



INMARSAT TAX STRATEGY

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BOARD APPROVED

The Inmarsat Group's¹ approach to tax is presented in this tax strategy. This strategy is published in compliance with Finance Act 2016 s161 Schedule 19, specifically applying to Inmarsat Group Holdings Ltd and all its subsidiaries under that legislation. This approach to tax is relevant for the year ended 31 December 2022.

TAX MISSION STATEMENT

To ensure that the Group's tax affairs are managed conservatively and professionally, in compliance with the applicable tax laws in all territories in which we operate. We seek to work proactively and collaboratively with our stakeholders, including tax authorities and colleagues within the business, whilst ensuring that the Group's tax strategy is aligned with the wider business and its commercial strategy of generating sustainable value for our shareholders.

INMARSAT VALUES

At Inmarsat, we are committed to fostering and maintaining a culture based on our four core values: *Customer Focus, Accountability, Respect and Excellence*. This means conducting our business activities in accordance with the letter and spirit of applicable laws, regulations and Inmarsat policies, and acting with integrity. These values are reflected in the Inmarsat Code of Business Conduct & Ethics to which all employees are required to adhere.

In line with our core values, Inmarsat Group Holdings Ltd and all its subsidiaries operating in the UK are committed to:

1. ensuring that the tax result of conducting our business and when working with our clients is in accordance with the law and the clear intention of Parliament;
2. engaging with HM Revenue & Customs (HMRC) in an open, transparent and cooperative manner; and
3. ensuring that we have effective tax risk management and governance frameworks in place.

KEY PRINCIPLES

The Board of Directors of Connect Bidco Ltd approves our tax strategy. The Board of Directors of Inmarsat Group Holdings Ltd regularly reviews its effectiveness and maintains a system of risk management and internal control.

Inmarsat's tax function is committed to:

- Observing all applicable laws, rules and regulations in meeting our tax compliance and reporting responsibilities everywhere we operate;
- Applying diligent professional care and judgement to ensure that the tax risk is managed with a high degree of certainty;
- Working positively, proactively and transparently with tax authorities to minimise the extent of disputes, to achieve early agreement on disputed issues when they arise and achieve certainty wherever possible; and
- Ensuring that tax strategy is aligned with the wider business and commercial strategy.

These are considered in further detail below:

¹ The Inmarsat Group ("Inmarsat" or the "Group") comprises Connect Topco Ltd and all its subsidiaries

Observing all applicable laws, rules and regulations in meeting our tax compliance and reporting responsibilities everywhere we operate.

Compliance with laws, rules and regulations

Inmarsat is committed to observing all applicable laws, rules and regulations in meeting our tax compliance and reporting responsibilities everywhere we operate.

We apply diligent professional care and judgement to ensure all decisions are well considered and documented. If an area is identified where there is not sufficient expertise within the Group, we use third party advisors as required. This enables us to ensure that we are paying the right amount of tax in the right places, in a timely manner.

Whilst seeking to minimise tax liabilities for the benefit of customers and shareholders, the Group's policy is not to take an aggressive interpretation of tax legislation or use artificial tax avoidance schemes.

We are proactive in ensuring that we are aware of any developments in tax legislation and the implications for Inmarsat's business, including the OECD's wide-ranging Base Erosion and Profit Shifting project.

Where appropriate we apply for tax incentives and exemptions.

Tax compliance and reporting

We deploy a combination of in-house and third-party resource to ensure that tax returns are prepared to a high standard, that deadlines are met and that taxes are paid wherever due.

Transfer Pricing

We aim to pay an appropriate amount of tax according to where value is created within the normal course of commercial activity. Transactions between entities within the Group are determined using the 'arm's-length' principle consistent with the OECD transfer pricing guidelines and the wider Base Erosion and Profit Shifting initiative.

We work closely with the business to ensure that our Transfer Pricing policies are applied consistently across the Group.

Applying diligent professional care and judgement to ensure that tax risk is managed with a high degree of certainty

Management of business tax risk

Inmarsat has implemented a risk management policy which sets out the Group's risk appetite. The policy, together with the Group's process for risk assessment and mitigation, establishes a framework of internal controls designed to identify, assess and manage risk across the business, including tax risk². The Group's risk management framework does not quantify the level of acceptable tax risk however the Group endeavours to meet the requirements necessary to achieve a low risk rating with HMRC.

Inmarsat's approach to tax risk management is based on the following main principles:

- Ensuring that all personnel with tax responsibilities have a clear and consistent understanding of how tax risk is identified, assessed, reported and managed;
- Using third party advisors to supplement the tax technical expertise within the tax function where required;

² Further information on the Group's risk management framework can be found in the Inmarsat Group Holdings Ltd Annual Report and Accounts 2020.

- Ensuring that there is a quality control review of all work undertaken within the tax team, with the involvement of third-party advisors where required;
- Ensuring that any analysis relating to tax positions being taken by the business is clearly documented, and reviewed by the Vice President, Tax & Treasury, together with the Chief Financial Officer if required, before any decision to proceed is taken;
- Ensuring periodic tax process reviews are undertaken in order to identify any process risks arising and to mitigate the impact of these on a timely basis;
- Ensuring that business management is informed in a timely manner of any tax rule changes which may impact them, for example through training or the issuance of tax policies which can be followed in order to mitigate risks.

All tax risks are assessed on a case by case basis, allowing the Group to arrive at a conclusion on how each risk should be managed.

Our people

Inmarsat's tax team is part of the Finance function which reports to the Group's Chief Financial Officer ("CFO"). The CFO has responsibility for tax at board level. The Vice President, Tax & Treasury reports to the CFO and leads a team with specific geographical and / or technical responsibilities, including specialists in Transfer Pricing and Indirect Taxes. Regular update meetings take place between the Vice President, Tax & Treasury and the CFO, and periodic updates are provided to the Board, including an overview of the Inmarsat tax function, the current tax strategy, tax profile, issues and initiatives.

We have clearly defined reporting lines, responsibilities and accountabilities.

We employ appropriately qualified and trained tax professionals with the right levels of tax expertise. We train and support all personnel with responsibilities for tax matters to ensure that they have the skills and knowledge to effectively and accurately fulfil their tax responsibilities, meet their development needs and perform to the best of their abilities, whilst remaining motivated and challenged in their roles.

We use third party advisors for particular issues or transactions, for example in relation to specialist areas of tax legislation or where the Group is undertaking business in a new jurisdiction, where external expertise is required in order to complement the Group's in-house technical knowledge. In each case, we look for best value whilst using the best firm for the specific piece of work.

Working positively, proactively and transparently with tax authorities to minimise the extent of disputes, to achieve early agreement on disputed issues when they arise and achieve certainty wherever possible

We strive for an open dialogue with HMRC and overseas tax authorities, working positively, proactively and cooperatively with them. We have regular update meetings with HMRC to provide an overview of changes to the business and to discuss any ongoing developments.

To the extent that there are any disputes, this approach of looking to agree positions on a real-time basis enables us to avoid uncertainty wherever possible. Resolving disputes for the best possible value for the business in as short as period of time as possible is a key priority for the Tax function.

Ensuring that tax strategy is aligned with the wider business and commercial strategy

Consistency with Group strategy

The tax strategy is aligned to and supports the strategic vision of the Group. It is focused on ensuring that stewardship of our tax affairs provides a sustainable outcome, with a view to optimising shareholder value during the growth and diversification of the business.

Business Partnering

Our engagement and interaction with all our stakeholders is important to us. The tax team actively engages with the business to ensure tax is a consideration in any material business decision at an early stage. This enables the Tax function to work efficiently with the business, and enables clear, timely, relevant and business focused advice to be provided.

Approach to tax planning

When considering the viability of investments, tax is one of the factors we examine, however all transactions are driven by a business need and must fit with our core values.

We do not use contrived or abnormal tax structures that are intended for tax avoidance, have no commercial substance and do not meet the spirit of local or international law.