

TDC Group Guiding Tax Principles

Our vision is to be the leading provider of integrated communications and home entertainment solutions in our core markets. We pursue this vision by running the business in a responsible and sustainable way. This tax strategy is designed to support this.

Compliance

In TDC Group, we are committed to behaving responsibly and paying taxes in accordance with laws and regulation wherever TDC Group does business. We aim to report the right and proper amount of tax according to where value is created. Where laws and regulations do not give clear guidelines we seek clarity through dialogue with the tax authorities.

Transparency

Transparency is an integral part of our management of tax affairs, and disclosures are made in accordance with relevant regulations and applicable reporting standards such as IFRS. We maintain and build solid relationships with the tax authorities in the jurisdictions where we do business. In Denmark we are part of the enhanced relationship (Tax Governance) with the Danish tax authorities.

Tax planning

In TDC, tax is an integral part of doing business. Tax follows business, and profit is allocated in accordance with the arm's length principle and OECD guidelines. We do not engage in aggressive tax planning schemes or structures – nor do we establish presence in so-called *tax havens* without a genuine business purpose. However, we will seek to optimize the tax structure of business driven initiatives.

Tax risk management

Mitigation of tax risks is handled through deep business insights and through a close dialogue with the management and the business. Our ability to design global tax processes that include the necessary control elements upfront is the most effective way to counter potential losses and reputational damage.

Governance

The Chief Financial Officer has the ultimate responsibility for the tax function and as part of this responsibility also approves our strategic and operational approach to tax. The day-to-day work, including establishing internal standards and control mechanisms required to meet our Key Tax Principles, is delegated to the Global Head of Tax, who together with a team of in-house professionals, hold a combination of accounting, tax and legal qualifications.