

# Maersk Drilling Tax Policy

Maersk Drilling (The Drilling Company of 1972 A/S and its subsidiaries) will maintain good **corporate citizenship** in the tax area by complying with applicable regulations, acting in an upright manner towards public authorities and paying taxes as required by law. This means that:

- We will ensure that applicable tax laws and regulations, including transfer pricing rules, are complied with in accordance with the requirements and practices in each country in which Maersk Drilling has activities
- We support the development, growth and prosperity in the countries in which we operate by paying the taxes in accordance with the legislation
- Where tax regulations governing business transactions allow for different interpretations or choices, Maersk Drilling will adopt a justified and defensible tax position ("more likely than not")
- We only engage in tax planning that is aligned with our commercial and economic activity
- For all major transactions where a tax position must be adopted, Maersk Drilling will ensure that a technical assessment is made and where appropriate will obtain an external opinion. Maersk Drilling will only adopt a tax position if we are prepared to defend it in the appropriate tribunals or courts
- Reputational risk will be evaluated in the light of commercial and business purpose, clarity of tax position and complexity of transactions
- Maersk Drilling's values of uprightness and constant care will be observed in all dealings with the tax authorities and we strive to engage with tax authorities in an open and transparent manner regarding our tax affairs and provide all relevant information that is necessary for those authorities to review and understand our tax positions

Various **stakeholders** have an interest in receiving appropriate insight into Maersk Drilling's management of its tax affairs. We shall comply with all our disclosure requirements. This means that:

- We shall disclose all required information to enable the tax authorities to make an informed assessment of our tax liability
- We shall disclose information to the public and press upon request where reasonable and practicable, subject to business confidentiality

Maersk Drilling will support **value creation** for shareholders by improving profits and cash flow growth through effective management of tax risks, costs and payments and responsible tax planning based on business rational including tax efficient implementation of major transactions and structures aligned with our commercial and economic activity. This means that:

- Where tax legislation and practice permits deductions of costs and losses against income or allows tax exemptions or reductions, Maersk Drilling will make use of these deductions, exemptions or reductions

- Maersk Drilling will ensure that major transactions are implemented in such a way as to minimize the total long term tax costs
- Maersk Drilling will pursue all reasonable legal means available to minimize double taxation
- Maersk Drilling will ensure that operational procedures are managed so that we do not incur unnecessary tax charges
- Maersk Drilling will ensure that proper procedures are in place to monitor tax risks
- Where feasible Maersk Drilling will obtain advance agreements or rulings from the relevant tax authorities in respect of significant tax exposures

The Executive Management approves the Tax Policy based on the recommendation of the Maersk Drilling CFO. The Maersk Drilling CFO is responsible for the formulation and implementation of the Tax Policy.

The Board of Directors of Maersk Drilling approves the Tax Policy and exercises **governance** over corporate tax affairs through regular updates on our tax positions.

--oo0oo--

Approved by the Board of Directors of Maersk Drilling (The Drilling Company of 1972 A/S) on 26 May 2020.

***Published to comply with UK legislation Finance Act 2016 with paragraph 22 of Schedule 19***