Pandora offers a personalized experience for each of our listeners wherever and whenever they want to listen to music—whether through earbuds, car speakers or live on stage. Our vision is to be the definitive source of music discovery and enjoyment for billions. We strive to be a responsible corporate citizen and therefore take a fair and reasonable approach to tax. Our business activities generate a variety of taxes. We pay corporate income taxes, state and local taxes, property taxes, withholding taxes and other taxes in various jurisdictions in which we operate. In addition, we collect and pay employee taxes as well as indirect taxes such as sales and use tax and VAT.

Pandora is committed to complying with tax laws in a responsible manner. Pandora’s code of conduct sets out what is expected of everyone at Pandora and our approach to tax aligns with that. The following statement sets out the tax policy of Pandora in the UK in accordance with the Finance Act 2016:

**Risk Management and Level of Risk**

We follow Pandora’s risk management system as part of our internal control processes. We identify, assess and manage tax risks and account for them appropriately. We implement risk management measures including controls over compliance processes and monitor their effectiveness.

Pandora has a low risk appetite in relation to tax matters. We assess tax risk and make tax decisions that align the underlying business operations and activities in the UK. Pandora may obtain expert advice to manage tax risks that are complex or uncertain.

**Governance**

Our tax director owns and implements our approach to tax, which is approved by senior personnel, including executives. Where tax risks are identified, our governance procedures require us to inform senior personnel and the audit committee of Pandora’s board of directors. The tax director is also responsible for ensuring that policies and procedures that support the approach are in place, maintained and used consistently around the world, and that the tax team has the skills and experience to implement the approach appropriately.

**Tax Planning**

We engage in appropriate tax planning that supports our business and reflects commercial and economic activity. We adhere to relevant tax laws and we seek to minimize the risk of uncertainty or disputes. When entering into transactions or making changes to the business, we assess what we must do to be compliant and take the necessary steps to do so.
We establish entities in jurisdictions suitable for our business. External specialist advice will be sought to support a tax position or assess tax risk where it is considered appropriate, giving regard to the amount of tax in issue, the complexity or uncertainty of the relevant rules, the business activities, and the prevailing regulatory environment available. Pandora does not enter into artificial or abusive arrangements in order to reduce our liability to UK taxes.

**Relationship with HMRC**

We seek to build and sustain relationships with the HMRC that are constructive, timely, transparent and based on mutual respect to ensure compliance with our tax obligations. We work collaboratively wherever possible with fiscal authorities to resolve disputes and to achieve early agreement and certainty.

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1 The UK entities covered by this tax strategy include Pandora Media UK Ltd and AdsWizz Limited.