

This UK tax strategy document has been prepared for the Group's UK operating companies and entities together with two non-UK companies that operate in the UK ("the Companies" or "We"), including those UK companies in which the Group has a controlling interest but does not own a 100% interest. This UK tax strategy applies for 2017 to all UK taxes to which We are subject and is prepared to comply with Schedule 19 of the UK Finance Act 2016.

Tax Governance

Primary responsibility for tax matters lies with our parent companies' Legal Tax and Insurance Group. That Group is responsible for identifying, quantifying and managing tax risk within all Group companies, including the Companies, applying the general principles that the Group applies to all business risk management.

Relevant controls include those in place to comply with the Group's obligations under SOX404 reporting for USGAAP purposes, the use of checklists for assessment of tax issues on new business opportunities, working closely with advisors to understand tax risks applicable to our business, monitoring of changes in tax laws and internal reporting of material tax risks within the Group's overall procedures for assessing and monitoring claims and contingencies.

While we work extensively with advisors around tax issues, final decisions relating to tax matters are always made within the Group.

Significant tax issues relating to any particular Company are brought to the attention of that Company's Board of Directors and the parent companies' Boards receive regular updates on tax developments and tax risks.

This UK tax strategy document was prepared by the Group's Tax Department and was approved by leadership of the Legal, Tax and Insurance Group.

Approach to Tax Management

The Companies' tax management complies with the Group's Standards of Business Conduct Policy, which can be found at: <http://teekay.com/wp-content/uploads/2014/08/BCP-2017-Teekay-Final.pdf>. We respect the law in the jurisdictions in which the Companies operate. We comply with our legal obligations for tax, we file our tax returns on time, we disclose relevant matters and we pay our taxes on time. Where there is uncertainty with respect to material tax matters, we consult with external advisors and disclose uncertainties where required under the relevant accounting standards.

We do not separately determine acceptable levels of tax risk; rather tax risk is assessed in the same way that other business risks are assessed on a case by case basis.

We do not take an aggressive approach to reducing cash taxes while also aiming to maximize shareholder value and provide competitive pricing to our customers. We disclose all material transactions in our financial statements or tax returns. Our transactions are based on commercial motivations, and are not artificial or contrived.

We conduct intercompany transactions on an arms length basis in accordance with UK law and OECD guidance, relying on current or past discussions with tax authorities as to arms length pricing where appropriate.

Approach to dealing with HMRC

We seek to maintain a long term, constructive relationship with HMRC. We also engage with tax decision makers, including those at HM Treasury and parliamentarians, regarding issues which are directly relevant to our business operations. Where tax law is unclear, we seek guidance from appropriately qualified advisors.

London, Glasgow, Aberdeen, Stavanger

December 31st, 2017