



HMC's Approach to Tax

Heerema Marine Contractors (HMC) is a world leading marine contractor in the international offshore oil and gas industry. HMC excels at transporting, installing and removing offshore facilities. Our vision is to be and be recognized, by any measure, as the best offshore construction contractor in the world in carefully selected segments and regions of the market. We strive to be a responsible corporate citizen and a good employer.

High standards of professional conduct are essential for HMC. We rely on the good judgement of all employees to comply with the law, act with integrity and safeguard the company's reputation in every situation. Our Code of Conduct provides direction for all our employees' behavior and application of our corporate policies. Based on our Code of Conduct we require that all employees understand and comply with our values and policies. We conduct our business with fairness, honesty, integrity and respect for the interests of our stakeholders in a wide variety of social, political and economic environments. The Boards of Directors of the respective HMC companies are responsible for the communication, understanding and observation of this Code of Conduct.

For its governance HMC has implemented management systems as early as 1984. Our integrated Quality Assurance, Safety, Health and Environment system is in compliance with legal, industry, and HMC standards, certified to ISO 9001, ISO 14001 and OHSAS 18001. Next to this, in 2013 HMC implemented a new customized assessment protocol named CHEQSERT. Entirely tailored to the offshore industry whilst taking notice of 'best practice'. This new methodology covers a framework of controls that together with a structured assessment and rating tool, drive QASHE performance and continuous improvement of HMC's operations. The basis of CHEQSERT is aligned with the Management System Documentation (MSD) structure of HMC and uses the same 13 elements, as defined in MSD. Every element, including one for Finance & Tax, has a specific assessment tool to verify if HMC personnel are working according to the MSD procedures and instructions. The Finance & Tax tool is used by our tax department to manage and govern tax risks and taxation.

HMC declares and pays corporate income taxes, stamp duties, withholding taxes and other taxes in jurisdictions where it operates in accordance with applicable domestic and international tax law. In addition we collect and pay employee taxes as well as indirect taxes such as duties and VAT. The taxes we pay and collect form part of our economic contribution to the countries in which we operate.

As such, the respective taxable income to be reported in countries where we operate is determined taking into account domestic, international tax law and other tax, reporting and disclosure regulations that are relevant and/or mandatory. We conduct transactions between HMC group companies on an arm's-length basis and in accordance with OECD principles. When applying the relevant tax laws and regulations, HMC considers its aim and purpose, and applies such laws and regulations with reasonableness and fairness. In view of HMC, applying the principle of reasonableness and fairness on tax law and regulations does not allow for artificial reductions of the effective tax rate. Therefore, HMC does not conduct in artificial tax planning that have no commercial or operational substance.

As set forth above, our approach and attitude towards tax follows from and is in line with our Code of Conduct, our assessment protocol named CHEQSERT, and the applicable tax law and regulations. As such we quantify our level of risk in relation to taxation as being modest.



HMC takes a transparent approach in its relationship and dealings with local tax authorities. The aim is to strive for early agreement on disputed matters, and to achieve upfront certainty wherever possible. We act based on mutual respect, collaboration and trust and prefer to have an open, professional and constructive dialog disclosing all relevant facts and circumstances. We make fair, accurate and timely disclosure in correspondence and returns, and respond to queries and information requests in a timely fashion. This also underpins our values as embodied in our Code of Conduct. Also, where possible we proactively seek opportunities to meet regularly with tax authorities to explain our business dealings and to exchange views and insights on various (tax) matters.