

UK TAX STRATEGY

CME Media Services Ltd (“CME MS Ltd”) publishes this statement in compliance with the duty under paragraph 22(2), Schedule 19, Finance Act 2016 to publish its UK tax strategy for the financial year beginning on 1 January 2020.

CME MS Ltd is an indirect subsidiary of Central European Media Enterprises Ltd. (“CME” and together with its subsidiaries, the “Group”) which is majority owned by AT&T's Warner Media, LLC. CME MS Ltd’s principal activity is to provide consultancy services to the Group.

CME MS Ltd’s approach to UK tax seeks to align the long-term interests of the stakeholders of the Group. CME MS Ltd seeks to create value on a sustainable basis by ensuring commercial activities are organised in a tax efficient manner and comply with the tax law, regulations and disclosure requirements in the UK.

Approach to tax compliance

CME MS Ltd is committed to meeting its tax compliance obligations on time. CME MS Ltd maintains tax accounting processes which underpin the accuracy of its tax return filings and assist the company in complying with the tax law and regulations in the UK. If an error resulting in underpayment of tax were to be identified within a tax return, CME MS Ltd would seek to disclose it voluntarily to HM Revenue & Customs (HMRC) and pay any resulting tax and interest that is due.

Attitude towards tax planning

Tax planning undertaken by CME MS Ltd supports its commercial objectives, its ability to invest, and its core values and any potential impact on its reputation. CME MS Ltd does not undertake aggressive tax planning or participate in artificial tax avoidance schemes.

Transactions between CME MS Ltd and other members of the Group are conducted on arm’s-length terms and in accordance with OECD guidelines. The terms of the transactions reflect the relative risks undertaken and the economic value added by each of the internal parties.

CME MS Ltd acknowledges that many governments shape their taxation policies to attract international business with the aim of stimulating investment, job creation and skills development. Where it is aligned with its business and commercial strategy CME MS Ltd makes use of credits and incentives available in the UK to support business activities.

Governance and management of tax risk

This UK tax strategy has been approved by the Board of Directors of CME MS Ltd. The Group’s Chief Financial Officer has responsibility for ensuring compliance with the UK tax strategy. Day-to-day responsibility for ensuring compliance on matters of tax strategy, policy and risk is delegated to the Group’s Head of Tax.

CME MS Ltd takes the view that tax risk can be financial, reputational or operational in nature. Given the international nature of its business, risks inevitably arise from time to time in relation to interpretation of UK tax laws. This is primarily due to the complexity of tax legislation and differing interpretations of it in the countries with which the company deals. When appropriate, CME MS Ltd seeks certainty by obtaining external advice or seeking clearances with the relevant tax authorities.

The Group's tax function which supports CME MS Ltd works with the constituent parts of the business, providing relevant and business focussed advice.

Working with tax authorities

CME MS Ltd, represented by the Group's tax function, has an open and transparent relationship with HMRC and engages co-operatively and proactively with HMRC, acting with integrity and professionalism in all tax matters.