

# VHII Payment to Governments 2016

Reference: Vitol Holding II SA

Date: updated 17 January 2017

# Consolidated report on payments to governments for the year ended 31 December 2016

## Introduction

This consolidated report (the “Report”) provides an overview of the payments made to governments by Vitol Holding II SA and its subsidiaries for the year ended 31 December 2016 with respect to its extractive activities, as required under articles 340ter through 340octies of the Luxembourg Law of 18 December 2015. This law transposes Directive 2013/34/EU (the “Directive”) and applies to large undertakings and public-interest entities that are active in the extractive industry or in the logging of primary forests.

For the purposes of this Report, payment means an amount paid, whether in money or in kind, for extractive activities and under the payment types outlined in the relevant sections below. Payments are reported in the year in which the payment occurred (cash based) and not in the period in which they fall due (accrual basis), therefore, this Report may not always reconcile with any relevant disclosures Vitol’s consolidated financial statements for the same year as lodged with the Luxembourg Trade Register (R.C.S.).

## Basis for preparation

### Reporting entities

This report includes all payments to each government made by subsidiaries of Vitol which are engaged in the extractive industry. During the year ended 31 December 2016, extractive activities were conducted in Ghana, Ivory Coast and Kazakhstan.

### Extractive activities

Extractive activities, in the sense of the Directive, relate to the exploration, prospection, discovery, development and extraction of minerals, oil, natural gas deposits or other materials. Vitol Holding II SA, through its subsidiaries, is engaged in petroleum extractive activities as listed in Section B, Division 6 of the Regulation 1893/2006 of the European Parliament. Payments made to governments relating to the distribution and commercial development of petroleum are not included in this Report as not within the scope of the Directive.

### Scope of payments

The report encloses all payments above the materiality threshold in the sections below which by substance of the activity or payment concerned fall within the Directive. Where payments are made in respect of obligations imposed at the entity level rather than the project level, Vitol does not disaggregate or allocate such payments on a project basis. Where payments in kind are made to a government, they shall be reported in value and, where applicable, in volume, with an explanation on how their value has been determined. No payments in kind within the scope of the Directive have been done by Vitol within the year ended 31 December 2016.

## Government

Government includes any national, regional or local authority of an EU Member State or a third country. It includes a department, agency or undertaking controlled by that authority.

## Payment types disclosed at legal entity level

- **Production entitlements**

These are outputs that Vitol is entitled to receive as party to extractive activities.

- **Taxes**

These are payments on Vitol's income, production or profits, excluding taxes levied on consumption such as value added taxes, personal income taxes or sales taxes in line with in-country legislation.

- **Royalties**

These are payments for the right to extract hydrocarbons and are determined in accordance with local agreements.

- **Dividends**

These are dividend payments, other than dividends paid to a government as an ordinary shareholder of an entity unless paid in lieu of production entitlements or royalties. No such payments within the scope of this Report have been made for the year ended 31 December 2016.

- **Signature, discovery and production bonuses**

There were no payments of this nature or within the scope of this Report made to the government for the year ended 31 December 2016.

- **Licence fees**

These are fees paid for acquisition of leases and licences, including annual renewal fees, in order to obtain and maintain access to the areas in which extractive activities are performed.

- **Payments for infrastructure improvements**

These are payments for development of extraction-related infrastructure. No such payments within the scope of this Report have been made for the year ended 31 December 2016.

## Materiality level

In line with the guidance provided in the Directive, payments made as a single payment, or as a series of related payments, either 1) to each government or 2) by each Type, or 3) attributed to a specific project that are equal to or exceed EUR 100,000 (converted to USD 116,000 for the purpose of this reporting) are disclosed in this report. All payments below this threshold or out of the scope for this Report have not been included.

## Reporting currency

The payments to government have been reported in US dollars equivalent.

Payments made in currencies other than US dollar were translated at the relevant annual average rate for the year ended 31 December 2016.

Country	Governments (department, agency, etc.)	Project	Production entitlements	Taxes levied on the income	Royalties	Dividends	Bonuses	Licence fees	Infrastructure improvements	Total
Ghana	Ghana Revenue Authority	OCTP	0	58,000	0	0	0	0	0	58,000
Ghana	Petroleum commission	Not attributable to projects	0	0	0	0	0	70,000	0	70,000
<b>Total payments to Ghana government made in the year ended 31 December 2016</b>										<b>128,000</b>
Ivory Coast	Direction Générale des Hydrocarbures du Ministère du Pétrole, de l'Energie et du Développement des Energies Renouvelables	CI-202	0	0	0	0	0	0	322,444	322,444
<b>Total payments to Ivory Coast government made in the year ended 31 December 2016</b>										<b>322,444</b>
Kazakhstan	Republic of Kazakhstan	Temir	1,774,000	0	922,000	0	0	0	0	2,696,000
<b>Total payments to Kazakhstan government made in the year ended 31 December 2016</b>										<b>2,696,000</b>
<b>Total</b>			<b>1,774,000</b>	<b>58,000</b>	<b>922,000</b>	<b>0</b>	<b>0</b>	<b>70,000</b>	<b>322,444</b>	<b>3,146,444</b>