



On May 10, 2018 McDermott International, Inc. "McDermott" completed its combination with Chicago Bridge & Iron Company N.V. ("CB&I"). The 2018 tax policy is therefore set out in two parts due to CB&I's UK companies having been acquired part way through 2018. Part One sets out the McDermott tax policy that applies to McDermott's UK operations for the year ended 31 December 2018. Part Two sets out the CB&I tax policy that applies to CB&I's UK operations for the year ended 31 December 2018.

Part One: McDermott International, Inc. – UK Tax Policy

The Group's vision is to maximize the potential of natural resources for its customers, and this is supported by five values – Integrity, One Team, Go Beyond, Commitment and Well-Being. "Integrity" requires a firm adherence to legal and ethical conduct. The Group's Code of Business Conduct sets out in more detail the Groups' commitment to integrity.

Our approach to our UK tax affairs is therefore built on a firm adherence to legal and ethical conduct.

1. Our Commitment to Compliance

We view tax compliance as a commitment to ensure that we account for the right amount of tax in the right place at the right time, while taking advantage of available reliefs. Being tax compliant is an integral part of our adherence to legal conduct as part of our value of Integrity. Similarly the commitment to ethical conduct prescribes that through our policies, procedures and awareness programs, we foster an environment where every employee is accountable to exercise due diligence to prevent, detect and report conduct that violates our Code of Business Conduct, applicable laws or regulations and that we hold our business partners and vendors to this standard.

2. Tax Risk Management and Governance

We apply all diligent efforts to understand and interpret the law accurately and within legislative intents, including obtaining advice of external local professionals. Given tax legislation complexity there may be alternative interpretations and viewpoints as to its application. When such alternative interpretations are identified, we have a system and process to ensure any potential tax liabilities are clearly defined, categorized and recorded in line with our Code of Business Conduct. As part of this process, we will maintain the integrity of accounting records; document our compliance with laws, regulations and corporate policies; and ensure such positions are regularly reviewed and adjusted as additional information and clarity is obtained.

3. Attitude Towards UK Tax Planning

The Group has a commitment to our shareholders to not only protect but enhance shareholder value. This fiduciary responsibility requires the company to align its tax planning, within the ambit of laws and regulations, with its commercial operations to achieve the appropriate level of taxation. As a global company we operate in many taxing jurisdictions, each of which are complex and occasionally contradictory in cross border transactions. Diligent and thoughtful planning is required to help ensure the Company's economic profits are subject to appropriate level of tax within the appropriate

jurisdictions. We apply these principles utilizing advice and guidance of internal and external professional advisors to UK tax planning.

4. Level of Acceptance of UK Tax Risks

As with all business risks, we endeavor to limit tax risks associated with alternative interpretations of UK tax legislation. As discussed in point 2. above, the Company will make all diligent efforts to seek legislative clarity to reduce such risks.

5. Our Approach to Dealing with HMRC

HMRC openly displays a culture of taxpayer engagement and communication (which we strive to achieve) and we therefore have no hesitation to approach HMRC whenever required, be that to discuss potential tax risks or to seek clarification on the interpretation of tax law.

Communication with HMRC has and will continue to be conducted in a spirit of co-operation, transparency, and professionalism and we aim to maintain a good working relationship with HMRC at all times

Part Two: Chicago Bridge & Iron Company N.V. (“CB&I”) – UK Tax Policy

Introduction

This document sets out CB&I’s Tax Policy for its UK Operations (“UK Tax Policy”), including CB&I’s policy and approach to conducting its tax affairs and dealing with tax risk in relation to its UK Operations. CB&I conducts its UK Operations through a number of UK based companies. The UK Tax Policy is periodically reviewed by the Management of these companies in conjunction with CB&I’s Group tax team. The UK Tax Policy is effective for the year ending 31 December 2018.

Corporate Governance and Tax Risk Management

CB&I is strongly committed to conducting its worldwide business activities in accordance with the highest ethical standards as set out in our Code of Conduct and Core Values – which include our commitment to Safety, Ethics, Teamwork, and Innovation. This policy is reflected in CB&I’s Finance and Accounting Policy wherein CB&I will conduct its activities with the highest ethical standards and in accordance with all applicable laws and regulations where CB&I conducts business. CB&I’s Finance and Accounting Policy has a commitment to abide by all local applicable accounting requirements and tax laws (including applicable tax compliance and filing requirements). This Finance and Accounting Policy applies to all CB&I’s UK Operations.

In accordance with the CB&I UK Tax Procedure the UK Senior Accounting Officer (“SAO”) is responsible for all tax matters affecting CB&I’s UK Operations.

The SAO must:



1. Ensure compliance with all tax laws including applicable tax compliance and filing requirements;
2. Identify and mitigate financial loss in respect of tax; and
3. Evaluate the tax impact of its activities (including activities under consideration).

The SAO is supported in this role by the local UK finance function, CB&I's Group Tax team and Employment Tax team. These teams ensure that adequate processes and controls are in place in order for the correct amount of taxes to be identified and paid when they are due. Internal reviews are conducted periodically to ensure that the tax processes and controls remain robust.

In addition, these teams consult with external tax professionals to receive regular tax updates to ensure compliance with the latest tax legislation and best practices in managing tax risk.

Tax Planning

CB&I's tax planning aims to support the commercial needs of CB&I's UK Operations by ensuring that its business affairs are carried out in a tax efficient manner whilst adhering to high ethical standards and remaining compliant with all relevant laws. CB&I's Group tax team is involved in the commercial decision making processes and provides appropriate input into business proposals to ensure a clear understanding of the tax consequences of contracting structures and commercial agreements.

There may be circumstances where the tax guidance is unclear or where alternative approaches may result in differing tax outcomes. CB&I will use its best judgement in determining the appropriate course of action, using available reliefs and incentives where possible. If CB&I does not feel it has the necessary expert knowledge to assess the tax consequences adequately, external professional advice may be sought to support the decision making process.

Relationship with the UK tax authorities (HM Revenue & Customs)

CB&I maintains a professional relationship with HMRC in relation to its UK Operations. CB&I is committed to:

- Engage in full and open dialogue with HMRC to discuss any significant transactions or issues;
- Make fair, accurate and timely disclosure in correspondence and returns, and respond to queries and information requests in a timely fashion;
- Seek to resolve issues with HMRC and where disagreements arise, work with HMRC to resolve issues by agreement (where possible);
- Be open and transparent about decision-making, governance and tax planning;
- Interpret the relevant laws in a reasonable way.

Relevant CB&I personnel may hold an annual business review meeting with HMRC to discuss the UK activities, including any significant transactions undertaken during the year, the tax impact of these activities, and tax legislative

developments. CB&I also contact HMRC on a periodic basis during the year regarding transactions and tax compliance matters where issues arise.