

Axis UK Tax Strategy

December 2023¹

¹ This strategy applies from the date of the publication until it is superseded.

1. Introduction

Axis aims to be a good corporate citizen and as such we see tax as a vital part of our social responsibility. Our tax contributions play an important role in the development of the countries in which we operate. These countries are those in which employees, partners and clients live and where we offer our products and do our business.

Axis's Code of Conduct stipulates that all employees are expected to uphold, contribute to and promote the company's values, integrity and responsibility. This is no different when it comes to paying taxes. We always aim to be tax compliant and all taxes and charges shall be paid in accordance with local laws and regulations.

To fulfill the requirements under UK law², and to support transparency of our approach to taxation, this document sets out:

- > The approach of the group to risk management and governance arrangements
- > The attitude of the group toward tax planning
- > The level of tax risk we are prepared to accept
- > Our approach towards dealings with tax authorities

2. Attitude to tax planning and level of risk

Axis tax strategy is based on respect for the law in each of the jurisdictions in which Axis operates and we do not undertake transactions without clear underlying commercial motivation. This means that we do not use artificial structures unrelated to the company's business that are intended for tax avoidance nor enter into transactions with related entities solely to erode the tax basis or to transfer profits to low-tax territories. We believe in the principle that tax should follow business and consequently profits are allocated to the countries in which business value is created.

In structuring our commercial activities tax may be one of the elements we consider. This means that we for example may respond to available local tax incentives and exemptions to minimize the tax costs of our business activities.

The level of risk which Axis accepts in relation to UK and other local tax jurisdictions is consistent with our overall objective of achieving certainty in the group's tax affairs. Where alternative routes exist to achieve the same commercial result the most tax efficient approach in compliance with all relevant laws should be considered. We will however always seek to pursue our primary objectives of paying the right amount of tax at the right time from a legal perspective, and maintaining our strong reputation as a responsible corporate citizen.

In cases where the Axis entities interact with each other in the provision of services, goods or financing, we aim that such transactions are undertaken on arm's-length terms in compliance with relevant legislative requirements and international best practice.

²This strategy applies to Axis Communications (UK) Limited in accordance with paragraph 19 of Schedule 19 to the Finance Act 2016. As applicable in the UK, references to "tax", "taxes" or "taxation" are to the taxes and duties set out in paragraph 15(1) of the Schedule which include Income Tax, Corporation Tax, PAYE, NIC, VAT, Insurance Premium Tax, and Stamp Duty Land Tax and to all corresponding worldwide taxes and similar duties in respect of which Axis Communications (UK) Limited has legal responsibilities.

3. Risk management

Axis is legally represented in America, EMEA and Asia. Risks will inevitably arise from time to time in relation to the interpretation of complex tax law and nature of our compliance arrangements. Typically, tax risks are much more likely to arise in cross-border situations given the multitude of tax jurisdictions as well as interpretational differences between different local tax authorities. We actively seek to identify, evaluate, monitor and manage these risks to ensure they remain in line with our objectives. Where there is significant uncertainty or complexity in a certain arrangement external advice is sought to do the best we can to be compliant with local tax regulations.

The Group Tax Function is part of Finance and reports to the Group Chief Financial Officer. The Group Tax Function aims to ensure compliance with all tax legislations in the countries where Axis operates. In addition to the Group Tax Function, which is based in Sweden, each sales region has a Regional Business Controller in charge of ensuring that the tax regulations are well understood and satisfied by the entities.

The Regional Business Controllers and Controllers shall at all times notify the Group Tax function of any specific tax issues arising in their country. For transfer pricing purposes, the Group Tax Function performs a monthly operating profit review process for each entity and communicates and discusses the result with each regional team. This is to ensure that all intra-group transactions are undertaken at arm's-length. Performance is monitored via monthly reporting to the Group Chief Financial Officer.

4. Transparent dialogue with HMRC

Wherever we operate, we aim to maintain an open and constructive dialogue with tax authorities and other government bodies, based on the disclosure of all relevant facts and circumstances. We also engage, via representative bodies, with governments and organizations on proposed changes to international standards where appropriate.

The following principles govern Axis' compliance with its tax obligations and its relations with local tax authorities:

- a. Compliance – At all times act in accordance with all applicable laws and relevant international standards such as the OECD Guidelines, paying all taxes due in accordance with the legal system.
- b. Transparency – Be open and honest in all dealings with tax authorities.
- c. Transfer Pricing – Aim to pay an appropriate amount of tax according to where value is created within the normal course of commercial activity. Any transfer pricing is always calculated using the arm's length principle.
- d. Structure – Not use artificial structures unrelated to the company's business that are intended for tax avoidance nor enter into transactions with related entities solely to erode the tax basis or to transfer profits to low-tax territories.
- e. Relationship with tax authorities – Seek to develop strong, mutually respectful relationships with local tax authorities based on transparency and trust.

About Axis Communications

About Axis Communications Axis enables a smarter and safer world by creating network solutions that provide insights for improving security and new ways of doing business. As the industry leader in network video, Axis offers products and services for video surveillance and analytics, access control, and audio systems. Axis has more than 3,500 dedicated employees in over 50 countries and collaborates with partners worldwide to deliver customer solutions. Axis was founded in 1984 and has its headquarters in Lund, Sweden.

For more information about Axis, please visit our website www.axis.com