

2018 Tax Strategy

Rackspace Limited

Rackspace UK Leasing Limited

Datapipe Europe Limited

Datapipe UK Limited

Datapipe Limited

Adapt Holdco Limited

Altimus Acquisitions Limited

Adapt Group Limited

Adapt Managed Services Limited

Centric Telco Limited

Adapt Services Limited

Centric Telecom Limited

eLinia Limited

eLinia Webservices Limited

Sleek Holdco Limited

Sleek Networks Holdings Limited

Sleek Networks Limited

In compliance with our responsibilities under paragraph 22(2), Schedule 19 of Finance Act 2016, we are publishing the tax strategy of Rackspace Limited and the other UK companies listed above, each a UK limited company (together, the “*UK Companies*”), for the year ending 31 December 2017. This strategy, which is articulated below, applies to all UK taxes applicable to the UK Companies.

Our business values and culture foster sound corporate governance, including the responsible administration and payment of our taxes. With this in mind, our tax strategy is to:

- Comply with all relevant laws, rules, regulations, and reporting and disclosure requirements.

- Apply professional diligence and care in the management of all risks associated with tax matters, and ensure that governance and assurance procedures are appropriate.
- Submit all appropriate tax returns and payments.
- Utilise available tax relief provisions and incentives, where available, and do so in a manner that is consistent with the government’s policy objectives.
- Consider the tax impact of our business decisions.
- Operate in an environment where we consider tax issues in the context of our reputation and brand.
- Comply with appropriate tax risk processes, and ensure oversight of this compliance by the Boards of Directors of the UK companies (our “Board of Directors”).

Our Approach to Risk Management and Governance Arrangements

We strive to ensure that our tax affairs are conducted and administered in a professional manner and to comply with all applicable tax laws and regulations. We recognise that managing tax compliance is increasingly complex. Our internal structure is set up to ensure:

- That our Board of Directors understands the critical nature of tax compliance and how best to achieve and maintain such compliance. Our tax strategy is set by our Board of Directors and will be reviewed annually.
- Consistent and open communication between the Board of Directors and those individuals tasked with the operation of our finance function, including with respect to the management of tax risk.
- A business culture that maintains a positive view towards tax compliance and is focused on meeting our tax compliance responsibilities. We are focused on meeting our tax obligations, including by seeking external tax advice in the UK and other countries to keep informed of tax developments and impact; investing in tax training for our staff; and conducting ourselves in a transparent and professional manner in our relationship with tax authorities.

Our Attitude Towards Tax Planning

We seek the advice of professional experts on a transactional basis, with the depth of such advice being driven by our assessment of the risk presented by each business opportunity.

We do not undertake aggressive tax planning. We obtain and claim, where appropriate statutory reliefs – e.g., capital allowances, research and development etc. We treat tax cost similar as any

other business cost that we would seek to appropriately mitigate in line with our internal governance.

Our Level of Risk Acceptance

Our Board of Directors views compliance with tax legislation as key to managing our tax risk. We understand the importance of tax issues in the wider context of business decisions and have processes in place to ensure tax issues are considered as part of our decision making process.

We have relationships with professional advisers that allow us to seek expert advice with respect to specialised areas of tax law and practice. We focus on ensuring that we are compliant with all applicable tax laws and regulations and understanding our responsibilities with regard to tax issues, rather than on ways to aggressively avoid the payment of tax. Our approach to tax is to ensure certainty and therefore tolerance of tax risk is low.

Our Relationship with Her Majesty's Revenue and Customs ("HMRC")

We are committed to transparency in our approach to our dealings with tax authorities and we strive to conduct such dealings in a constructive and professional manner. In particular, in the context of the UK, we are committed to:

- Maintaining a collaborative, transparent, and professional relationship with HMRC.
- Engaging in full and constructive dialogue with HMRC to discuss tax strategy, risks and significant transactions.
- Making fair, accurate and timely disclosure in correspondence and returns.
- Responding to queries and information requests in a timely fashion.
- Working closely with HMRC on any disagreements that may arise, and resolving those issues by mutual agreement, whenever possible.