

## Approach to Tax

PrairieSky is committed to ethical conduct and our standards for ethical behavior are outlined in our Business Code of Conduct, which applies to PrairieSky's directors, officers, employees and contractors. Our tax strategy is designed to support our business strategy and deliver on our commitment to ethical conduct. All of PrairieSky's operations are in Canada. Annually taxes are filed and when applicable, paid, in accordance with Provincial and Federal rules and regulations.

### Tax Principles

**Accountability and Governance** – The Senior Vice President, Finance and Chief Financial Officer is responsible for tax matters. The Audit committee assists the Board of Directors in oversight of PrairieSky's financial reporting and tax compliance.

**Compliance and Tax Planning** – We are committed to complying with Canadian tax legislation, the only country where we operate.

- We seek to be fully compliant by filing accurate tax returns and fulfilling filing and payment obligations within statutory deadlines.
- We engage in tax planning to optimize our business and reflect our commercial arrangements. Tax planning is evaluated for not only for financial risk, but also the risk to our reputation.
- We engage external advisors in the preparation and filing of tax returns, and as required on consulting matters to assist with PrairieSky's understanding of Canadian tax laws and to ensure PrairieSky achieves its business goals and reduce uncertainty in the application of Canadian tax laws.

**Corporate Structure** – Our business structure is driven by commercial considerations and aligned with our business activity. We do not use tax structures and/or secrecy jurisdictions intended for tax avoidance.

**Transparency** – We provide regular updates in our financial reporting on our tax position, including taxes paid and available deductions. Annually, we report amounts paid to both Federal and Provincial governments through our ESTMA reporting which is posted on our website.