

408 Tax policy

15.12.2022

Approved by the Axactor Board

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1. Purpose

This tax policy sets out Axactor Group's strategy, policy and approach in conducting its tax affairs and dealing with tax risk and includes all taxes, including but not limited to corporate income tax, payroll taxes and indirect taxes such as VAT.

Axactor shall be a responsible taxpayer. This is recognized by the tax policy, which establishes a clear and robust Group approach based on openness and transparency in tax reporting and compliance. CFO shall collaborate with the businesses to ensure that:

- The tax policy is adopted and followed consistently across the Axactor Group, with clear lines of responsibility and accountability
- The Group pays the right amount of tax in accordance with the laws and regulations of the countries in which it operates its business
- There is alignment between the policy and the group's overall approach to corporate governance, risk management and sustainability

2. Target group

This policy, related procedures and supporting documents applies to all BoDs, employees, including temporary employees, legal entities within the Axactor Group and where applicable to consultants and subcontractors, pursuant to the Corporate Governance policy.

Group Finance is the main tax knowledge resource for the Group and shall monitor tax risks including compliance and tax optimization at a Group level. Group Finance shall guide on tax related matters.

3. Governing principles

All Axactor Group companies are committed to conducting their tax affairs consistent with the following principles;

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3.1. Tax Code of Conduct

Comply with all tax regulations and pay what is due

The Axactor Group shall comply with all applicable tax laws and regulations including tax reporting, and disclosure tax obligations in all relevant jurisdictions.

3.1.1. Consistency with Group strategy

All decisions that may have tax effects shall be consistent with and complement the Group's overall strategy. Key business decisions made shall be conscious of the tax consequences and with the aim to optimize the after-tax returns for the Group's shareholders.

3.1.2. Governance, assurance and tax risk management

Each Group company is responsible for conducting its tax affairs in accordance with this policy and for implementing internal procedures as necessary to secure such compliance. Decisions with tax implications shall be taken at an appropriate level and in accordance with the Delegation of authority policy.

Diligent, professional judgement shall be employed to assess tax risks in order to make well-reasoned decisions on how the risk shall be managed. Where there is identified uncertainty as to the application of tax legislation the CFO shall be consulted.

In reviewing the tax risks of an action or decision, the following should be considered:

- The maintenance of the Group's reputation with a particular regard to the Code of Conduct, Corporate Social Responsibility policy and relevant ESG factors
- The tax benefits and the impact on the Group's reported result compared to the potential financial costs including the risk of penalties and interest
- The consequences of potential material disagreement with tax authorities

Group Finance shall on a regular basis do tax risk assessments and cooperate with the Group companies to assure that the requirements of this policy are met.

The Finance Directors shall always notify the CFO before initiating:

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- Purchase or sale of companies or businesses
- Amendments or changes to the ownership structure of Group companies
- Mergers or demergers (split) of Group companies, carve-outs and divestments of significant assets
- Significant amendments of the capital structure of Group companies
- Entering into any agreements, historical, present or future / forward-looking that attempt to regulate tax issues
- Potential engagement of external tax advisors

Further, the CFO shall immediately be notified of:

- All enquiries by tax authorities regarding transfer pricing documentation
- Identified uncertainty with respect to reporting or disclosures in tax returns or financial statements which potentially imply material tax effects

3.1.3. Tax optimization and tax planning

The Axactor Group shall use legal and acceptable methods to optimize the cash flow effects of all taxes and should use available tax incentives and tax reliefs where possible including utilization of available tax consolidation opportunities. If the legislation is not clear and there are alternative approaches that may result in differing alternative tax outcomes, Axactor shall normally choose the most favorable alternative. However, Axactor shall not knowingly use tools and methods that are contrary intents and purposes of the legislation.

Axactor Group's tax planning shall support business efficiency and profitability with a view to creating and protecting shareholder value, meanwhile respecting existing regulations. Any tax planning must support real commercial activity, comply with national tax rules and regulations, be consistent with this policy.

3.1.4. Use of external tax consultants

- Each group company must carefully consider the need for support from external tax advisors in order to comply with relevant legislation and this policy. It is possible to request advice or rulings from the tax authorities.

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When considering the use of external tax advisors, the following shall apply:

- Any advice should be provided in writing, in English language and be based on complete and accurate facts
- The advisor shall be responsible for the services provided – disproportionate limitation of liability for services provided is not acceptable
- Always ask for a written fee estimate in advance
- The responsibility for tax planning initiated by external advisors and used by Axactor shall comply with this policy
- Potential engagement of external tax advisors where the fee may exceed EUR 5 000 shall be approved by Group Finance.

3.1.5. Relationships with tax authorities

Axactor is committed to the principles of openness, transparency, and cooperativeness in its approach to relationships with all relevant tax authorities.

Axactor aims to make complete, accurate and timely disclosures in all returns and other correspondence with the tax authorities.

Axactor shall consider resolving uncertain material tax issues in advance with the tax authorities. Identified uncertain positions in the current tax year shall be reflected in the tax returns in order to disclose complete and accurate information to the tax authorities and avoid potential penalties and reputational damage.

Review log

Version	Date	Changed by	Comments
1.0	15.12.2022	Bård Haugan and Nina Mortensen	New

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