



Tax Management Policy 2020

OCI N.V. - Central Tax Team

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OCI Tax Management Policy 2020

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Glossary

Where words are first underlined in this document, the definition of the term/abbreviation is described below.

Tax Community	The Tax Community comprises of all individuals dealing with tax within OCI (i.e. individuals within the business, Finance, Corporate Accounting, Central Tax Team).
Tax Function	The Tax Function consists of the Tax Leadership Team, Central Tax Team, Group Controller, Corporate Accounting department, local CFO's and local Finance departments.
Tax Leadership Team	The Tax Leadership Team consists of the Group Chief Financial Officer, Group Controller and the Group Head of Tax.
Central Tax Team	The Central Tax Team is formed by the Group Head of Tax, Regional Tax Manager and Regional Tax Director for Fertigllobe.
OCI Code of Conduct	OCI's Code of Conduct contains the policies that relate to the legal and ethical standards of conduct that the directors, executive officers and senior financial community of OCI N.V. and its subsidiaries (the "Company") are expected to comply with while carrying out their duties and responsibilities on behalf of the Company.
OECD	'Organization for Economic Cooperation and Development - OECD'. A group of 34 member countries that discuss and develop economic and social policy. OECD countries are democratic countries that support free market economies.
IFRS	'International Financial Reporting Standards - IFRS'. A set of international accounting standards stating how particular types of transactions and other events should be reported in financial statements. IFRS are issued by the International Accounting Standards Board.
GAAP	'Generally Accepted Accounting Principles - GAAP'. The common set of accounting principles, standards and procedures that companies use to compile their financial statements. GAAP are a combination of authoritative standards (set by policy boards) and simply the commonly accepted ways of recording and reporting accounting information.
Tax Risk	A potential event, which might have an adverse effect on the tax goals of an organisation. This also includes a missed opportunity.
Tax Risk Owner	An individual or department outside OCI CTT that is responsible and/or accountable for managing Tax Risk
Tax Filing(s)	Any tax return, claim, election, instalment payment calculation or other submission of documentation to a Tax Authority.

OCI N.V.

Tax Management Policy

2020

1. Introduction

As compliance with tax laws and regulations had only become more important over the years, OCI instituted a Central Tax Team (“OCI CTT”) with global responsibilities and a Group Tax Management Policy in 2014.

In 2020 OCI adopted a formal Tax Charter containing the general rules and terms of engagement for the OCI Tax Function that supersedes this revised Tax Management Policy 2020. The OCI Tax Function consists of the OCI Tax Leadership Team, Central Tax Team, Group Controller, Corporate Accounting department, local CFO’s and local Finance departments. The OCI Tax Community consists of all individuals dealing with tax within OCI (e.g. individuals within the business, Finance, Corporate Accounting, Central Tax Team) responsible for identifying, assessing, advising, monitoring and reporting on OCI’s Tax Risks.

This revised Tax Management Policy contains guidance on the practical application of OCI’s Tax Charter and detailed information on OCI’s Tax Risk Management measures. It is relevant and addressed to all employees of OCI N.V. and its subsidiaries (“OCI”) and has specific application to all members of OCI’s Tax Community, i.e. those who have formal responsibility and accountability for Tax and tax related activities.

This Policy is applicable to OCI NV and all its subsidiaries and covers all OCI relevant taxes, tax filings and tax risks.

Goal

OCI aims to be a strongly committed member of the communities within which it operates and will be a good corporate citizen acting at all times with explicit and demonstrable honesty, integrity and fairness in all its dealings. OCI Tax follows this OCI corporate goal and aims to have positive relationships with all its key internal and external stakeholders (including Tax Authorities) and to manage its tax affairs efficiently, effectively and within the boundaries of OCI’s Core Values.

Principles

In seeking to achieve this goal, OCI employees should act in accordance with the core values Honesty, Integrity and Fairness as embedded in the OCI Code of Conduct. Specifically, OCI employees should ensure that all tax activities are carried out:

- In adherence to both the letter and the spirit of all applicable laws and regulations; and
- While safeguarding OCI’s legitimate interests, including the organisation’s reputation and brand.

This Tax Management Policy is owned and maintained by the Group Head of Tax, shared and discussed with the Audit Committee and formally approved by the Group Chief Financial Officer of OCI NV. This Policy will be subject to annual review.

2. Tax Community objectives

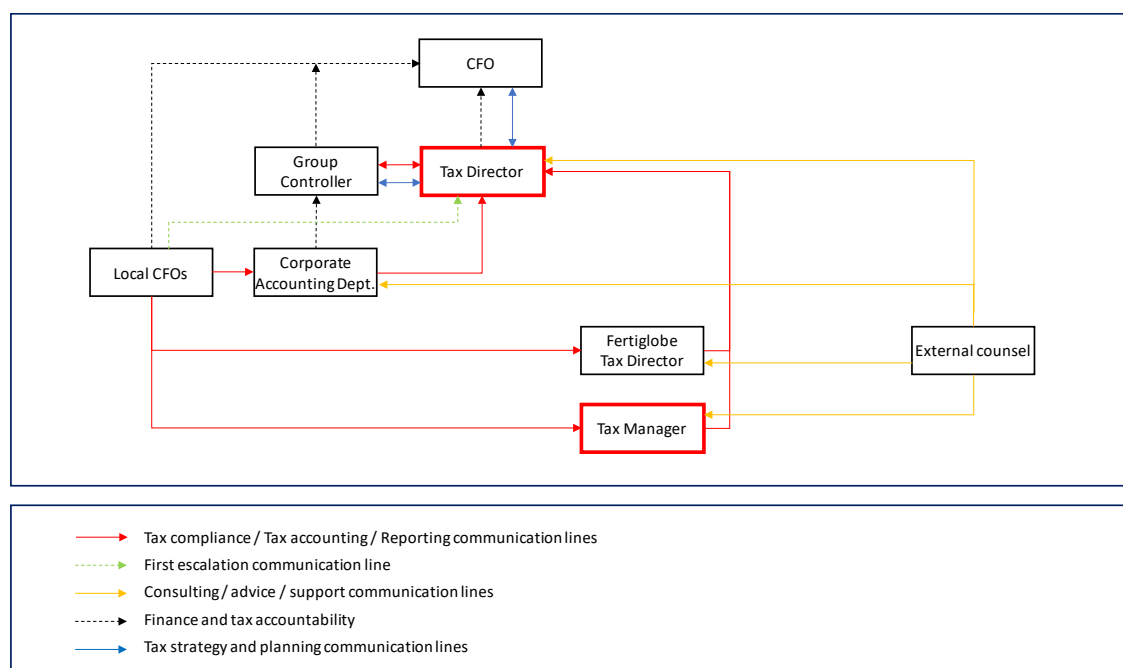
The Tax Community is responsible for operating as a truly global group composed of motivated and skilled members with the following objectives, mandated by the Board of Directors of OCI, supervised and monitored by OCI's Audit Committee:

- Compliance with both the letter and spirit of all applicable tax laws and regulations;
- Accurate tax accounting and reporting of appropriate provisions;
- Comprehensive approach to Tax Control and Risk Management;
- Enforcement of tax policies and standards;
- Support the business on tax matters.

3. Tax Function

a. Tax Function

The Tax Function (formal and shadow) can be depicted as follows:



b. Formal Tax Function

The Tax Leadership Team consists of the Group Chief Financial Officer, Group Controller and Group Head of Tax. The Central Tax Team ("CTT") consists of the Group Head of Tax, the Regional Tax Manager and the Regional Tax Director for Fertiglobe. The CTT members assist the Group Head of Tax with the execution of his responsibilities. All global initiatives, areas of expertise and responsibilities have a tax leadership team member. For example:

- Financing and other Treasury related activities
- Cost allocations

- Transfer Pricing
- M&A
- Tax Control Framework

The CTT will be involved with local Corporate Income Tax Compliance. The Regional Tax Managers will support the local CFO's with operational Tax Filings.

c. Shadow Tax Function

Local Finance departments, local CFO's and the Corporate Accounting department are key in the support and execution of the Tax Community's goal and objectives, in particular regarding compliance and tax accounting. The CTT has overall accountability for achieving the group's tax compliance objectives and should be informed and consulted regarding the tax accounting objectives. Responsibility for achieving tax compliance and accounting objectives at the country level will be agreed on an entity-by-entity basis by CTT and local CFO's.

d. Delegation of authority, responsibility and accountability

The CTT has overall responsibility for the review of all required tax information from tax forecasting through tax reporting to submission of tax filings. Local CFO's are responsible for local Corporate Income Tax Compliance through global outsourcing arrangements. Local CFO's are also responsible for the filing of operational taxes supported by Regional Tax Managers. Lastly, tax accounting & reporting is the responsibility of the Corporate Accounting department with the local CFO's signing off on local tax positions in the accounts.

The appendix to this policy contains a RACI chart outlining key tax and tax related activities and the persons responsible and accountable for completion.

4. Embedding Tax in the business

To achieve OCI's Tax Community's goal and objectives, the Tax Community must be well integrated with the business to ensure that the implications of tax on all major decisions are well understood and taken into account. For the avoidance of doubt, CTT is to be mandatorily consulted in substantial business activities (contracts, etc.)

Tax should be represented in the following meetings:

Group Head of Tax

- Semi-annual Disclosure Audit Committee meeting (on invitation)
- Quarterly Closing meeting OCI
- Board Meetings OCI (on invitation)
- M&A Deal meetings
- Plenary sessions with Tax Leadership Team
- Monthly meeting with Group CFO

Regional Tax Manager / Regional Tax Director

- Bi-weekly meeting with Group Head of Tax
- Bi-weekly meeting/call with local CFO's

** teleconference, videoconference or face to face*

5. Tax Compliance

This Tax Management Policy stipulates the following with respect to compliance:

- OCI complies with all its statutory obligations;
- OCI pays its taxes in time;
- OCI must build a good, honest and open working relationship with Tax Authorities;
- OCI discloses information legitimately required by Tax Authorities. This includes information necessary to properly understand entries in a tax return and information specifically requested during tax audit enquiries;
- OCI will be able to provide evidence that tax positions adopted are legally sustainable in the event of challenge by a Tax Authority.

OCI has opted for an outsourcing model for tax compliance, meaning the global service provider will prepare and/or review the Corporate Income Tax returns for all entities within OCI.

Tax compliance will be monitored through regular formal and informal communication across the organisation and any contractual relationships with the global service provider are to be monitored at Central Tax Team level.

6. Transfer Pricing

OCI believes that it is necessary always to trade with related parties based on the at arm's length principle (applying market based prices for intercompany business transactions) and actively strives to do so.

The at arm's length principle provides the closest approximation of the workings of the open market in cases where goods, products and services are transferred between two associated enterprises. The application of the at arm's length principle within OCI is based on a comparison of the conditions in a controlled transaction with the conditions in transactions between independent enterprises.

Transfer Pricing documentation is reviewed periodically by OCI CTT and the relevant business people, to ensure compliance with all relevant transfer pricing legislation.

This documentation is prepared in accordance with the transfer pricing guidelines as contained in the Organisation for Economic Co-operation and Development's Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations (OECD Guidelines) and, as needed, local tax requirements to document and use appropriate transfer pricing methods for establishing and testing inter-company transactions with related parties.

7. Tax Accounting & Reporting

This Tax Management Policy stipulates the following with respect to tax accounting & reporting:

- Group financial reporting is under IFRS. Local statutory accounts are reported in line with local GAAP;
- OCI strives to meet all global tax reporting deadlines in a controlled way;
- Efficient, effective and documented tax accounting & reporting processes are established and maintained at the local level, overlaid with effective global controls and policies;
- Financial information in the tax reporting is accurate, reconciles to financial statements, transfer pricing documentation, invoices and other relevant sources;
- Accurate and supported tax accounting & reporting positions should be formulated within agreed frameworks and tax (reporting) impact is considered prior to an event;
- Tax accounting & reporting documentation should reflect applicable accounting rules, tax rules and bookings made;
- Tax risks for group and statutory reporting are identified (before any threshold), analysed and monitored until completion as part of the continuing tax accounting & reporting process within agreed (global) framework;
- Positions taken in tax advice are accurately reflected through to tax balances in the financial statements, the tax risk provisions and/or disclosures;
- Tax accounting & reporting files are complete and contain audit trails such that upon challenge or audit by Tax Authorities in later years all necessary and relevant information is readily accessible;
- All documents are effectively stored for both statutory and internal future requirements;
- All tax accounting & reporting issues are escalated to the Group Controller and the Group Head of Tax;
- Corporate Accounting Department is responsible for a correct reflection of the tax expense in P&L and balance sheet position;
- Requests for assistance or information from the local CFO's with regards to tax accounting & reporting issues are responded to by Corporate Accounting department on a timely basis.

8. Tax Initiatives

Any activity which aims to manage OCI's tax position should be undertaken in accordance with OCI's Tax Charter. All material (direct and indirect) tax initiatives should be initiated and managed by the CTT. Local entities are not permitted to undertake any material and non-operational tax initiatives without the full involvement of the CTT. CTT will be notified by the local CFOs if any non-material tax initiatives are considered.

The Tax Leadership Team ultimately has to approve all new material tax initiatives. The Audit Committee will be informed by the members of the Tax Leadership Team of any new material initiatives prior to implementation.

In addition, the Group Head of Tax will report periodically on material tax initiatives taken together with an Effective Tax Rate reconciliation to provide the Audit Committee with full insight.

The Tax Leadership Team will take reputation and commercial considerations into consideration when assessing and deciding on tax initiatives.

9. Risk management

OCI's approach to tax risk is to ensure that Tax Risks are acceptable relative to the associated value or financial return and that, where available, further risk reduction measures are taken in relation to significant risks where appropriate.

a. Identification

Risk assessments should be undertaken periodically at a Group level by the CTT and at a jurisdictional level by local CFO's as appropriate.

b. Evaluation

Risks should be scored according to the likelihood and significance that they will crystallise. Where the score on an individual basis exceeds certain thresholds, risks should be recorded with an owner, mitigation measures, residual risk and current status.

c. Control

Where risks exceed a threshold, consideration should be given to further actions that could be taken or increased controls to mitigate the residual risk. Such actions would typically be: external advice (or second opinion) to support the position; Tax Authority clearance/rulings (where possible); and enhanced documentation / monitoring of the situation.

d. Monitoring

Risks should be actively monitored and items exceeding certain thresholds should be reported to the Audit Committee on a quarterly basis in the general Risk Management report issued by the Internal Control department.

10. Tax Audits & Enquiries

Local Finance departments or Local CFO's becoming aware of a Tax Authority commencing an audit or enquiry must inform the CTT. Full responses will be made to all Tax Authority queries/communications by the date requested by the Tax Authority. Where the communication relates to an assessment, adjustment following an enquiry/audit or tax payments, the deadline for response will be set at the date requested by the Tax Authority. Full responses to Tax Authority queries, together with supporting documentation, should be provided to the CTT no later than 10 business days before the response is due to the Tax Authority. Once the response has been approved and signed appropriately, it should be sent out immediately to ensure the response is received by the Tax Authority within the deadline.

11. External Resources

CTT will maintain and manage OCI's relationships with professional advisers to ensure that they understand our business and deliver value for money. Total OCI tax adviser costs are to be monitored actively and ways identified to generate better value.

Prior approval should always be obtained from the Group Head of Tax before any OCI entity enters into any engagement with a third party provider. At CTT level OCI will monitor the overall cost to the organisation of its third party advisers and will strive to ensure best value for money. To assist in achieving this objective a Master Services Agreement with our global service provider will be prepared and should be used with all engagements; though there should remain scope for exceptions. The CTT will engage with the local OCI business and the third party adviser

to ensure the correct use of the organisation-wide Master Services Agreement.

12. People and Organisation

The CTT will comprise qualified tax professionals with relevant international tax experience.

OCI will ensure that staff within the Tax Community maintains an appropriate level of professional knowledge by providing access to training and other development opportunities. Knowledge of the organisation and its businesses will be developed through regular visits to the business areas.

Feedback is consistently sought from stakeholders and acted on.

The Tax Function and Tax Leadership Team works closely with HR to attract and develop staff and has a focussed recruitment strategy to obtain most qualified resources.

13. Data

a. Systems

The Tax Community is a key user of data from financial systems. OCI's ability to fulfil its tax policy is dependent on the data within those systems being fit for tax purposes. To help achieve this, the CTT will be consulted in the design of any new group financial systems or the upgrade of any existing ones.

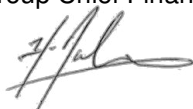
b. Document management

All tax documents should be stored in a single storage system and readily accessible to the Tax Community. Levels of authorisation will be determined and observed. All documents should be securely stored for a period of at least 7 years from document finalisation. Local country requirements may extend the storing period.

Amsterdam, 26 August 2020

Signed on behalf of OCI's Executive Board by:

Group Chief Financial Officer



Hassan Badrawi

Appendix

RACI Chart

RACI ^[1]	Local Finance Department	Local CFO	Corporate Accounting department	Group Controller	Tax Manager / Fertiglöbe Tax Director	Group Tax Director	CFO	Third party provider
Tax initiatives (incl. TP)		I			R	A	I	C
Tax compliance								
CIT / WHT [2]								
- Information gathering	R	A			C	I		R
- Return preparation	C	A			I			R
- Return review	C	A			R	I		R
- Return submission	R	A			I	I		R
- Return payments	R	A			C	I		
Tax Controversy								
- Tax audits	R	A			C	I		
Operational Taxes [3]								
- Indirect taxes advice/strategy	C	I				R / A		C
- Return preparation	R	A			C	I		
- Return review	R	A			I	I		
- Return submission	R	A			C	I		
- Return payment	R	A			C	I		
Tax Accounting & Reporting								
- Complete tax reporting packs	R	A			C	I		
- Review tax reporting packs		A	R	C	C	I		
- Group consolidation		I	R	R	C	I	A	

^[1] This matrix uses the RACI model: R = Responsible; A = Accountable; C = Consulted; I = Informed

^[2] Withholding taxes consist of Royalties, Dividends and Interest

^[3] Operational taxes consist of sales and use taxes (including VAT), customs & excise taxes, capital taxes and property taxes