

Idox Plc

Group Tax Strategy

Introduction

The Idox Plc Group (“Idox”) develops specialist software solutions to power the performance of government and industry, in order to drive productivity and ensure a better experience for all users.

This Group Tax Strategy sets out how taxation matters are managed for the global members of the Group.

Idox is focused on building a sustainable business that will benefit its customers, employees and shareholders and other stakeholders, as well as the wider society and environment in which we operate. We believe in doing the right thing and upholding the highest possible values in the way all our people work worldwide.

The approach to managing our taxation affairs is consistent with our vision and organisational responsibility – to be a responsible employer, supplier and overall business. Idox is committed to full compliance with all statutory obligations and full disclosures to tax authorities. Idox collects and pays Corporation Tax, Income Tax, National Insurance, Stamp Duty, Value Added Tax and other overseas taxes.

There are three key areas which the Tax Strategy clarifies:

- Governance and risk management applying to global taxation
- Tax Planning and acceptable level of risk in relation to taxation
- Relationship with tax authorities

Governance and risk management applying to Global taxation

The Board of Idox Plc has ultimate responsibility for taxation and has approved the Group’s Tax Strategy. Tax is managed within Idox’s wider risk management framework.

Operational responsibility for taxation is within the remit of the Tax Team which is an integral part of the Finance Team. Ensuring full compliance with the tax policy and strategy is the responsibility of the Group Chief Financial Officer, who will review the Tax Strategy annually and recommend any changes to The Board deemed necessary.

Idox has the following processes in place for governance and risk management:

- Tax Risk is documented on the Risk Register within the Risk Management Framework with low Risk Appetite.
- The Idox Tax Team are responsible for compliance with legislative reporting requirements and have the required knowledge and training. The team works closely with all departments, so the obligations of the business are understood and correctly processed.
- Ongoing training is identified and carried out, both in the tax team and wider business, to ensure that relevant individuals have the knowledge and ability to manage tax risk.
- Additional advice or guidance is sought externally, where appropriate.

- There is regular reporting to the Idox Group Audit Committee on tax regulations and related tax matters or changes in legislation that may have a material impact on financial results.
- The Group is committed to ensuring that there are reasonable prevention procedures in place to enable it to meet its obligations under the Corporate Criminal Offence regime.

Tax Planning and acceptable level of risk in relation to taxation

Idox engages in appropriate tax planning that supports its business objectives and associated commercial activities. The Group takes a conservative approach to tax planning and does not engage in any artificial or unduly complicated planning or structuring. We aim to manage our affairs within the letter and spirit of the law.

The Group's attitude to Tax Risk is the same as that applied to all other business risks:

- All transactions must have a sound commercial and economic purpose.
- Idox seeks to utilise tax reliefs and incentives to minimise tax liabilities while not taking an aggressive interpretation of tax legislation nor making use of tax avoidance schemes.
- Idox has a low appetite for risk; - any tax planning should have no or limited reputational impact if details were in the public domain.
- Idox will undertake tax due diligence when considering any significant financial or structural transaction such as mergers and acquisitions. This diligence will be supported by external professional advisors where appropriate. Post acquisition, key findings to bring the acquired entity in line with this Group Strategy will be completed on a timely basis.
- Idox is committed to complying with all applicable tax laws, rules, regulations and associated reporting and disclosure requirements.

Relationship with Tax Authorities

Idox is committed to developing and maintaining a constructive, transparent and professional relationship with all the Tax Authorities that the Group has contact with.

The key elements of this relationship are:

- Ensuring that our compliance obligations are met, achieved by ensuring all tax submissions are made on time and any liabilities arising are settled in a timely manner.
- If any inadvertent errors are discovered full disclosure is made to the relevant Tax Authority.

Summary

Idox Group's tax risk is documented on the Risk Register within the Risk Management Framework with low risk Appetite. We plan our tax affairs for commercial purposes not using aggressive interpretation of tax legislation or use of tax avoidance schemes. We are committed to complying with all applicable tax laws, rules, regulations and associated reporting and disclosure requirements and paying taxes to the relevant tax authorities in the countries in which we operate under the appropriate jurisdictions as and when they fall due as part of corporate social responsibility.

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