

Tax Policy

SKAKO

1. Introduction

SKAKO Group has 7 companies and operates in five different countries, all of which are governed by national and international tax legislation. The purpose of this document is to outline SKAKO Groups Tax policy and describe the principles of tax management for the SKAKO Group.

SKAKO Group seek to develop cooperative relationships with the local tax authorities wherever it is possible. The purpose of the cooperative relationships is to have transparency, trust and respect for the local laws and regulations.

2. Scope

This document is covering both direct and indirect taxes, consisting of:

- Income taxes
- Payroll taxes
- Other indirect taxes

The policy is applied to all controlled companies and sales operations in the SKAKO Group. The document is periodically reviewed, to ensure that the policy is up to date.

The policy is applied to secure that SKAKO Group mitigate tax risk to the extent possible, and to ensure that the companies in SKAKO Group complies with local laws and transfer pricing regulations.

3. Our role and responsibility

SKAKO Group acknowledges the effect of the direct and indirect local taxes, as a responsible taxpayer we contribute to the development of the countries we operate in.

We ensure that we are a responsible taxpayer, through payment made in the correct time and with the correct amounts, that matches the local laws and regulations.

SKAKO Groups Board of Directors are responsible for the tax Policy and framework for compliance with tax regulations.

The Group Executive management will secure that the guidelines and policy are implemented and followed by all the companies in the Group.

Additionally, the Executive management are responsible to report any material breaches of the tax policy to the Board of directors, if this kind of breaches have material effect on the SKAKO Group reputation or economic loss.

The tax policy is reviewed continuously, and if there are any relevant changes they are immediately updated. There is a regularly update on the tax matters, and risk to the Audit Committee.

4. Our policy

SKAKO acts responsible by paying taxes in accordance with applicable laws and regulations in countries where profits are earned.

The Group does not engage in aggressive tax planning and does not set up legal structures with the aim of moving taxable profits from high to low tax countries. SKAKO's legal structure is determined by operational considerations and strategy.

The Group's transfer pricing framework is designed and structured in accordance with the principles set out in this Group Tax Policy with the aim of ensuring that all controlled transactions are carried out on arm's length terms in accordance with applicable transfer pricing rules.

SKAKO Group aims to be tax compliance and transparent. Through our policy we strive to live up to our social responsibility in the countries we operate. SKAKO Group respect the local tax laws and regulations and are responsible for paying the right amount of tax in the right time.

At the same time SKAKO Group consider tax as a cost of business, why there is element of optimising to create value for our shareholders.

One of SKAKO Groups fundamental objective in the tax policy is to eliminate double taxation.

4.1 Locations

SKAKO Group operates in five different locations, the headquarter is placed in Faaborg, Denmark.

SKAKO Group pays income taxes on the profits in the different locations, furthermore there is paid payroll taxes and other indirect taxes in the locations where SKAKO Group operates.

There is annually made a transfer pricing documentation, where the transactions in SKAKO Group are conducted on base of the arm's length principles and in accordance with the current OECD guidelines.

4.2 Compliance

SKAKO Group are compliance with the applicable tax laws and regulations in the individual locations where we operate.

There is focus on paying the correct amounts of tax in the right time.

If employees in the SKAKO Group do not possess the necessary qualifications to ensure that laws and regulations are complied with, the SKAKO Group reaches out to specialists to ensure that we always comply with thee rules.

SKAKO Group has no intention of moving revenue from countries with high tax rates to countries with low tax rates. SKAKO Groupe secure that intercompany transactions comply with the arm's length principle and the applicable OECD guidelines.

4.3 Income taxes

SKAKO Group will always strive to comply with the local tax regulations and laws for income taxes. Furthermore, we strive to pay and calculate the income taxes with the right amount at the right time. SKAKO Groupe have no intention of moving revenue or cost from high tax rate locations to low tax rate locations, to manipulate with the local tax obligations.

4.4 Payroll taxes

SKAKO Group will ensure that employee taxes that is withhold by SKAKO Group are always paid directly to the local tax authorities with the right amount to the right time. The taxes are paid as a part of the salary payments made to the employees. SKAKO Group is not responsible for the employees' tax affairs, the payment made by SKAKO Group are based on the tax information that is provided to us by the employee.

4.5 Other indirect taxes

SKAKO Group will always strive to comply with local indirect tax legislation:

- VAT
- Sales taxes
- Withholding taxes
- etc.

SKAKO Group will strive to pay and calculate the income taxes with the right amount in the right time.