A strong business needs a strong tax function
<table>
<thead>
<tr>
<th><strong>Brief description</strong></th>
<th>Damen Shipyards Group Tax Policy with underlying principles of tax behaviour and providing guidelines when conducting business</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Effective</strong></td>
<td>1 January 2021</td>
</tr>
<tr>
<td><strong>Approver</strong></td>
<td>Damen Shipyards Group Executive Board of Directors – approved 18 October 2021</td>
</tr>
<tr>
<td><strong>Executive sponsor</strong></td>
<td>CFO Damen Shipyards Group</td>
</tr>
<tr>
<td><strong>Policy owner</strong></td>
<td>Damen Tax</td>
</tr>
<tr>
<td><strong>Policy contact</strong></td>
<td>Diederick van den Bouwhuijsen - Head of Tax</td>
</tr>
<tr>
<td></td>
<td><a href="mailto:diederick.van.den.bouwhuijsen@damen.com">diederick.van.den.bouwhuijsen@damen.com</a></td>
</tr>
<tr>
<td><strong>Supersedes</strong></td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Review frequency</strong></td>
<td>Once every two years unless required more frequent</td>
</tr>
<tr>
<td><strong>Last reviewed/updated</strong></td>
<td>October 2021</td>
</tr>
<tr>
<td><strong>Next review/update</strong></td>
<td>October 2023</td>
</tr>
<tr>
<td><strong>Applies to</strong></td>
<td>All Damen companies, business partners and their employees worldwide.</td>
</tr>
</tbody>
</table>
Introduction

This Policy, approved by the Executive Board of Directors of Damen Shipyards Group N.V. dated October 18, 2021, is aimed at affirming a set of values, recognized as underlying principles of tax behaviour for the Group, and providing correlative guidelines, in order to ensure the Group’s integrity and reputation over time and to guarantee a uniform approach when conducting business affairs and dealing with tax risks in all Group entities.

Damen’s Code of Conduct sets the principles which all employees are expected to adhere to and which are applicable to the taxation field.

Damen core values

Fellowship. To act together with honesty and in a reliable way in all tax matters. To ensure full transparency towards all stakeholders without compromising the confidentiality entailed in running its business and ensuring its commercial operations are competitive.

Craftsmanship. To value long-lasting relationships with relevant tax authorities and to support a constructive and transparent dialogue based on mutual trust.

Stewardship. To take the values of reciprocity and solidarity serious and pay a fair share of taxes and to ensure compliance with all tax obligations in force in all countries where Damen Shipyards Group operates.

Entrepreneurship. To structure its tax affairs to achieve a favourable tax treatment within the limits set by the spirit of the law and in conformity with the other core values.
Damen Tax Policy

Based on the above-mentioned principles all the entities belonging to the Damen Shipyards Group set up their tax governance management by adhering to the following 5 commitments:

1st. Tax compliance
Damen Shipyards Group has operations across the world and is aware of its responsibility and the importance of economic contribution to countries where its activities are being performed. As such Damen Shipyards Group gives high priority to the fulfilment of its duty to pay the required taxes in the countries where it operates. This is based on the following principles:

• Tax follows business. Tax positions are adopted on sound economic and business principles refraining from aggressive tax planning and structures meant for tax avoidance.
• We adhere to both the letter and the spirit of the law.
• We adhere to the “arm’s length” principles in intra-group transactions.
• We disclose complete and accurate information about our activities and refrain from structures that conceal or reduce transparency.

We expect our intermediaries involved to act in accordance with these principles as well.

2nd. Tax efficiency
Damen Shipyards Group must pay taxes, but there’s no law that says we have to leave a tip. In other words, within the boundaries set by the 1st commitment Damen Shipyards Group seeks for bottom line value creation through efficient management of tax costs and legitimate response to tax incentives and tax exemptions.

Damen Shipyards Group is committed to not have a presence in tax havens, unless this is required for business reasons. In case of presence in a tax haven we guarantee strict compliance with Damen Shipyards Group Compliance procedures and criteria, and full transparency with the relevant tax authorities, to provide information with respect to the business activities.

3rd. Tax certainty & comfort
Damen Shipyards Group seeks to develop strong, mutually respectful relationships with local tax authorities based on transparency and trust all with the purpose of ensuring the correct implementation of the tax laws, increasing legal security and reducing litigation. Damen Shipyards Group will apply the following principles:

• Written advice or confirmation will be sought in case tax laws are unclear or subject to interpretation.
• We provide local tax authorities with information and required documentation with tax relevance as soon as possible and within the scope due.
• We have a priority to non-litigious means for resolving disputes, when possible. We engage in constructive dialogues and take due care of a sustainable relationship with relevant tax authorities and other relevant stakeholders.

• We build up sound defence in the event of disputes and conflicts with a local tax authority with regard to the interpretation and application of the tax regulations, using all the available resources, but with primary objective to seek an amicable and non-disputed solution.

4th. Tax risk management
In the current global economic environment, identifying and managing risks across our organization has become increasingly important to the success and sustainability of Damen Shipyards Group business. Being exposed to tax risks is part of doing business. The key is not to take on risks that are serious threats to the strategic goals of the Group’s business. Damen Shipyards Group should undertake to apply tax policies to mitigate aforesaid tax risks. This is materialized by the following principles:

• Tax risk management is integral part of the Damen Shipyards Group risk management policy, which means that Damen Tax needs to be consulted to determine the Tax impact of all significant business transactions as defined in Annex I to this Policy.
• We manage tax matters through the use of an effective tax control framework with efficient controls to be applied to enable correct operation of the 6 key tax focus areas (Transfer Pricing, Indirect Taxes, Permanent Establishment, Tax scrutiny, Withholding Taxes and Tax accounting)

• We maintain a suitable organization to safeguard implementation of our tax policies in order for the tax function to be carried out in a professional and global manner.
• We avoid surprises by maintaining a tax risk management register, registering and documenting the key tax risks and actively manage said risks based on the 4 T’s; Treat, Tolerate, Terminate or Transfer.
• The Supervisory Board is informed on the execution of its policies and tax hot topics and risks at least once a year.

5th. Tax governance
Damen Shipyards Group’s Board of Directors is accountable for the tax policy (and strategy). The management teams of the Divisions are responsible for a proper implementation and execution of the tax policy. Damen Tax is the focal point on all tax related matters. Damen Shipyards Group’s Tax Department consists of well-educated tax experts who are in continuous dialogue with all relevant internal stakeholders to create tax awareness with senior management. Damen Tax reports on a periodic basis to the CFO of Damen Shipyards Group on adherence to the tax policy.

Publishing
The tax policy (and strategy) contained in this document shall be communicated across the organization making sure public knowledge and fulfilment by all Damen Shipyards Group companies and employees is guaranteed.
Damen Tax Department needs to be consulted to determine the tax impact of all significant actions and transactions of Damen Shipyards Group. Such involvement serves multiple roles of the Tax Department, for example supporting the business, whilst at the same time identifying relevant Tax impacts and ascertaining compliance with tax laws and regulations. This will ensure that relevant actions and transactions receive the desired consideration. These significant actions and transactions consist of:

a) Asset / entity acquisition;
b) Asset / entity divestment;
c) Corporate restructuring;
d) Capitalization;
e) Distributions;
f) Internal- or external (re-)financing, with a value above EUR 2,500,000;
g) Loan repayment;
h) Intra-group bank or other type of security;
i) Changes to the business model;
j) Changes to the supply chain;
k) Changes to tax requirements in ERP systems and other tax technology components;
l) Contracts following from a Damen Risk Board submission;
m) Cross-border arrangements of any sort, all with a value of at least EUR 100,000

The Damen Tax Department needs to be informed and involved in a timely manner, and with disclosure of all information. The purpose this serves is that the consequences of the significant action or transaction are properly considered, and documentation is accurate, complete and consistent and assumptions are made explicit. It prevents complications in the event where years after the fact questions arise why and how an action was performed or a transaction was implemented. To this end it is required that for each of the abovementioned actions and transactions upon occurrence a summary is updated with the relevant factual information, such as implementation dates and relevant amounts leading up to and directly following the implementation of the action or transaction.
OCEANS OF POSSIBILITIES