

TAX STRATEGY

Introduction

This document sets out the tax strategy and strategic tax objectives for Murphy. This strategy has been developed in compliance with Schedule 19 of the UK Finance Act 2016, which requires large groups to publish their UK Tax Strategy, and applies to the year ended 31 December 2020.

The tax strategy and the strategic objectives set out in this document are tailored towards establishing a clear approach to the various aspects of tax reporting and compliance for the UK operations of Murphy. Taxes covered by this strategy are aligned with the definition of UK taxation outlined in Paragraph 15, Schedule 19 Finance Act 2016, whilst the most material taxes for the group include corporate taxes, employment taxes and indirect taxes.

This strategy is owned and approved by the Board of Directors (“Board”) of Murphy and is applicable across the whole Murphy organisation.

Approach to tax risk management and governance

Murphy has created a foundation of strong corporate governance and a rigorous approach to the management of risk. The shareholders believe this to be the essence of sustained business performance. They are committed to maintaining the highest levels of behaviour and integrity with all our stakeholders.

As part of the governance structure there is a Board and Audit Committee that include and are chaired by Independent Non-Executive Directors.

Murphy has a tax risk management process together with a strategic (top down) review which considers the principal tax risks facing Murphy to be reported to the Audit Committee and the Board.

Tax risk is managed as part of this risk management process and tax is reported to the Audit Committee twice a year. There are processes and controls in place to manage our tax risks and we regularly engage with external advisors.

Attitude towards UK tax planning

Murphy is committed to complying with the UK tax laws and regulations and the group believes that it should pay the right amount of tax legally owed in the UK.

Where the UK government provides statutory reliefs and incentives that will benefit Murphy, the group will avail itself of those reliefs. The group engages with external advisers across the taxes when it requires specialist technical input, assistance with compliance requirements or information and updates on developments in taxation.

Level of acceptable risk in relation to UK tax

Overall the group and shareholders have a low appetite for tax risk and we proactively engage with advisors to achieve certainty on our tax position. We are in the process of increasing significantly our in-house tax capability to work closely with the business to ensure our tax risk is managed appropriately.

Approach to working with HMRC

We have adopted an open, honest and transparent approach to working with HMRC and consider our Customer Relationship Manager to be someone to seek guidance from and be in regular dialogue with so we can operate in a no surprises environment. We actively seek to meet with our CRM and implement regular meetings to discuss any changes to the group or its business and any resultant tax implications.