

Harland and Wolff Group PLC Tax Strategy and Principles

This document, in accordance with Schedule 19 Finance Act 2016, sets out the UK Tax Strategy of Harland and Wolff Group PLC (“H&W”). H&W regards this documents as complying with the duty under para 19 (2) of Schedule 19 Finance Act 2016 for the year ending 31 December 2017.

About H&W

H&W is an indirect sub-group of the Norwegian headquartered group, Fred. Olsen Energy ASA. A well-established name in maritime services and offshore renewables, H&W operate as a provider to United Kingdom based as well as international based companies providing them with shipbuilding, heavy engineering, ship repair, construction/conversion/maintenance and design solutions be that in the marine, oil and gas, defence or offshore renewables market sectors.

Approach to governance and tax planning

- H&W aims to observe all applicable laws, rules and regulations in meeting the group’s tax compliance and reporting responsibilities in all jurisdictions where the business operates, and ensures that appropriate management structures are put in place to meet those obligations.
- In completing the group’s tax compliance requirements, H&W aims to apply diligent professional care and judgement, including ensuring all decisions are taken at the relevant level and supported with documentation that evidences the judgements involved.
- Tax strategy follows business and commercial strategy. The commercial reality of H&W’s operations take precedence over other considerations and tax planning opportunities are evaluated and risk assessments carried out within clear risk parameters.
- Whilst H&W does seek to make use of appropriate reliefs and allowances where available and in accordance with applicable laws, H&W’s policy is not to take aggressive tax positions or use artificial tax avoidance arrangements.

Approach to risk management

- H&W recognise that recent developments in the external environment have raised the profile of tax.
- H&W aims to ensure that all personnel with tax responsibilities have an understanding of how tax risk is identified, assessed and managed by providing appropriate training and support. This enables H&W personnel to develop into talented and competent professionals, to meet their developmental needs and remain motivated and challenged in their roles.
- H&W use external advisers to provide tax technical expertise to ensure compliance with reporting obligations and to provide additional resources based on an assessment of risk and requirements, where a need for external support is identified.
- All accountability and drivers of tax risk and tax value are owned and monitored by the Board. The Board delegates day to day management and responsibility for tax matters to the H&W finance team who are accountable to and report regularly to the Board.

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Awareness of reputation and relations with tax authorities

- H&W aims to be open and transparent with tax authorities in relation to the group's tax affairs and to disclose relevant information to enable tax authorities to carry out their review.
- H&W aims to work positively, pro-actively and transparently with tax authorities to create a positive effective working environment, minimise the extent of disputes should these arise, to achieve early agreement on disputed issues if and when they arise and to achieve certainty, wherever possible.
- H&W aims to ensure compliance with all relevant legal disclosure requirements.

Level of risk in relation to UK tax that H&W is prepared to accept

- H&W is not prescriptive in terms of levels of acceptable risk, however the strategic objective is to comply with legal requirements in the taxing jurisdictions in which H&W operates, in a manner that ensures the right amount of tax is paid while creating sustainable shareholder value, underpinned by a tax policy based on an open, co-operative and transparent relationship with the tax authorities. H&W would therefore consider themselves to be low risk from a tax perspective.