



VIRIDIAN GROUP TAX STRATEGY

INTRODUCTION

Viridian is the leading independent energy company in the all-Ireland market. Operating under the Energia and Power NI brands with substantial businesses in both NI and the ROI and an annual turnover of circa £1.6 billion, the Group contributes a variety of taxes direct and indirect across its business operations (for example employment, VAT, corporate, business rates, and energy specific taxes).

This Tax Strategy has been approved by the Viridian Group Board for the year ended 31 March 2019.

This Tax Strategy has been published to satisfy Viridian's obligations under paragraph 19(2) Schedule 19 of the UK Finance Act 2016. For these purposes the UK entities of the UK sub-groups are listed at Appendix 1.

ATTITUDE TO TAX RISK

Viridian's appetite for tax risk is low.

The Group's policy is to manage its tax affairs in an efficient manner and in compliance with relevant legislation and guidance.

Viridian seeks to ensure the appropriate tax is paid when due and ensure the filing of relevant returns on a timely basis through effective processes and systems, and employing people with the relevant qualifications and skills.

MANAGING TAX RISK

The Group Finance Director has overall responsibility for ensuring the Group has appropriate tax accounting arrangements in place (in line with the Senior Accounting Officer requirements in the UK) with oversight provided by the Viridian Group Board.

The Viridian Group Board is kept informed on a quarterly basis of material or complex tax issues, changes and risks.

The day to day operation of the Group's tax affairs are managed by the Group Tax Manager with certain duties, accountabilities and filings sitting with the businesses directly. These are documented to ensure responsibilities are clear.

Viridian's tax risks are identified, assessed and reviewed at least annually and reported to the Risk Management Committee. Systems and procedures are put in place to manage and monitor these tax risks.

External advisers review Viridian's tax processes and procedures on a rolling basis as part of Viridian's internal audit.

External advice is sought where necessary to manage tax risk particularly in respect of corporate transactions and compliance with new legislation.

Viridian Group Board approval is sought where necessary taking into account the complexity and materiality of corporate transactions.

TAX PLANNING

Viridian's use of tax planning supports genuine commercial activity and the Group does not engage in tax planning where the main purpose would be to gain a tax advantage.

Viridian utilises tax reliefs and incentives where it considers it appropriate to do so.

External advice is sought where necessary to support decisions and ensure full compliance.

WORKING WITH TAX AUTHORITIES

Viridian manages its tax affairs so as to maintain its reputation as a well-run, open and compliant business.

Good working relationships are maintained with tax authorities based on trust and cooperation.

Viridian is in regular contact with tax authorities where relevant to communicate significant transactions, and to seek clarity of interpretation of legislation to minimise tax risk and the potential for disputes.

Viridian obtains certainty in relation to certain tax matters where possible by, for example, entering into Advance Thin Capitalisation Agreements with HMRC.

APPENDIX 1

The UK entities of the UK sub-groups to which paragraph 19(2) Schedule 19 of the UK Finance Act 2016 applies are as follows:

Viridian Group Ltd
EI Ventures Ltd
ElectricInvest Acquisitions Ltd
ElectricInvest Holding Company Ltd
Power NI Energy Ltd
Viridian Capital Ltd
Viridian Energy Supply Ltd
Viridian Enterprises Ltd
Viridian Power and Energy Ltd
Viridian Properties Ltd
Viridian Group FinanceCo plc
Dargan Road Biogas Ltd
Altamuskin Windfarm Ltd
Clondermot Wind Ltd
Cornavarrow Windfarm Ltd
Eshmore Ltd
Gortfinbar Windfarm Ltd
Lisglass Wind Ltd
Long Mountain Wind Farm Ltd
Mosslee Ltd
Slieveglass Wind Farm Ltd
Thornog Windfarm Ltd
Teiges Windfarm Ltd
Wheelhouse Energy (NI) Ltd
Viridian Renewables Company 1 Ltd
Viridian Renewables Company 2 Ltd
Viridian Renewables Company 3 Ltd
Viridian Renewables Company 4 Ltd
Viridian Group HoldCo 1 Ltd
Viridian Power Resources Ltd