

GLOBAL MARINE SYSTEMS LIMITED ('GMSL') - UK TAX STRATEGY

Reporting requirements per Finance Act 2016 Schedule 19

This document sets out the principal approach to tax strategy and governance of Global Marine Systems Limited ('GMSL') for the year ending 31 December 2017, and applies to all entities within the GMSL group that are situated within the UK.

The strategy and approach outlined below have been approved by the GMSL board of directors, and are aligned with the key company values shared by our senior stakeholders.

GMSL consider that the publication of this information satisfies the UK legislative requirements of paragraph 19(2) Schedule 19 Finance Act 2016 in relation to the publication of a UK tax strategy.

Approach to tax risk management and governance in the UK

The group operates in a number of jurisdictions and, due to scale of the group and the nature of the industry in which it operates, inevitably this results in an element of risk as regards interpretation of complex tax law and the interaction of taxation regimes on an international scale.

The central finance and tax function based in the UK and led by the Chief Financial Officer actively monitors the group's operations and identifies the steps required to effectively mitigate such risks.

The group engages external advisers to provide support when appropriate. This would typically be where an issue is new or complex, or where a matter requires significant short term resource.

All of this helps the GMSL group in its endeavours to comply with all applicable laws, regulations and compliance obligations in the countries in which it operates.

Level of appetite for tax risk

The internal procedures of the GMSL group are designed to ensure that the group is commercially driven with regards to tax outcomes in its business operations. The group does not undertake aggressive tax planning.

Where the interpretation of laws or regulations may be subject to an element of uncertainty, the group will seek appropriate external advice to ensure that it acts in a way that should be reasonably interpreted as being consistent with the intention of the laws or regulations.

Attitude towards tax planning

The attitude of the GMSL group is that all tax planning or positions adopted align with the commercial objectives of the group, and are built on robust economic substance.

The group is committed to maximising the value of post-tax returns to its shareholders, and therefore seeks to avail the benefits of various incentives or reliefs that may apply to the GMSL group operations (such as the UK tonnage tax regime). In all instances, the arrangements entered into are done so within the spirit of the relevant legislation.

In areas of uncertainty, external advice is sought and taken into account for any business transactions where tax is a material or significant consideration.

Approach towards dealings with HM Revenue & Customs ('HMRC')

We always strive to engage with HM Revenue and Customs (“HMRC”) with honesty, integrity and transparency in respect of all taxation matters.