TAX STRATEGY

Liberty Global Group's Approach to Tax

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General Principles

Liberty Global (hereafter, “we”, “our”, “The Group”) is one of the world’s leading converged video, broadband and communication companies with operations in various European countries. We also participate in the VodafoneZiggo joint venture in the Netherlands and the Virgin Media-O2 joint venture in the UK. We invest in the infrastructure and platforms that empower our customers to make the most of the digital revolution. Our businesses deliver next-generation products through advanced fibre and 5G networks that connect 85 million subscribers across Europe and the United Kingdom. Our businesses operate under some of the best-known consumer brands, including Virgin Media-O2 in the UK, VodafoneZiggo in The Netherlands, Telenet in Belgium, Sunrise UPC in Switzerland, Virgin Media in Ireland and UPC in Eastern Europe. Our consolidated businesses generate annual revenue of more than $7 billion, while our joint-ventures in the U.K. and the Netherlands generate combined annual revenue of more than $17 billion.

Our tax profile is influenced by the dynamic industry in which The Group operates, with significant network capital expenditure required before a return on investment is realised. Our overall tax objective is to comply with all applicable tax laws and regulations, to file all of our tax returns on time and to pay the right amount of tax, when due, in each of the territories where we do business.

The Liberty Global tax team engages with the appropriate commercial, legal and treasury teams in order to manage the tax risks and costs of The Group. Tax follows the commercial needs of The Group. Where a desired commercial outcome can be achieved in different ways, the tax risks and costs of the different options are factors in the decision making process.

The taxes we pay are substantial and varied, and include corporate income tax, employment taxes, stamp duties, and industry specific taxes. We also collect significant amounts of indirect taxes and employment taxes on behalf of the tax authorities.

We are committed to conducting our business with integrity and to the highest standards of corporate governance. Our Code of Conduct, which applies to all of our employees, directors and officers, governs our approach in relation to accounting, reporting, taxation and disclosure matters.

Governance

Our Global Head of Tax is responsible for defining and delivering our overall tax objective across The Group.

In accordance with The Group’s governance procedures, relevant tax matters are reviewed and approved by the Chief Financial Officer and, as applicable, escalated to the Chief Executive Officer. Under The Group’s governance guidelines, certain relevant tax matters are reviewed and approved by the Board of Directors.

The Group’s approach to tax is underpinned by a tax framework of processes and controls. Our Board of Directors and Audit Committee are apprised of our objectives, processes, controls and significant tax risks. We do not accept the facilitation of tax evasion in accordance with our responsibilities under the Corporate Criminal Offence regime per the Criminal Finances Act 2017.

Tax Risk Management

We identify, communicate and manage tax risks through a framework of processes and controls that are applicable to all companies in The Group. Our tax framework consists of our Tax Policy and Tax Operating Procedures and defines responsibilities in relation to tax matters. This includes how tax returns are prepared, how tax risks and tax uncertainties are identified, continually assessed through the lifecycle of the project, communicated to the senior leadership team and how tax decisions are taken.

Our Global Head of Tax manages our identified tax risks and regularly reports on such matters to the Chief Executive Officer, The Chief Financial Officer and the Audit Committee. Our Tax Policy and Tax Operating Procedures define what a material tax risk is, and where a risk is material, the procedures to be followed.

This includes the requirement for external advice, preparation and retention of documentation and escalation to the appropriate senior member of the global tax team.

The Group's approach to tax risk management is an integrated one whereby the various stages in the life cycle of a project or transaction with a tax impact are considered on an ongoing basis. The relevant personnel and departments work together to deliver commercial objectives while managing risk throughout the process.

The life cycle is broken down into five key areas; planning and impact assessment, implementation, compliance and reporting, maintenance and controversy. Each of these areas requires engagement from local entity teams, the tax team and other relevant stakeholders. This engagement is in either a leading, oversight or supporting role.

The process for determining whether or not a tax risk on a given project or transaction is material is defined within The Group's Tax Policy. Either a Tax Impact Assessment will be undertaken, or for larger more pervasive transactions, a wider series of assessments and documents is produced. This process is underpinned by a central governance risk matrix setting out procedures for assessing the impact and likelihood of a risk along with the required management response. The impact of a risk is assessed with reference to it's financial, operational, reputational, legal and management time impacts.

Another important element of The Group's approach to tax governance and risk management is to ensure that we have the appropriate skills and tax knowledge within The Group which is achieved via internal and external professional development.

Tax Planning

We engage with the wider business to deliver the commercial objectives of The Group. Where different options are available to achieve those commercial objectives we consider the potential tax outcomes and these results are factored into the decision making process. When undertaking such tax planning activity, we comply with all relevant tax laws and regulations. We carefully consider the tax analysis and risks involved and we ensure that any tax planning is approved through our governance procedures.

Where necessary, we seek advice from external tax and legal advisors, in particular where significant amounts of tax are involved and where the application of tax laws and regulations are complex or unclear. Where appropriate, we seek clearances and rulings from the relevant tax authorities.

Where we consider it is appropriate we take the benefit of tax incentives introduced by governments to stimulate investment where we meet the necessary business and economic requirements.

When companies within The Group sell or provide goods or services to each other, these transactions take place on arm's length terms in accordance with OECD guidelines.

Relationships with Tax Authorities

We aim to have open and transparent relationships with all relevant tax authorities and to engage in regular proactive discussions with tax authorities in our territories. We provide regular filings to the tax authorities in accordance with the principles underpinning the OECD's Base Erosion and Profit shifting framework designed to reduce international tax avoidance.

Taxation is a complex area and we work collaboratively with tax authorities, particularly where areas of uncertainty or disagreement are identified, with the aim of agreeing matters quickly and efficiently. Our objective to work collaboratively is also evidenced by our willingness to take part in cooperative compliance initiatives such as Horizontal Monitoring in the Netherlands.

As Liberty Global PLC is the ultimate parent company of The Group and resident in the UK we have a key relationship with HMRC. We value the level of engagement received from HMRC on our tax matters.

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