

Aker BP Tax Strategy

Aker BP is an independent exploration and production company with exploration, development and production activities on the Norwegian continental shelf. Aker BP holds no oil or gas assets outside Norway, meaning all activities are within the Norwegian petroleum tax regime.

Our business activities generate a substantial amount and variety of taxes. We pay corporate income taxes, employment taxes, indirect taxes such as VAT and excise duties and we collect and pay withholding taxes.

Aker BP is committed to comply with tax laws in a responsible manner, professionally executed tax compliance and tax planning, and constructive and open relationship with tax authorities. We report our payments to governments in accordance with the Norwegian Accounting Act as part of the Annual Report.

Aker BP's Tax Strategy is underpinned by the following principles:

1. Tax Compliance
2. Tax Planning
3. Relationship with governments
4. Tax risk management

Aker BP's fundamental principles for responsible behavior are described in our Code of Conduct. The Code of Conduct is Aker BP's main governing document and our public declaration that we as a company, and each one of us, are committed to doing what is right in business. Aker BP's Tax Strategy aligns with our Code of Conduct.

The CFO owns and implements our Tax Strategy which is reviewed by the Audit and Risk Committee. The CFO is also responsible for ensuring policies and procedures that support the strategy are in place, maintained and used consistently.

Responsible Tax Principles

Tax Compliance

- Clear responsibility to comply with tax laws and regulations
- Timely and accurate filing of tax returns
- Active handling of tax correspondence and tax disputed with authorities
- Pay the right amount of tax at the right time

Tax Planning

- Any tax planning undertaken will support our business and reflects commercial and economic activity
- We do not engage in artificial tax arrangements
- We seek to conduct transactions with related parties on an arm's length basis and in accordance with current OECD principles
- Tax incentives and exemptions are sometimes implemented by government and fiscal authority in order to support investment, employment and economic development. Where they exist we seek to apply them in the manner intended

Relationship with governments

- We aim to build and sustain relationships with fiscal authorities that are constructive and based on mutual respect
- We work collaboratively with tax authorities wherever possible to resolve disputes and obtain certainty, but we are prepared to litigate where we disagree with a ruling or decision
- We engage with governments on the development of tax laws either directly or through trade associations and other similar bodies as appropriate

Tax risk management

- We do not prescribe acceptable levels of tax risk
- We seek clarity within the law and evaluate the potential tax outcomes of our business transactions and we escalate tax risks and uncertainties to the relevant level within Aker BP to determine the appropriate management response
- We follow Aker BP's risk management system as part of our internal control process
- We identify, assess and manage tax risks and account for them appropriately
- Material tax risks and disputes are reported to the Audit and Risk Committee, where the CFO represents management, on periodic basis on how they are managed, monitored and assured