



Vallourec Oil & Gas UK Ltd

Tax Strategy for the period to 31 December 2019, published as required by Paragraph 19 Schedule 19 FA 2016.

Background

The principal activity of the company is the threading, finishing, and associated servicing of oil country tubular goods for use in North Sea oil and gas exploration and production. Our ultimate parent company is Euronext listed French company Vallourec.

Managing our Tax Risks

Tax risks within the business are managed by our Finance and Accounting team who report both to the UK Board of VOGUK; through the Managing Director; and the Finance team of our French parent. The UK team is led by our Director of Finance & Admin supported by a Financial Controller and employer taxes specialist. Where appropriate we call on the assistance of external professionals. We are conscious of the need to manage all our business risks including tax risks in a fashion that is responsible in the eyes of our shareholders. A positive and responsible approach is taken to complying with our statutory responsibilities and maintaining our reputation.

Attitude to Tax Planning

Our approach to tax planning is to ensure it is consistent with and driven by our business needs and processes. We do not adopt tax planning which may be viewed as artificial or inconsistent with our business needs. We will seek to consider utilising reliefs and tax incentives provided by fiscal authorities when doing so is in line with business requirements and the purpose and intent of the relevant legislation.

Level of "Tax Risk" We Are Prepared to Take as it Relates to Tax Planning

Tax legislation delineating reliefs and tax incentives is often subject to some degree of interpretation and inherent uncertainty in respect of how it applies to a particular set of facts. VOGUK take professional advice on tax planning and would not pursue any course of action unless it was at least more likely than not to be in accordance with the relevant legislation.

Our Approach to Dealing with HMRC

Our approach to working with HMRC is to seek to have and develop a positive relationship. We seek to do this by actively engaging with HMRC and responding to requests for information etc swiftly and co-operatively wherever possible. In any areas where disagreements arise we would seek exploration of, and resolution of the issues by collaborative discussion.