

TAX POLICY FOR DANSKE COMMODITIES

BACKGROUND

Danske Commodities entities are part of a Danish independent energy trading house, Danske Commodities A/S, which trades across borders all over Europe, ensuring that energy markets stay competitive, efficient and balanced. Danske Commodities challenges market inefficiencies with international trade, moving energy from where there's more than needed to where it's needed most.

Our Tax Policy is formed on our commitment to comply with local and international tax legislation as well as our corporate values and leadership principles.

This Tax Policy document was reviewed and approved by the Executive Management. It is effective for the year ending 31 December 2018. The Tax Policy will be reviewed annually by the Executive Management, including how tax risks are monitored and managed.

OUR APPROACH TO RISK MANAGEMENT AND GOVERNANCE

All tax matters in the Danske Commodities entities are managed at group level. The Head of Finance and Accounting, who reports directly to the CFO, is responsible for the implementation of the company's approach to tax, including tax management process such as tax risk management measures and monitoring local controls and compliance processes. Significant risks will be reported to the Board of Directors for information and decision. Danske Commodities aims to ensure full compliance and supports transparency.

Day to day responsibility for the risk management of the Group's tax affairs is delegated to the Head of Financial Controlling who is supported by appropriately qualified in-house tax professionals. This team identify, manage and where possible, eliminate tax risk.

Reliance is placed upon external tax advisers where there is a need for expert guidance and support. Danske Commodities also relies largely on external tax advisers in countries other than Denmark, where the headquarter for Danske Commodities Group is placed. However, responsibility for tax and decisions on tax matters remain with the Head of Financial Controlling and the in-house tax professionals.

Finance and Accounting has defined and will employ various risk management processes and systems to provide assurance that the principles set up in this Tax Policy are being met.

OUR APPROACH TO TAX PLANNING AND TAX RISK

Danske Commodities claims relevant tax reliefs made available by the local government, in line with the public policy objectives of such reliefs. Danske Commodities applies OECD guidelines and local legislation on intercompany transactions between Danske Commodities entities of Danske Commodities group. Danske Commodities pays tax in the country in which the value arising from our presence is earned.

In analysing tax risks, Danske Commodities ensures that tax initiatives support changes to the business in line with the overall strategy. When making decisions on tax Danske Commodities considers the materiality of any item, as well as the

costs of effective mitigation actions. There are no predefined limits of the amount of acceptable tax risks; it is judged on a case by case basis.

Danske Commodities does not enter into artificial arrangements to avoid taxation or to defeat the stated purpose of the legislation. Where there is uncertainty surrounding the interpretation of the law, Danske Commodities will consult external advisers and/or local tax authorities to resolve or minimise the uncertainty and tax risk.

OUR APPROACH TO WORKING WITH LOCAL TAX AUTHORITIES

Danske Commodities entities will act with honesty and transparency in our relationship with local tax authorities, and we will promptly disclose all legally required information to the tax authorities. Where appropriate Danske Commodities entities will have an open dialogue with local tax authorities as we see value in working with tax authorities to agree on material tax matters.