

Tax Strategy

TalkTalk ('the Group') is the UK's leading value for money connectivity provider with over 4 million customers and around 2,000 employees.

How we manage tax risk

Tax is an important issue for the Group, our stakeholders and our customers. As a Group, we aim to be fully compliant with all tax rules and regulations, provide appropriate full disclosure and manage tax risks in a prudent manner.

Tax risk for TalkTalk arises in a number of areas:

- Ensuring that we comply with our filing, reporting and regulatory obligations as a UK corporate.
- Any tax implications arising from business growth or changes in the Group's operations, ventures or other opportunities.
- Maintaining knowledge and capability within the tax function.

Tax risk is managed by the tax function. All tax compliance is managed in house by the tax function and the reach and capability of the team is appropriate for the size and complexity of the Group. The team is managed by the Group Financial Controller who reports directly into the CFO. The Group Financial Controller also attends Audit Committee meetings to provide updates to the Board on tax reporting, key considerations and changes in tax legislation. The compliance and review process across all taxes is documented and reviewed to allow visibility of the controls in place to manage tax risk. This policy is approved by the Audit Committee.

Members of the tax team attend key business decision making forums to ensure there is awareness of the tax impact of all new transactions.

The team is supported by external advisers as appropriate, including the provision of guidance where the application of the tax regulation and guidance to the Group are unclear.

Our approach to tax planning

Our tax affairs are relatively simple and straightforward. TalkTalk does not engage in aggressive tax planning and does not seek to take advantage of new and untested tax arrangements. Any transactions we do undertake are for a clearly defined commercial purpose, aimed at maximising shareholder value.

Where appropriate, we do engage with professional advisers, to understand tax developments in the industry and to determine a tax position where there may be ambiguity of interpretation.

Our tax strategy is not influenced by external parties and it is aligned to the core values of the business.

Tax risk

The Group aims to have low tax risk. However, whilst we do not engage in aggressive tax planning, we will seek to utilise the benefits available from tax incentives and credits made available by the government.

The Group determines its acceptable level of tax risk by taking into account its relationship with HMRC, its obligation to its shareholders and the other external factors. The Group is not unduly influenced by any one of the above stakeholders in its assessment of tax risk.

Our relationship with HMRC

Through the CFO and the tax function, we aim to maintain an open and honest working relationship with HMRC, advising of relevant developments on a real-time basis. We actively engage with HMRC, maintaining an open dialogue, enabling us to highlight any issues and where possible seek upfront agreement from HMRC.

This strategy applies to Tosca IOM Limited and its UK subsidiary companies for financial year 28 February 2023 and is in accordance with paragraph 16(2) of Schedule 19 to the Finance Act 2016.