

CGG is a global geoscience technology leader. Employing around 3,700 people worldwide, CGG provides a comprehensive range of data, products, services and solutions that support our clients to more efficiently and responsibly solve complex natural resource, environmental and infrastructure challenges.

In this document, CGG sets out its strategy for conducting its tax affairs and managing tax risk.

## Tax risk management & governance

CGG's policy is to comply with all applicable laws, rules, regulations, and reporting and disclosure requirements, wherever there is a requirement to do so as a result of our business presence and transactions. CGG manages its tax affairs in line with its Code of Business Conduct.

The Chief Financial Officer ('CFO') is ultimately responsible for management of CGG's tax affairs. The strategy and the day-to-day management of tax matters are delegated to the Senior Vice President of Tax ('SVP Tax'), who reports to the CFO.

Compliance with the Tax Strategy is monitored within the overall risk framework and governance structure of CGG. This includes regular updates by the SVP Tax to the Group Audit Committee on material tax matters and tax risks.

CGG operates a 'three lines of defense' model for managing tax risks. Within this, the first line is provided by the operational management who has ownership, responsibility and accountability for directly assessing, controlling and mitigating risks; the second line is provided by the Group tax team headed by the SVP Tax who provides technical oversight and support and maintains relationships with tax authorities; and the third line - by Internal Audit who provides assurance to the Board of Directors, its Audit Committee, and senior management on how effectively CGG assesses and manages its risks and controls.

Diligent professional care and judgment are employed by CGG Group tax team to assess tax risks in order to reach well-reasoned conclusions on how the risks should be managed. Where there is uncertainty as to the application or interpretation of tax laws, appropriate written advice evidencing the facts, risks and conclusions may be taken from third party advisers to support the decision-making process. In particular, CGG Group tax team would seek to obtain advice from reputable external advisors with the appropriate experience in areas where tax law is complex or new, is outside the experience of the Group tax team, or where the treatment may be uncertain and the amount of tax involved is material.

## Position towards tax planning

Key business decisions are made in view of the tax consequences and with the aim of optimizing the after-tax returns for CGG's shareholders, but CGG will only engage in responsible tax planning that is aligned with commercial and economic activity.

In line with CGG's strategy for managing risk, CGG regularly seeks external advice on tax matters in order to ensure full compliance with the applicable laws and regulations.

## Relationship with tax authorities

CGG is committed to the principles of openness and transparency when dealing with tax authorities wherever we operate around the world. All dealings with the tax authorities and other relevant governmental bodies will be conducted in a collaborative, courteous and timely manner. CGG will usually seek to reach early agreement on disputed matters, and to achieve certainty wherever possible.

## Specific UK context

CGG is required to publish a tax strategy concerning its UK tax affairs in accordance with Schedule 19 of the Finance Act 2016. This policy corresponds to CGG's tax strategy in relation to these provisions. CGG aims to follow the Draft Framework for Cooperative Compliance published by HMRC in December 2015, in particular to:

- adopt open and collaborative professional relationships at all times with HMRC;
- engage in full, open and early dialogue with HMRC to discuss tax planning, strategy, risks and significant transactions;
- make fair, accurate and timely disclosure in correspondence and returns, and respond to queries and information requests in a timely fashion;
- seek to resolve issues with HMRC in real time and before returns are filed if possible, and where disagreements arise, work with HMRC to resolve issues by agreement (where possible);
- be open and transparent about decision-making, governance and tax planning;
- reasonably believe that transactions are structured to give a tax result which is not inconsistent with the economic consequences (unless specific legislation anticipates that result), nor contrary to the intentions of Parliament; and
- interpret the relevant laws in a reasonable way, and ensure transactions are structured consistently with a co-operative relationship.

CGG does not tolerate tax evasion or the facilitation of tax evasion. Following the introduction of the Corporate Criminal Offence of Failure to Prevent the Facilitation of Tax Evasion, as part of the Criminal Finances Act 2017, we seek to apply appropriate procedures and controls to prevent any person acting for or on our behalf from facilitating tax evasion.

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