

## **OpenText Approach to Global Tax Management, Governance and Transparency**

The following tax principles outline OpenText's approach to management of income, indirect taxes and employment taxes in all countries in which OpenText operates, and reflect our position that tax is an important interrelated component of our overall Environmental, Social and Governance (ESG) responsibility and sustainable long-term performance.

### **1. Responsibility for Principles Relating to Governance, Tax Risk Management and Supporting Control Framework**

Development of and adherence to tax management principles is the responsibility of senior leadership within the organization:

- the Executive Vice President and Chief Financial Officer, Senior Vice President and Chief Accounting Officer, and Vice President, Tax for income and indirect taxes;
- Executive Vice President, Chief Human Resource Officer for employment taxes

The senior leadership's effort to apply consistent standards to mitigate tax risk is supported by regional tax management (Americas, EMEA, APAC) and by functional tax management (indirect tax, transfer pricing) having global responsibilities.

The senior leadership provides regular updates to, and receives guidance from, the Chief Executive Officer on tax matters, and reports quarterly to the Audit Committee of the Board of Directors, as well as OpenText's full Board of Directors on any material tax developments to ensure appropriate oversight.

### **2. Compliance with Tax Laws**

OpenText is committed to accurate and timely tax compliance. We comply with all applicable tax laws in the jurisdictions in which we operate and have a taxable presence and make all required disclosures and tax payments on a timely basis. In the event of claiming government sponsored tax incentives, we ensure they are aligned with applicable statutory and regulatory frameworks.

### **3. Tax Planning**

Our tax planning activities align with OpenText's business model with a view to enhancing value in a sustainable manner for our shareholders. OpenText's strategic tax planning and optimization efforts are supported by commercial and economic substance and reflect reputational considerations in-line with our culture and values.

Our intercompany group transactions employ best practices with a goal to comply with the "arm's length standard" featured in local transfer pricing laws and the guidelines of the Organization for Economic Co-operation and Development (OECD).

### **4. Tax Risk Management**

OpenText exercises internal controls over processes for tax compliance, planning, tax payments and financial reporting of tax and assesses their effectiveness on a quarterly basis. We also continually monitor developments in tax jurisprudence and changes in tax laws to ensure consistent compliance.

Before we implement transactions having significant tax implications, we often seek input and review from leading external tax advisors, and do not undertake tax positions which management determines are not sufficiently likely to be sustained upon review from tax authorities.

Our internal processes also regularly evaluate, manage and monitor tax risks. We have clearly defined internal processes for all employees to raise any questions or concerns in accordance with our Code of Business Conduct and Ethics.

We reflect implications of tax risk in our consolidated financial statements as required by applicable Generally Accepted Accounting Principles (GAAP).

#### **5. Interaction with Tax Authorities**

Our interactions with tax authorities are performed with openness, professional integrity and respect. At times, we use approaches such as advance rulings to increase certainty of outcome of significant transactions. We generally attempt to resolve any tax disputes through various alternatives of administrative appeals before proceeding to tax litigation.

#### **6. Advocacy in Public Tax Policy**

Through professional associations and industry specific groups, we monitor ongoing policy proposals and at times directly support advocacy of positions which balance government revenue needs with maintenance of sustainable investment conditions.

#### **7. Transparency**

We fully comply with disclosure requirements pursuant to financial reporting standards and applicable tax laws and regulations. We publicly disclose:

- Consolidated group level effective income tax rate;
- Total income taxes paid for the consolidated group; and
- Summary of our significant uncertain tax positions and location of major tax audits.

We also comply with the requirement to prepare the Country-by-Country Report (CbyCR) for the consolidated group and provide it to the Canada Revenue Agency (CRA). The CRA shares the CbyCR with any countries that participate in an intergovernmental exchange of that information. OpenText's CbyCR is therefore available to all countries where tax authorities have agreed to the standards developed by the OECD.