

## Our UK Tax Strategy

In compliance with our responsibilities under paragraphs 19(2) and 22(2), Schedule 19 of Finance Act 2016, we are publishing the tax strategy of Rackspace Limited and the other UK companies listed below, each a UK limited company (together, the “UK Companies<sup>1</sup>”), for the year ending 31 December 2019. This strategy, which is articulated below, applies to all UK taxes applicable to the UK Companies.

Our business values and culture foster sound corporate governance, including the responsible administration and payment of our taxes. With this in mind, our tax strategy aims to:

- Comply with all relevant laws, rules, regulations, and reporting and disclosure requirements.
- Apply professional diligence and care in the management of all risk associated with tax matters, and ensure that governance and assurance procedures are appropriate.
- Submit all appropriate tax returns and make prompt payments.
- Utilise available tax relief provisions and incentives, where available, and do so in a manner that is consistent with the government’s policy objectives.
- Consider the tax impact of our business decisions.
- Operate in an environment where we consider tax issues in the context of our reputation and brand.
- Comply with appropriate tax processes, and ensure oversight of this compliance by the Boards of Directors of the UK companies (our “Board of Directors”).

### ***Our Approach to Tax Risk Management and Governance Arrangements***

We strive to ensure that our tax affairs are conducted and administered in a professional manner and to comply with all applicable tax laws and regulations. We recognise that managing tax compliance is increasingly complex. Our internal structure is set up to ensure:

- That our Board of Directors understands the importance of robust tax compliance and how best to achieve and maintain such compliance. Our tax strategy is set by our Board of Directors and is reviewed regularly.
- Regular and open communication between the Board of Directors and those individuals tasked with the operation of our finance function, whose role involves the management of tax matters.
- A business culture that maintains a positive view towards tax compliance and is focused on meeting our tax compliance responsibilities. We are focused on meeting our tax obligations and keeping informed of tax developments and

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<sup>1</sup> Rackspace Limited, Rackspace UK Leasing Limited, Datapipe Europe Limited, Datapipe UK Limited, Datapipe Limited, Adapt Holdco Limited, Altimus Acquisitions Limited, Adapt Group Limited, Adapt Managed Services Limited, Centric Telco Limited, Adapt Services Limited, Centric Telecom Limited, eLinia Limited, eLinia Webservices Limited, Sleek Holdco Limited, Sleek Networks Holdings Limited, Sleek Networks Limited

their impact, including seeking external tax advice in the UK and other countries to keep informed of tax developments and impact. We also invest in tax training for staff with tax responsibilities, and conducting ourselves in a transparent and professional manner in our relationship with tax authorities.

### ***Our Attitude Towards Tax Planning***

We do not undertake aggressive tax planning. Where appropriate, we claim statutory reliefs available (e.g., capital allowances, research and development, etc.). We treat tax cost similar to any other business cost that we would seek to appropriately mitigate in line with our business objectives and internal governance.

We seek the advice of professional experts on a transactional basis, with the depth of such advice being driven by our assessment of the risk presented by each business opportunity.

### ***Our Level of Risk Acceptance***

Our Board of Directors views compliance with tax legislation as key to managing our tax risk. We understand the importance of tax issues in the wider context of business decisions and have processes in place to ensure tax issues are considered as part of our decision-making process.

We have relationships with professional advisers that allow us to seek expert advice with respect to specialised areas of tax law and practice. We focus on ensuring that we are compliant with all applicable tax laws and regulations and understanding our responsibilities with regard to tax issues, rather than on ways to aggressively avoid the payment of tax. Our approach to tax is to ensure certainty and therefore tolerance of tax risk is low.

### ***Our Relationship with Her Majesty's Revenue and Customs ("HMRC")***

We are committed to transparency in our approach to our dealings with tax authorities and we strive to conduct such dealings in a constructive and professional manner. In the context of the UK, we are committed to:

- Maintaining a collaborative, transparent, and professional relationship with HMRC.
- Engaging in full and constructive dialogue with HMRC to discuss tax strategy, risks and significant transactions.
- Making fair, accurate and timely disclosure in correspondence and returns.
- Responding to queries and information requests in a timely fashion.
- Working closely with HMRC on any queries that may arise, and resolving those issues by mutual agreement, whenever possible.