

Hunting PLC

Group Tax Strategy

Financial year ended 31 December 2023

Introduction

The UK Government's Finance Act 2016 introduced a requirement for public companies to publish their tax strategy. This document is published in accordance with the requirements of Paragraph 16(2) Schedule 19 of Finance Act 2016 and will be reviewed annually. We target application of a consistent and compliant tax strategy across all geographic territories in which we operate including the UK. However, some items referred to within this paper are specifically prescribed by legislation for the UK.

Overview

Hunting PLC is a Listed public company traded on the London Stock Exchange and as such adheres to the UK's standards of regulation and corporate governance aimed at providing greater transparency and confidence to stakeholders. Hunting PLC is domiciled in the UK for tax reporting purposes.

Hunting is an international energy services operator, manufacturing, distributing and renting equipment to a global customer base from manufacturing and distribution centres located around the world. Operations target "best in class" status for customer reliability, quality as well as environmental, health and safety compliance. The Company is headquartered in London and maintains a corporate office in Houston. As well as the United Kingdom, the Company has operations in Australia, Canada, China, Ghana, India, Indonesia, Mexico, Netherlands, Norway, Saudi Arabia, Singapore, United Arab Emirates and the United States of America.

The London headquarters directs and controls company secretarial, finance, treasury, public relations and taxation across Group wide operations. As with internal manufacturing and distribution processes, these central functions target to achieve the highest standards of financial reporting and compliance.

Tax strategy

Hunting is committed to acting with integrity and transparency in all tax matters relating to the countries in which we operate. Simply put, our tax strategy is to comply with local tax regulation, and pay taxes when due.

When evaluating how we should organise our business affairs, a wide variety of factors are considered including operational efficiency, risk management and taxation. If the intention of tax regulation allows us to organise our commercial business affairs in a manner which reduces tax costs, while meeting our overall objectives, we will do so but we will not carry out tax avoidance or create artificial structures. If necessary, we engage professional tax or legal advisors to ensure that we have interpreted tax law correctly. We will not enter into transactions that have a main purpose of interpreting tax law that is opposed to its original intention or spirit.

We target to achieve this strategy across our global operations by the following measures:

- Establish and maintain open communications with local tax authorities.
- Establish and maintain internal communication across the Hunting Group with those charged with tax affairs with the purpose of ensuring awareness of Group policy and strategy toward tax.
- Internal publication of policies and procedures regarding tax compliance with the purpose of ensuring a consistent approach is adopted across all territories in which we operate.
- Strong central leadership and monitoring of the tax function headed by the Group Head of Tax.

Risk Management

We target low risk with the UK's tax authority (HMRC) with the following approach:

- In all cases we seek to pay all taxes due and on time.
- We do not use artificial tax avoidance schemes or use tax havens to reduce Hunting's tax liabilities.
- We follow tax authority guidance in the application and claiming of any tax incentives, such as research and development credits.
- We adopt an open dialogue on all UK tax matters.

On a Group level, we are supportive of the work undertaken by the Organisation for Economic Co-operation and Development (OECD) on the Base Erosion and Profit Sharing (BEPS) project in determining where value is added and taxes to be paid. We appreciate that for some sectors this can be highly complex in practice. Our business model is physically dependant on our manufacturing and operating sites. Hence, this makes the assessment of where value is added in Hunting easier and reduces tax risk.

Relationship with tax authorities

An important part of our tax strategy is that Hunting engages with all tax authorities (including HMRC) in a professional, open and collaborative manner. We aim to respond to information requests in a timely manner and ensure that access is given to all relevant information. We take care to ensure that our tax affairs are reported accurately. If we were to identify an error in a submitted tax return, we would seek to rectify it as soon as reasonably practical to do so and disclose where appropriate.

We are transparent with HMRC and other tax authorities and where there are areas of complexity or interpretation we will look to work closely with them and professional advisors to determine the correct position and approach.

We follow the business drivers for restructuring and do not pursue changes that are solely tax driven.

Disclosures

We recognise the value of financial reporting to all interested parties, customers, employees, investors and other stakeholders. We provide transparent and balanced disclosure in the communication of our tax affairs.

We provide HMRC a country-by-country report as and when it is required by the UK Finance Act requirements.

Tax Governance

Tax is managed as part of the Group's finance function and it is overseen by the Hunting PLC Board.

We continually manage our tax position as follows:

- Reviewing tax strategy and policies on an on-going basis at the PLC Board.
- Regular updates on the tax position to the PLC Board by the Group Finance Director.
- Day-to-day matters are delegated to the Group Head of Tax and a small team of in-house tax professionals who hold a combination of accounting and tax qualifications.
- Yearly review of tax policies as part of our internal Group Manual updates.
- As part of our corporate governance programme we have procedures in place to comply with the UK's Bribery Act legislation.
- Monitor and discuss changes to tax legislation that will have an impact on us and discuss with advisers as required.
- Engage specialist advisors when appropriate.

Hunting's tax contribution

The tax contribution from Hunting's global activities includes, but is not limited to, the following sources:

- Corporate income taxes.
- Employment taxes.
- Social security taxes.
- Property taxes.
- State taxes.
- Consumption taxes (Value Added Taxes, Goods and Services Taxes).
- Carbon taxes.
- Fuel duties.

Update and review

We will review our strategy each year and issue an update as required by the Finance Act 2016.

By order of the Board
Hunting PLC
4 October 2023