

Yara Tax Policy

This document sets out the tax policy for the Yara Group.

This policy applies to all Yara controlled companies and subsidiaries and covers mainly Corporate Income Taxes and Value Added Tax (VAT).

When dealing with taxes, Yara behaves ethically and in line with the values and principles contained in Yara's Code of Conduct.

Approach to Tax and Tax Planning

Yara will exhibit appropriate, prudent and transparent tax behavior.

Within the framework of tax laws and regulations we optimize our tax cost in the same way as other costs. Yara does not pursue tax solutions without existence of commercial purpose and is committed to a transparent management of tax.

Taxes should as a principle be paid where economic value is generated. Yara therefore takes an operational and commercial approach rather than a tax-driven approach when operating its business. The economic benefits associated with tax planning must never override compliance with the applicable laws.

Transactions between Yara subsidiaries are conducted on an arms-length basis in accordance with appropriate transfer pricing rules, OECD principles and Yara Transfer Pricing Policy.

We manage and report our tax affairs in a manner which ensures compliance with all fiscal obligations and is consistent with international best practices such as Tax/Transfer Pricing standards and Guidelines issued by the Organisation for Economic Co-operation and Development (OECD).

Risk Management

Yara operates in many countries and is exposed to a variety of tax risks, such as transactional, operational, compliance, financial and management risk.

Yara actively manages tax risks with the aim of mitigating or eliminating them.

Where there is uncertainty as to the application or interpretation of tax laws, Yara makes these judgements through the employment of qualified in-house personnel and, where necessary, the use of external advisors.

The tax strategy shares the same approach to risk as Yara's overall strategy and there will be continuously reviews to ensure that the level of tax risk is in line with Yara's overall risk appetite.

Yara has procedures in place for tax risk management in order to identify, measure, manage and report tax risks.

Governance & responsibility

The Board is ultimately responsible for tax and tax management in Yara. Material risks and issues related to tax are escalated to and considered by the Board on a regular basis.

The Board approves the Group's Tax Policy. It delegates authority to execute against this policy framework to Yara's Management. Responsibility for the tax area in Yara's Management rests with the CFO who sub-delegates this authority to the Group Head of Tax.

Tax compliance and day to day responsibilities for the operation of the local tax function rest with the Yara subsidiaries.

Approach to Tax Authorities

Yara aims at establishing good relationships with tax authorities. Communications and relationships with tax authorities shall be managed in a professional, courteous and timely manner.

Yara seeks to operate under a policy of transparency with the tax authorities in all countries in which we operate while seeking to build open and honest relationships in our day-to-day interactions with those authorities.

Yara works collaboratively with tax authorities wherever possible to resolve disputes and obtain certainty, but we are prepared to litigate when we disagree with a ruling or tax position taken by the tax authorities.