McDermott International, Inc. – UK Tax Policy – year ended 31 December 2019

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. The Group operates in the UK through a number of UK companies, and this tax policy applies to all the Group’s UK companies.

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.