

Entertainment One Ltd.

Tax Strategy

Tax Strategy:

Financial Year FY20

Our approach to tax

Entertainment One Ltd. is committed to complying with tax laws in a responsible manner and to having open and constructive relationships with taxation authorities.

Our approach to tax aligns with the Group's Code of Business Conduct, which sets out what is expected of everyone at eOne.

This includes acting in a manner that is ethical and consistent with applicable laws and regulations. In business affiliations in which the Group does not have control, representatives of the Group use their influence to achieve adherence to the spirit and content of the Code. We do not tolerate the facilitation of tax evasion by people who act for or on behalf of the Group.

The tax strategy applies to the year ended 31 March 2020 and will remain in effect until any amendments are approved by the Board of Directors.

Our approach to tax is underpinned by the following principles:

Governance

The Chief Financial Officer (CFO) owns and implements our approach to tax which is reviewed by the Group's Audit Committee. The CFO is also responsible for ensuring policies and procedures that support the approach are in place, maintained and used consistently around the world, and that the global tax team has the skills and experience to implement our approach.

We use external service providers on a selective basis, for example where we require additional resource or expertise.

Relationships with taxation authorities

We seek to build and sustain relationships with taxation authorities that are constructive and based on mutual respect.

We work collaboratively wherever possible with taxation authorities to resolve disputes and to achieve early agreement and certainty where tax law is complex or unclear.

We have compliance agreements in place with a number of taxation authorities which provide both parties with certainty.

Tax planning

We engage in efficient tax planning that supports our business and reflects commercial and economic activity.

We adhere to relevant tax law and we seek to minimise the risk of uncertainty or disputes.

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We establish entities in jurisdictions suitable to hold our overseas investments, giving consideration to our business activities and the prevailing regulatory environment. We seek to conduct transactions between Group companies on an arm's length basis and in accordance with current OECD principles.

Tax incentives (such as film and television production tax credits) are sometimes implemented by governments and fiscal authorities in order to support investment, employment and economic development. Where these exist we seek to apply them in the manner intended.

Tax risk management

We do not prescribe acceptable levels of tax risk. We seek clarity within the law and evaluate the potential tax outcomes of our business transactions and we escalate tax risks and uncertainties to the relevant level within the Group to determine the appropriate management response.

We follow the Group's risk management system and policy as part of our internal control processes which means that we identify, assess and manage tax risks from our business transactions, account for them appropriately and implement and monitor controls over them.

Details of the Group's risk management system and policy are set out in the Group's Annual Report under "Principal Risks and Uncertainties".

Material tax risks and disputes are reported on a periodic basis by the CFO to the Group's Audit Committee, which comprises four independent Non-Executive Directors.

In this way the Group Audit Committee provides governance and oversight of financial risks, including tax risks and provides assurance that material tax risks are managed in accordance with group policies. Material tax risks and disputes, if applicable, are additionally reviewed by our external auditor on a semi-annual basis.

Our approach to tax is applicable across the Group and is updated and reviewed annually. The tax strategy was first published in March 2018.

With respect to the UK, we regard this publication as being in compliance with our duty under paragraph 16(2) of Schedule 19 of the Finance Act 2016.

Further information:

For further information, you should contact Entertainment One Ltd.'s Company Secretary, Mark Trachuk: mtrachuk@entonegroup.com

www.entertainmentone.com