

UK Tax Strategy

This statement relates to Abu Dhabi Future Energy Company PJSC (hereinafter “Masdar”) and to its group of UK companies for the purposes of complying with Part 2, Schedule 19 of Finance Act 2016.

A list of the Masdar UK entities to which this statement applies is out below.

This strategy applies for the year ended 31 December 2017. It will be reviewed annually for any amendments.

About Masdar

Masdar is the Middle East’s largest exporter of renewable energy and is a leading international developer and operator of utility-scale clean energy generation projects. It has invested around US\$2.7bn (AED 10 billion) in projects over the last 10 years in various jurisdictions across the globe, including a number of wind renewable energy projects in the UK. Masdar is wholly owned by Mubadala Investment Company, a company wholly owned by the Government of Abu Dhabi.

Masdar’s investment approach is premised on maintaining the highest standards of compliance and corporate governance and it aims to conduct business in full compliance with local law and international guidelines.

Masdar complies with a group wide Code of Conduct which sets forth standards for business conduct that allows Masdar to execute against its investment mandate without compromising its commitment to integrity and the law. The Code of Conduct obligates Masdar, as an Abu Dhabi Government owned organization, to develop a strong ethical culture and to ensure that Masdar personnel are doing the right thing, the right way.

Approach to Risk Management and Governance with regards to UK taxation

Masdar investment strategy is underpinned by dedicated Portfolio Risk Management Guidelines. As a result, in every country which it operates, including the UK, Masdar seeks to proactively manage all manner of commercial risks. Tax risk is but one of such risks and in this respect, Masdar is committed to being a responsible and compliant taxpayer. It pays tax in accordance with all relevant laws and regulations whilst adhering to high standards of ethical and moral integrity.

The responsibility of Masdar’s tax strategy rests with its CFO (who reports directly to the Masdar Board in relation to material tax matters), with full support of and in collaboration with the Group Taxation function within Mubadala. There are clear responsibilities with regards to managing Masdar’s tax affairs to ensure compliance with local tax laws and consistency with the Code of Conduct. There is regular monitoring and review of tax risks (including legislative risk, compliance risk, operational risk and reputational risk) allowing for their proactive management.

Attitude towards UK Tax Planning and Acceptable levels of Risk

Masdar seeks to deliver innovation to the market while also ensuring that its investments are commercially and economically driven. Whilst Masdar will seek to take advantage of available tax incentives, reliefs and exemptions in the territories in which it invests, it will only do so where such benefits comply with local tax legislation and the spirit of the relevant law.

As a Government owned entity, Masdar is particularly sensitive to its international reputation. Masdar therefore has a low tolerance for tax risk and proactively engages with advisors to achieve as much certainty on its tax position as possible. This is done in a manner that is ultimately aligned with the commercial strategy associated with any particular course of action or transaction. Masdar does not and does not seek to take advantage of artificial or aggressive tax planning arrangements.

Relationship with HMRC

Masdar aims to develop and maintain positive working relationships with all tax authorities in the jurisdictions in which it invests. It discloses information on our investments with tax authorities in a manner which seeks to reinforce our commitment to honesty, openness and transparency, and, when relevant, cooperates fully with tax authorities with respect to any queries or questions raised. If and when disputes arise, Masdar's approach is to collaborate fully with tax authorities with a view to settling such as quickly as possible.

Relevant UK companies

This tax strategy relates to Masdar and the following UK group subsidiaries:

- Masdar Energy UK Limited
- Masdar Offshore Wind UK Limited
- Masdar Offshore Wind Scotland Limited