
1 Scope

Oaktree Power Opportunities Fund V, L.P. and its subsidiaries regards this publication as complying with the duty required in accordance with Paragraph 19(2) of Schedule 19 to Finance Act 2016 on behalf of the MWH UK Acquisitions Limited (“MWH”) and its subsidiaries and in accordance with Paragraph 22(2) on behalf of MWH Treatment Limited. MWH is publishing its tax strategy for the year ending 31 December 2020 and subsequent years, subject to annual review. As the ultimate parent company of the UK subsidiaries, we confirm that this strategy will apply to all UK subsidiaries and will be periodically reviewed and updated accordingly.

References to “tax” are to the taxes set out in paragraph 15(1) of Schedule 19 to the Finance Act 2016, and include income tax, corporation tax, PAYE, national insurance and VAT.

2 Governance in Relation to Tax

The strategy is set by the Board of Directors for each of the UK subsidiaries in consultation with the UK finance team and global leadership. The Finance Director (“FD”) of the UK business entities is responsible for tax matters within established corporate guidelines and policies. Day to day management of the UK tax affairs are delegated to the UK Financial Controller who reports to the FD.

The FD and the Board of Directors receive updates with respect to all material tax matters and ensure that tax is considered when making significant business decisions.

3 Risk Management

MWH has mitigated its tax risks through the implementation of following strategies:

- A system of tax risk assessment and controls has been implemented as a component of the overall internal control framework applicable to the reporting system;
- Established and documented sound corporate policies and procedures are in place;
- Steps to ensure reasonable care is applied in relation to all processes which could materially affect its compliance with tax legislation;
- New and developing tax legislation is monitored and when new or changed legislation is announced, the impact on MWH is assessed and active measures are taken to ensure there are adequate processes in place to comply with any change;
- Investment is made in training of staff;
- Advice is sought from our external advisors where appropriate.

4 Level of Risk that MWH is Prepared to Accept in Relation to Tax

MWH maintains a conservative approach to tax that allows for the minimisation of tax costs through the implementation of tax relief and incentive strategies which are consistent with UK and international tax laws. MWH does not enter into artificial arrangements that lack commercial purpose in order to secure a tax advantage. MWH recognises its responsibilities to stakeholders including customers, employees, subcontractors, suppliers, joint venture partners, the communities in which MWH works and HM Revenue & Customs (HMRC). MWH will only implement strategies that are supported by applicable legislation, auditors and tax advisors. MWH will look to maximise available Tax reliefs such as Research and Development Tax Credits to the extent possible and provided they are aligned to overall commercial activities.

5 Attitude to Tax Planning

It is vital that all areas of the MWH business feel supported from a tax point of view to enable MWH to achieve its commercial objectives. This includes both managing tax risk and making good investment decisions as appropriate with knowledge of all tax costs. Even when decisions are made which are in line with the strategy, risk can arise through poor implementation and execution of transactions, ineffective ongoing management business processes or other means. The UK finance team therefore aim to be involved in all stages of material and tax sensitive transactions from scoping through to post implementation reviews.

MWH places primary importance on paying the correct amount of tax at the right time, under all relevant laws and regulations and to fully comply with its regulatory & non-regulatory obligations. MWH does not undertake aggressive tax planning strategies and strives to act in a manner that upholds the Company's corporate reputation and to operate with integrity and transparency. The tax control framework as noted above enables MWH to effectively manage its tax liabilities and obligations.

6 Approach Towards Dealings with HMRC

MWH has a strong, ongoing relationship with HMRC, by maintaining an open, honest and timely dialogue through regular meetings and communications in respect of developments in MWH's business and tax risks. MWH ensures that HMRC is aware of any significant changes to the business and seeks to discuss tax issues arising at an early stage. MWH does not have a history of implementing transactions where the tax treatment has potential to be uncertain. In the event of such a transaction arising, MWH would engage with HMRC at an early stage and disclose all relevant facts and figures in its tax computations.

Should any dispute arise regarding the interpretation and application of tax law, MWH is committed to addressing the matter promptly and resolving it in an open and constructive manner. MWH seeks the advice of qualified external tax advisers in situations where the application of tax legislation is unclear or where a skills or resource gap is identified within the finance team, to ensure statutory and legislative tax obligations are met. Any advice received is reviewed and approved by the FD and the Board of Directors.