

Oceaneering UK Tax Strategy

1. Oceaneering at a glance

Oceaneering is a global provider of engineered services and products, primarily to the offshore oil and gas industry, with a focus on deepwater applications. Through the use of its applied technology expertise, Oceaneering also serves the defense, aerospace and commercial theme park industries.

Our business segments within the UK are isolated to the services and products provided to the oil and gas industry ("Oilfield").

The group's ultimate parent company is Oceaneering International Inc., a US listed entity.

2. UK Tax Strategy

2.1. Introduction

The UK Tax Strategy set out in this document is approved by Oceaneering's Group CFO and acknowledged by the SAO and the OISL Board on behalf of all UK businesses.

The UK Tax Strategy applies to all of the UK businesses that form part of Oceaneering and details Oceaneering's policy and approach to conducting its UK tax affairs and dealing with tax risk.

The document is available free of charge on our website address – www.oceaneering.com – and its publication is regarded as complying with the duty of Part 2 of Schedule 19 of Finance Act 2016.

2.2. Ethics and Compliance

Oceaneering is committed to its Core Values of Safety and the Environment, Customer Focus, Teamwork and People, Excellence, Ethics and Accountability.

Through our Core Values, we have built our reputation as an organization that requires ethical business practices and high levels of integrity in all of our business transactions. Oceaneering's Core Values underlie our Code of Business Conduct and Ethics and related policies and procedures (collectively, our "Code of Conduct"), which guide our employees and business associates on a daily basis.

Our Global Tax Team strictly adheres to Oceaneering's Code of Conduct, carefully applying our Core Values and ethical business practices to taxation matters.

In line with our Code of Conduct, we are committed to pro-active compliance with all applicable laws and regulations in all of the locations in which we operate. This commitment applies equally to UK tax laws and regulations and we endeavour to calculate our tax liabilities accurately and settle them timely.

As a US listed group we are subject to the provisions of the Sarbanes Oxley Act ("SOX") and have extensive regulatory requirements to adhere to. Compliance with SOX provides us confidence over the integrity of the underlying financial data on which the tax returns are based.

Oceaneering also falls within the UK Senior Accounting Officer ("SAO") legislation and the SAO is required to take reasonable steps to ensure the company establishes and maintains appropriate tax compliance arrangements. We take this legislative obligation seriously and recognise the need to continually review our processes and controls for tax, updating these in line with best practice and relevant changes to the tax laws and regulations.

2.3. Governance

To help ensure our long term business success, Oceaneering strives to maintain the highest ethical standards in all of our interactions with customers, employees, suppliers, public officials, and the communities where we conduct business.

The Corporate Governance Guidelines, along with the Charters of each of the Board committees and the key practices of the Board, provide the framework for corporate governance at Oceaneering.

Our CFO has ultimate responsibility and accountability for Oceaneering's tax affairs. Our VP of Tax has overall responsibility for tax affairs and strategy, reporting directly to the CAO and indirectly to the CFO. The VP of Tax leads the Global Tax Team, a team of experienced and highly engaged tax professionals with appropriate professional qualifications and experience commensurate with the responsibilities required for their roles.

The VP of Tax updates the CAO and CFO quarterly on all relevant tax matters. Significant tax matters are escalated to the Audit Committee by the CFO as appropriate.

This Governance matrix fully applies to all UK tax matters.

2.4. Risk Management

Our approach to tax risk is integrated within our broader business risk management and governance and compliance framework. We take a conservative approach to tax matters, prioritising compliance.

Given Oceaneering's scale of business and global footprint, risks will inevitably arise from time to time in relation to the interpretation of complex domestic and international tax law and nature of our compliance obligations.

The Global Tax Team employs diligent professional care and judgement to assess tax risks on Oceaneering's operations. Where there is significant complexity or uncertainty as to the application or interpretation of tax law, the Global Tax Team will seek appropriate advice from third party advisers to support the decision-making process.

In particular for the UK, special attention is given to the interaction between UK and international tax law. Specifically, we operate from a number of foreign branches and are subject to both UK and international tax regulations on these operations.

2.5. Tax Planning

In accordance with its Ethics framework, Oceaneering aims to pay its fair-share of taxes in the jurisdictions it operates in and, thus, does not enter into artificial or contrived structures for the avoidance of tax.

We claim tax reliefs and government incentives where available and in the manner they are intended (e.g. Research & Development Expenditure Credits, capital allowances etc.).

We conduct transactions between Oceaneering group companies on an arm's-length basis and in accordance with current OECD principles.

In particular, we seek specialist advice to ensure that our UK branch profit attribution mechanism is appropriate.

2.6. Approach to dealing with HMRC

Our aim is to have a professional, collaborative and transparent relationship with HMRC. We endeavour to proactively raise issues with our Customer Relationship Manager ('CRM') and respond to information requests within an acceptable timeframe. If errors arise we look to bring these to the attention of HMRC promptly, settle any tax due and improve our systems and processes to prevent recurrence.