



TAX STRATEGY

The following tax strategy has been approved by the board of telent Limited and outlines how we seek to:

- manage our tax affairs in accordance with our corporate values;
- pay the appropriate amount of tax to the tax authorities;
- manage and mitigate tax risks; and
- have an open and honest relationship with Her Majesty's Revenue and Customs ('HMRC').

Scope

telent Limited and its corporate group (the '**Group**') is headquartered in the UK from where it derives majority of its revenues. The principal legal entities within the Group are listed below. There are also a number of dormant entities both in the UK and overseas.

telent Ltd – Group holding company

telent Technology Services Ltd – the main trading vehicle

TSS Solutions Ltd – a supplier of labour to the Group and third parties.

This strategy applies to the above entities in accordance with paragraphs 16 and 19 of Schedule 19 to the Finance Act 2016. In this strategy, references to '**telent**' is to all the above entities. The strategy has been published in accordance with paragraph 16(4) of the Schedule.

This strategy applies from the date of publication until it is superseded. References to '**UK taxation**' are to the taxes and duties set out in paragraph 15(1) of the Schedule. The principal taxes impacting telent are Corporation Tax, VAT and PAYE (including National Insurance).

Aim

telent is committed to full compliance with all statutory obligations and full disclosure to tax authorities. The Group's tax affairs are managed in a way which takes into account the Group's wider corporate reputation in line with telent's overall high standards of governance.

Governance of Tax

Ultimate responsibility for telent's tax strategy and compliance resides with the board of directors of telent Ltd. The Chief Financial Officer (CFO) is the director with executive responsibility for tax matters.

Day to day management of telent's tax affairs is delegated to the Group Financial Controller who is the Senior Accounting Officer for telent. The telent tax team is staffed with appropriately qualified individuals.

Tax is included in the Group's Corporate Governance Rules, thereby ensuring that the Group's tax strategy is one of the factors considered when making significant investment and business decisions.

Risk Management

telent operates a system of tax risk assessment and controls as a component of the overall internal control framework applicable to the Group's financial reporting system.

telent seeks to reduce the level of tax risk arising from its operations as far as is reasonably practicable by ensuring that reasonable care is applied in relation to all processes which could materially affect its compliance with its tax obligations.

Processes relating to different taxes are allocated to appropriate process owners who carry out a review of activities and processes to identify key risks and mitigating controls in place. These key risks are monitored for business and legislative changes which may impact them and changes to processes or controls are made when required.

Appropriate training is carried out for staff outside the tax team who manage or process matters which have tax implications.

Advice is sought from external tax advisers where appropriate.

Attitude towards tax planning and level of risk

telent manages risks to ensure compliance with legal requirements in a manner which ensures payment of the right amount of tax.

When entering into commercial transactions, telent seeks to take advantage of available tax incentives, reliefs and exemptions in line with, and in the spirit of, tax legislation. telent does not undertake tax planning unrelated to commercial transactions.

The level of risk which telent accepts in relation to UK taxation is consistent with its overall objective of achieving certainty in the Group's tax affairs. At all times telent seeks to comply fully with its regulatory and other obligations and to act in a way which upholds its reputation as a responsible corporate citizen.

Relationship with HMRC

telent seeks to have a transparent and constructive relationship with HMRC through regular meetings and communication in respect of developments in telent's business, current, future and retrospective tax risks, and interpretation of the law in relation to all relevant taxes.

telent ensures that HMRC is kept aware of significant transactions and changes in the business and seeks to discuss any tax issues arising as an early stage. When submitting tax computations and returns to HMRC, telent discloses all relevant facts and identifies any transactions or issues where it considers that there is potential for the tax treatment to be uncertain.

Any inadvertent errors in submissions made to HMRC are fully disclosed as soon as reasonably practicable after they are identified.