laws and regulations relating to payment, calculation, filing and deductions of taxes and public duties
- Put in place a tax management framework that supports this Strategy to ensure it is maintained, reviewed and applied consistently
- Provide periodic tax updates to the ATFC and the Board
- Re-evaluate the Tax Strategy upon significant change to NEO NEXT Energy Ltd's strategic plan or if there is a major change to the business
- Continue to demonstrate its commitment to tax transparency by publicly disclosing all payments to, and receipts from, Government bodies under the Extractive Industries Transparency Initiative.
- Put in place tax accounting arrangements that are considered to be 'fit for purpose' i.e. relevant tax liabilities are calculated accurately in all material respects.

### 7.2 Tax Planning

NEO NEXT Energy Ltd shall:

- Seek to use legislative concessions, incentives and reliefs where available in the manner intended
- Undertake tax planning that supports its business and is commercially driven
- Not enter into artificial or contrived tax avoidance arrangements
- Not have a presence in tax havens unless such presence is justified by commercial reasons
- Conduct transactions between affiliates in accordance with arms-length principles
- Comply with legislative and regulatory tax disclosure and transparency requirements

### 7.3 Risk Management

The Board, supported by the ATFC, is ultimately accountable for tax risk within NEO NEXT Energy Ltd. The management of NEO NEXT Energy Ltd's tax risks forms part of NEO NEXT Energy Ltd's overall internal control and risk management framework, which governs the identification, assessment, management and reporting of the risks facing the business.

NEO NEXT Energy Ltd shall apply professional care and judgement in assessing, managing and reporting tax risks in accordance with this framework.

NEO NEXT Energy Ltd's approach to tax risk is to aim for certainty in relation to the application of tax to its business activities. This is not always possible where tax law is open to interpretation or where transactions are complex.

NEO NEXT Energy Ltd shall, therefore, seek external advice where appropriate, to review complex or uncertain tax positions.

NEO NEXT Energy Ltd shall implement procedures to prevent facilitation of tax evasion by employees, its contractors, or anyone acting on NEO NEXT Energy Ltd's behalf.

## **7.4 Relationships with Tax Authorities, including HMRC**

NEO NEXT Energy Ltd shall:

- Develop and sustain open and constructive working relationships with tax authorities, including HMRC, including providing regular updates on business activities and prompt disclosure where appropriate
- Wherever possible, work collaboratively with tax authorities including HMRC in a timely, courteous, and efficient manner to achieve early agreement and certainty or resolve disputes
- Play an active role in contributing to the tax policy-making process and taking part in fiscal consultation where matters directly impact NEO NEXT Energy Ltd.

## Appendix 1: Abbreviations & Definitions

### Abbreviations

Abbreviation	Definition
ATFC	Audit, Tax & Finance Committee
DTEC	Director: Taxation, ESG & Communications
E&P	Exploration & Production
HMRC	His Majesty's Revenue & Customs
NNEL	NEO NEXT Energy Limited
NEO NEXT	NNEL and its subsidiaries
UKCS	United Kingdom Continental Shelf

### Definitions

Term	Definition
Shall	A mandatory action (do not use "will" or "must")
Should	Refers to best practice and highly recommended action (do not use "could")
May	An optional action, and usually clarified with an example (do not use "might")
Operated	NEO NEXT Energy Ltd is the duty-holder for installation, wells, pipelines (or combination thereof)
Operated-outsourced	NEO NEXT Energy Ltd holds the licence, but another company is the duty-holder for the installation, wells, pipelines (or combination thereof)
Operated By Others	NEO NEXT Energy Ltd has a Joint Venture Agreement through equity share, but is not duty-holder