

EIRGRID UK GROUP TAX STRATEGY

"This tax strategy applies to all EirGrid UK group entities and UK branches and to our dealings with our clients. This tax strategy is published in accordance with the requirements set out under paragraph 19(2) of Schedule 19 of the Finance Act 2016 to publish the group tax strategy."

1. Introduction

This document sets out the tax policy for all EirGrid UK group undertakings.

2. Ownership and approval

The Chief Financial Officer of the EirGrid UK Group owns this document and the boards of SONI Ltd and EirGrid UK Holdings Ltd have approved this tax strategy.

3. Tax

The EirGrid UK Group tax strategy is based on three key tax principles:

(i) Compliance

To ensure that the UK Group fulfils its tax compliance obligations, both in the payment and administration/filings of taxes.

(ii) Risk Management

To ensure that the EirGrid UK Group puts in place robust controls and procedures to manage tax risk. The EirGrid Group is risk adverse with regards to tax planning.

(iii) Transparency

To ensure that the EirGrid UK Group is transparent about its tax strategy, and deals with HMRC in a honest, regular and transparent manner.

4. Contents

The content of this tax strategy covers:

- a. the approach of the EirGrid UK Group to risk management and governance arrangements in relation to UK taxation;
- b. the position of the EirGrid UK Group towards tax planning;
- c. the level of taxation risk that the EirGrid UK Group is willing to accept;
- d. the approach of the EirGrid UK Group to its dealings with HMRC.

This tax strategy applies to:

- corporate taxes
- indirect taxes
- employment related taxes
- withholding taxes

5. Tax Risk Management and Governance Arrangements

Tax Risk

The approach of the EirGrid UK Group is to pay, in accordance with the legislation, the correct amount of tax in the UK. Tax risk is the risk that the EirGrid UK Group might overstate or understate the amount of tax that we believe is due to HMRC.

Governance Arrangements

The Chief Financial Officer (“CFO”) of the EirGrid UK Group has ultimate responsibility for managing all tax compliance affairs. The

CFO is responsible for the operation and management of tax accounting systems including identifying weaknesses in such systems and ensuring they are secure in reporting accurate tax liabilities. The EirGrid UK Group has established and maintains appropriate policies and processes to ensure it pays the right amount of tax in the UK. The UK Group maintains a detailed set of tax operational guidelines and internal controls aimed at ensuring it has an appropriate tax control framework to manage our risks.

Delegation of tax risk management and tax experience/expertise

The EirGrid UK Group avails of the professional services and advices of an in-house tax professional who reports to the Group Financial Controller and reports closely to the Chief Financial Officer. As part of our internal governance processes tax issues are presented to the CFO for approval. The EirGrid UK Group also employs a UK external tax advisor to manage the tax compliance and advisory affairs of the UK Group to ensure the relevant expertise is obtained across all tax disciplines. The team have extensive experience, professional expertise and undertake the necessary tax technical training. Where material tax risks are identified, external tax advice is always obtained.

6. The position of the EirGrid UK Group to tax planning

The UK Group aims to protect shareholder value by structuring commercial transactions in a tax efficient (and compliant) manner in line with its commercial business activities. This involves claiming all relevant tax reliefs and incentives which are available under UK tax law. For example, such reliefs might include group relief, relief to claim capital allowances or a claim for research and development.

Where there is uncertainty as to a HMRC view on particular tax matters, we will obtain external tax advice and seek to obtain pre-transaction tax clearance if possible. The EirGrid UK Group does not

enter into any aggressive tax planning or artificial structures established for tax avoidance purposes only i.e. not for business purposes.

7. Acceptable level of tax risk

The Boards of UK entities have directed its tax advisers and in-house tax team to take a very prudent approach in dealing with the UK Group's tax affairs, with an emphasis on compliance with the legislation.

The EirGrid UK Group is tax risk adverse and will always pay the right amount of tax. The internal governance processes ensure that tax is considered in business decisions and the in house tax professional assesses and presents tax risks for approval by the CFO.

8. Dealings with tax authorities

The EirGrid UK Group has an open relationship with HMRC so as to solve issues of tax risk on a real time basis, in advance of tax filings. Where appropriate, tax rulings/clearances are sought with full disclosure prior to the transactions taking place. The EirGrid UK Group maintains a transparent relationship with HMRC and both work collaboratively to resolve any issues.

Date: 09 June 2021