

Activision Blizzard UK Group Tax Strategy

The publication of this strategy document is intended to satisfy the statutory obligations under Para 16(2), Schedule 19, Finance Act 2016.

Introduction

This document serves to outline the strategy and approach to risks with respect to all tax matters of all Activision Blizzard entities in the United Kingdom (“the UK Group” or “we”).

The UK Group aims to ensure that the tax strategy remains in line with our overall business goals and values, as well as the Activision Blizzard code of conduct, and is consistently integrated in the UK Group’s way of working.

This strategy document will be reviewed on a regular basis and will be revised where required.

Risk Management and Governance Arrangements

As outlined in our code of conduct, Activision Blizzard and its employees must comply with all of the laws, rules and regulations that apply to our business wherever we do business.

The UK Group operates in accordance with all applicable laws, rules, regulations, binding guidelines and reporting and disclosure requirements, to ascertain the UK Group pays the correct amount of tax according to the applicable laws and regulations of the jurisdictions in which we operate.

Any decisions regarding tax matters in the UK Group will be made at an appropriate level. The Senior Vice President of Tax, who reports to the Chief Financial Officer of Activision Blizzard is ultimately responsible for the UK Group’s tax strategy and policies. Day to day responsibilities for UK tax matters are handled by the UK-based International Tax team, which is led by a Senior Director of Tax (King), and the UK-based Finance team supported by the Netherlands-based International Tax team, which is led by a Senior Director of Tax (Activision Blizzard).

The UK Group acts proactively to safeguard and continually improve the UK Group’s tax risk decision making.

Tax Planning

The UK Group seeks to respect all tax laws and regulations of the jurisdictions in which we conduct our business. The UK Group will not undertake artificial tax planning and seeks

alignment of its intercompany agreements with commercial and economic reality. Intercompany transactions take place on an arm's length basis.

While paying the correct amount of tax according to the applicable laws and regulations, the UK Group will make use of available relief, credits, grants or other incentives made available by certain jurisdictions.

Tax Risks

Due to the UK Group being part of a wider group with activities throughout the world, and the continuously changing tax landscape, there will be situations in which the tax position is unclear, and alternative approaches may have alternate outcomes. The UK Group determines what it believes to be the right approach by weighing all relevant circumstances and strives to take tax positions that it believes to be correct.

Although there is no predefined level of risk the UK Group is willing to take, tax risks are proactively monitored and managed. In uncertain or complex situations, the UK Group will seek guidance from external tax advisors or engage with tax authorities.

Relationship with Tax Authorities

The UK Group develops and sustains robust working relationships based on transparency and trust with tax authorities in general and with HMRC in particular.

The UK Group interacts with HMRC in an open, collaborative and constructive manner. Business developments are shared proactively through regular update meetings, aiming to conclude on matters as quickly as possible.