



TAX STRATEGY

1.0 Preamble

This tax strategy is required to be published in accordance with Sections 16(2) & 22(2), Part 2 of Schedule 19 of the Finance Act 2016 in respect of the period ended 31 March 2019. The strategy applies to Airtel Africa Limited and any UK subsidiaries thereof.

2.0 About us

Airtel Africa holds investments in telecommunications companies in 14 countries across Africa providing 2G, 3G, 4G wireless services and mobile commerce.

3.0 Approach to Tax Risk Management and Governance

3.1 Airtel Africa operates globally with a high degree of focus on internal controls and processes which are used to identify, assess, monitor and manage risks (including tax risk). Our approach to tax matters is to comply with laws and practices in all jurisdictions in which we operate. This is in line with our Code of Conduct, which can be found on the company's website.

3.2 The responsibility for UK tax strategy and compliance rests with the Airtel Africa UK Board which has delegated responsibility to the CEO and CFO to oversee policies and their implementation.

3.3 The group has competent tax personnel with requisite knowledge of local regulations in each jurisdiction to deal with local tax compliance. Further, strong governance is exercised by the tax team located in the Kenya regional office to ensure compliance and risk mitigation across all jurisdictions, not only the UK.

3.4 Ongoing checks are made of processes and procedures to ensure staff responsible for processing tax related matters perform their functions correctly and diligently. This includes input from external advisors who are used to review the work undertaken by internal staff and assist with the preparation of tax filings where needed.

3.5 The group closely monitors developments in tax policy and specific changes in tax legislation affecting the business in all jurisdictions.

3.6 The group aims to ensure that all personnel with tax responsibilities regularly liaise with business units to discuss commercial activities and related tax matters.

3.7 We have also embraced the use of technology to maintain full oversight of the compliance picture across all of our operating companies.

4.0 Attitude of the Group to Tax Planning

4.1 Tax planning is aligned with commercial and economic activity and personnel with tax responsibilities advise on business transactions based on commercial needs as appropriate. The group seeks external advice in case of any uncertainty or complexity in interpretation of law. The group does not and will not undertake planning that is contrived or artificial. Further, related party transactions are conducted on an arm's length basis.

5.0 Level of risk that the group is prepared to accept

- 5.1 The primary objective of the group is to minimize tax risk while correctly applying the law.
- 5.2 The group recognizes that tax legislation can be complex and needs to be interpreted in the context of the group's economic activity. We seek expert and independent advice and opinion when appropriate in order to reduce uncertainty to acceptable levels.

6.0 Approach towards dealings with HMRC

- 6.1 The group engages with tax authorities, including HMRC, with honesty, integrity and fairness.
- 6.2 The aim of the group is to have constructive relationships and maintain transparent disclosure in its relationships with all tax authorities.
- 6.3 We seek to work collaboratively with all tax authorities to achieve early agreement on disputed issues and certainty on a real-time basis, wherever possible. Where the group does not agree on principles with the tax authorities, it does not shy away from taking the legal route through the appropriate appellate mechanism provided under the laws of the country in question.