

NOV UK GROUP TAX STRATEGY

This strategy applies to all members of the National Oilwell Varco, Inc. (NOV) group with a UK tax presence in accordance with paragraphs 19 and 22 of Schedule 19 to the Finance Act 2016. In this strategy, references to “NOV UK Group” are to all these members.

This document is effective for the year ending 31 December 2018, and has been approved through the relevant NOV governance process.

The NOV UK Groups tax strategy comprises three key components:

- i. Tax risk management and governance
- ii. Tax planning and level of risk
- iii. Relationship with HMRC

1. Tax risk management and governance

- The NOV UK Group Tax Strategy is informed and underpinned by NOV’s published Corporate Governance Guidelines which applies to all worldwide members of the group and sets out responsibilities to “Promote ethical behaviour and compliance with laws and regulations”, including tax laws.
- The NOV UK Group has a dedicated tax team (NOV UK tax group) of professionals with appropriate professional qualifications and experience commensurate with the responsibilities required for their roles.
- NOV is committed to providing the NOV UK tax group with training as required to facilitate the performance of their roles.
- The NOV UK tax group seeks to manage the tax obligations and exposures of the NOV UK Group in a way that complies with the relevant UK tax legislation.
- The NOV UK tax group’s procedures are regularly reviewed to ensure that processes are up-to-date so that it may identify, assess, manage and mitigate tax risk.
- Reliance is placed upon external tax advisors where there is a need for specialist guidance and support.

2. Tax planning and level of risk

- The NOV UK Group operates in many jurisdictions with the inherent risk of tax filings being subject to conflicting interpretations. The NOV UK Group applies a responsible approach to managing its tax affairs. As a Group, we exercise care to comply with applicable tax laws and regulations in the countries in which we operate.
- The NOV UK Group may undertake a commercial transaction in a way that gives rise to UK tax efficiencies providing this is aligned to the NOV UK Group’s commercial objectives and complies with the associated UK tax legislation.
- The NOV UK Group will not enter into transactions that have a main purpose of gaining a tax advantage or make interpretations of tax law that are contrary to settled precedent.

3. Relationship with HMRC

- The NOV UK Group is committed to act in an open, honest and transparent manner in its approach to dealing with HMRC and all jurisdictions in which we operate.
- In our dealings with HRMC our conduct will be collaborative, courteous and timely.
- The NOV UK Group maintains an open dialogue with HMRC with regular updates on business activities, results and key developments as they arise.