

Graham Holdings Company – Tax Policy

Graham Holdings Company owns a diverse group of businesses that are managed on a decentralized basis. Graham Holdings Company and Subsidiaries (the Company) is committed to responsibly managing and operating all businesses, and the Company strives to ensure timely and proper payment of taxes.

The tax the Company pays is an important part of the Company's wider economic and social impact, and plays a key role in developing jurisdictions where the Company operates. The Company regards meeting its tax obligations as a critical element in our commitment to grow in a responsible way. The Company accepts its responsibilities as a cooperative, compliant taxpayer in each jurisdiction where the Company operates. The Company also seeks to support competitive business growth in serving its stakeholders including investors, suppliers and employees.

This tax policy applies to the Company, and all worldwide subsidiaries ¹⁾. This tax policy comprises five key components:

1. Commitment to compliance

The Company is committed to compliance with tax laws and practice in all jurisdictions where the Company operates. Beyond paying the proper amount of tax within established deadlines, this involves disclosing all relevant facts and circumstances to the tax authorities and claiming tax incentives when appropriate.

2. Responsible attitude to arranging our tax affairs

In structuring the Company's commercial activities, the Company considers the tax laws of the jurisdictions where the Company operates, with a view to maximizing value on a sustainable basis. Any structuring that is undertaken will have commercial and economic substance and will have full regard to the potential impact on the Company's reputation and broader goals. The Company will not put in place any arrangements that are contrived or artificial.

3. Effective risk management

Given the scale of the Company's business and volume of tax obligations, risks will inevitably arise from time to time in relation to the interpretation of complex tax laws and the nature of the Company's compliance arrangements. The Company actively seeks to identify, evaluate, monitor and manage these risks to ensure they remain in

line with our objectives. External tax advice may be sought where there is significant uncertainty or complexity. While the Company endeavors to comply with tax laws and regulations where it does business, it cannot guarantee that, if challenged, the Company's interpretation of all relevant tax laws and regulations will prevail.

4. Constructive approach to engaging with tax authorities

The Company engages tax authorities with honesty, integrity, respect and fairness and in a spirit of cooperative compliance. The Company will not take positions on tax matters that may create reputational risk or jeopardize our good standing with taxing authorities. However, the Company is prepared to litigate where we disagree with a ruling or decision of a tax authority, generally after first seeking to resolve any disputed matters through active and transparent discussion.

5. Company ownership and oversight

This Tax Policy is aligned with the Company's Code of Business Conduct and Statement of Ethical Principles and has been approved by the Company's executive management team. The Company's Tax Policy is overseen in practice by executive and financial management at the Company's corporate headquarters and the Company's business units. Oversight is consistent with our decentralized business structure; ultimately, responsibility is shared for financial reporting of corporate income taxes, and all direct or indirect taxes.

For clarity, the Company represents:

The Company does not use contrived or abnormal tax structures intended for tax evasion that have no commercial substance and do not meet the spirit of local or international law. The Company seeks to utilize appropriate arm's length pricing methods for intercompany transactions, though the Company charges certain intercompany operational expenses at cost, as allowed in practice.

December 2017

- 1) In compliance with the United Kingdom legislation set out within Part 2 of Schedule 19 of the Finance Act 2016.
