



## **Tax Strategy**

## Purpose

The purpose of this document is to outline the approach, adopted by the IGT UK group entities, to manage UK tax obligations and tax-relevant activities. In particular, it defines the strategic UK tax goals and objectives as well as the UK group's tax risk appetite. Publication of this document is regarded as complying with the duty under Para. 16, Sch. 19, Finance Act 2016 in respect of the period ended 31 December 2019.

## Scope

This strategy applies to IGT PLC and its subsidiaries located in the United Kingdom (hereinafter "IGT UK Group"), with specific application to all those within the IGT Tax team (comprising the Group Tax Vice President and senior directors based in Providence and London) and all IGT personnel who have tax responsibilities for the UK group entities.

The tax strategy refers, but is not limited to, the following taxes and tax activities:

- Corporate income tax and related compliance, including Income Tax Withholdings
- Indirect tax compliance (VAT, Sales & Use, Property, customs duties)
- Employment tax compliance
- Tax accounting, including both group reporting and local statutory reporting

## Attitude to Tax Planning and Tax Risk Appetite

IGT UK Group observes all applicable laws, rules, regulations and disclosure requirements, including the preparation and filing of all UK tax returns in the form specified and at the time required and monitoring regulatory updates and has the following objectives:

- IGT UK Group applies diligent professional care and judgment to arrive at well-reasoned conclusions, ensuring that all decisions are taken at an appropriate level and supported by documentation of the facts, conclusions and risks involved
- IGT UK Group does not engage in operations or corporate structures aimed at reducing the tax charge, such as contrived or abnormal tax structures. IGT UK Group may engage in legitimately tax opportunities that are aligned with commercial and economic activities and may respond to tax incentives offered by governments
- IGT UK Group aims for certainty on the tax positions it adopts. However, if tax legislation is unclear or subject to interpretation, written advice or confirmation will be sought from external advisors, as appropriate
- IGT UK Group's general conduct is to pay no more or less than the taxation required by law.
- IGT UK Group's approach to risk is governed by its group wide risk management framework. Whenever the tax treatment of an item is uncertain and/or unquantifiable, filing positions should be subject to robust risk assessment and supported by adequate disclosure.
- IGT UK Group ensures that intercompany transfer pricing is applied correctly and consistently year over year and in each geographic jurisdiction, in accordance with the OECD arm's length standard. Therefore, transfer of goods, services and intangible property between related parties shall be priced similar to the price that would apply if the transaction occurred between unrelated parties under similar circumstances.
- IGT UK Group is committed to ensuring that, for all initiatives under consideration and proposed business transactions, the Tax team and Management work closely to ensure that any tax implications or consequence are taken into account as early as possible and can be deliberated upon by the Management, at the planning or negotiation stages, in order to enhance shareholder value

## Tax Governance and Risk Management

IGT UK Group seeks to manage tax risk effectively, protecting all stakeholders' interests, including public authorities, shareholders, and employees.

IGT has a zero tolerance approach to tax evasion and the facilitation of tax evasion, which is supported by a strong system of internal controls and procedures and by specific prohibitions under its policies.

IGT UK Group's Tax Control Framework contains the following components:

### Roles and Responsibilities

- The Chief Accounting Officer ("CAO") is responsible for the UK Group's tax strategy. Specifically, the CAO ensures that an appropriate framework is in place for the implementation of the strategy, and it is responsible for the oversight of the identification and management of tax risk in UK
- The IGT Tax team is responsible for the execution of tax-relevant activities and supporting the business functions in all initiatives under consideration and proposed business transactions, in order to achieve the strategic tax goals, in accordance with the UK group's risk appetite
- IGT employs appropriately qualified and trained tax professionals with the right level of tax expertise and understanding of IGT's business, ensuring the continuous development of IGT's personnel
- All tax function members proactively act to ensure and continually improve IGT's UK tax risk decision making

### Internal Rules

- IGT UK Group defines and maintains a set of internal rules, which includes the objectives and activities for the management of the UK tax obligations, tax-relevant activities and tax risks. The IGT UK Group's rules are set out in this tax strategy, internal tax guidelines and the underlying tax operating procedures

### Processes

- IGT UK Group has defined processes, aimed at supporting diligent professional care and judgment, the proper management of UK tax obligations, tax-relevant activities and related tax risks

### Reporting Flows

- IGT UK Group has defined the reporting process both internally and externally meaning significant information is continuously shared within the Tax team and communicated on a timely basis to the relevant departments as well as third parties and public authorities

## Working with Tax Authorities

When working with tax authorities we have the following objectives:

- Develop and foster good working relationships with UK tax authorities, based upon mutual trust and respect that will enable constructive dialogue and responsiveness by all parties. In

particular, IGT UK Group undertakes all dealings with UK tax authorities in a professional, courteous and timely manner

- The Tax team will pro-actively manage the interaction with the tax authorities with the aim of minimising the risk of challenge, dispute or damage to IGT UK Group's credibility arising when tax matters are inadvertently incorrect
- IGT UK Group will play an active role in discussing future tax legislation in order to understand the impact on the IGT UK Group.

**IGT UK Group:**

- IGT Plc
- Europrint Holdings Limited
- Europrint (Promotions) Limited
- IGT UK Interactive Holdings Limited
- IGT U.K. Limited
- IGT UK Games Limited
- IGT UK Interactive Limited
- IGT (UK1) Limited
- IGT (UK2) Limited
- IGT-UK Gaming Limited
- IGT - UK Group Limited