

Qurate Retail Inc.'s Approach to Tax

Introduction

Qurate Retail, Inc. ("Qurate Retail") is a Fortune 500 company comprised of seven leading retail brands – QVC®, HSN®, Ballard Designs®, Frontgate®, Garnet Hill®, and Grandin Road®. Qurate Retail is the largest player in video commerce, which includes video-driven shopping across linear TV, ecommerce sites, digital streaming, and social platforms. Qurate Retail reaches more than 200 million homes worldwide via 14 television networks and reaches millions more via multiple streaming services, social pages, mobile apps, websites, print catalogs, and in-store destinations. Qurate Retail operates primarily in the U.S., Germany, Italy, Japan, and the U.K. Qurate Retail and its subsidiaries employ approximately 27,000 full and part time employees.

As a global retailer, we take our corporate, social and environmental responsibilities seriously. Our approach to tax applies to Qurate Retail and its subsidiaries and enables the fulfillment of those responsibilities. Our overall tax objective is to file all of our tax returns on time and to pay the right amount of tax when due in each of the territories where we do business. To achieve this:

- We comply with all applicable tax laws and regulations
- We do not transfer value to low tax jurisdictions
- We do not conduct business operations in tax haven jurisdictions
- Transactions and agreements between group members are based on arm's length principles
- We do not create tax structures that lack commercial substance

The taxes we pay are substantial and varied, and include corporate income tax, employment taxes, duties, and other industry specific taxes. We also collect significant amounts of sales and value-added taxes and employment taxes on behalf of tax authorities.

We are committed to conducting our business with integrity and to the highest standards of corporate governance. Our Code of Conduct applies to all employees, directors, and officers and governs our approach to accounting, reporting, taxation, and disclosure matters.

Our tax approach covers the following areas:

- Governance, risk management and compliance
- Tax planning
- Tax authorities
- Tax risk

Governance, Risk Management and Compliance

The Senior Vice President of Tax is responsible for defining and delivering our overall tax objective and identifying tax risks. In accordance with our governance procedures, relevant tax matters are regularly reviewed and approved by senior management. Further, certain relevant tax matters are reviewed and approved by the Board of Directors of Qurate Retail or an appropriate committee thereof.

Our approach to tax is supported by a framework of processes and controls. Our Board of Directors is apprised of our objectives, processes, controls and significant tax risks and the tax approach outlined in this document has been formally approved by the Executive Committee of the Board of Directors.

Qurata Retail is subject to tax in many countries. We manage tax risks in a controlled and proactive manner. An important element of our tax governance and risk management is to ensure that we have the appropriate skills, tools, training, and tax knowledge within the group and that we seek external tax and legal advice when needed.

We are committed to responsibly complying with tax law and practice in all the taxing jurisdictions in which we operate. We have established and maintain appropriate policies and compliance processes to ensure the integrity of our tax returns, and timely and accurate tax payments in all jurisdictions in which we operate. Our employees generally prepare our tax filings and third-party service providers review material tax filings to ensure proper compliance.

Tax Planning

Qurata Retail is committed to acting with integrity and transparency on all tax matters and complying with relevant tax law. We engage in tax planning which aligns with our commercial and economic activity.

Tax is a cost of doing business in the same way as any other cost and we consider tax when reaching our business decisions.

Tax Authorities

Qurata Retail seeks to engage in open and constructive relationships with the Internal Revenue Service (“IRS”) as well as other tax authorities in all the jurisdictions in which we operate. In the U.S., we are part of the IRS Compliance Assurance Process (“CAP”). As part of CAP, we agree to a high degree of transparency and report all material transactions to our IRS exam team shortly after entering into such transactions as well as regular interim reporting of the results of our operations. Our Tax Department generally meets monthly with our IRS exam team to discuss material transactions and tax compliance matters in a professional and open dialogue. Generally, by the date we are required to file our annual U.S. corporate tax returns, we have agreement with the IRS on material transactions and our tax return reporting. When disputes occur, we first try to resolve the matters through administrative procedures available such as IRS Appeals and other means in a professional manner.

Management ensures that Qurata Retail submits all tax filings on a timely basis. If we discover any inadvertent errors in tax returns or correspondence with tax authorities, we disclose and correct them promptly.

Qurata Retail takes an active role in contributing to the U.S. and international tax policy-making process and where applicable take part in formal and informal consultation with tax authorities and governmental agencies.

Level of Tax Risk

Our processes, policies and governance are designed to identify and mitigate material tax risks in jurisdictions where we operate.

Tax laws and regulations can be subject to interpretation. We analyze uncertain tax positions in accordance with U.S. GAAP Accounting Standards. Where appropriate, we seek assurance regarding tax positions taken by obtaining advice, opinions, transfer pricing studies, and valuations from third-party advisors to support our interpretation of tax laws. The U.S. GAAP required disclosures for uncertain tax positions are in the annual financial statements.

Total Tax Contribution

Qurate Retail and subsidiaries make significant economic contributions to the jurisdictions where we operate through taxation, either borne by the group or collected on behalf of and paid to the relevant tax authorities.

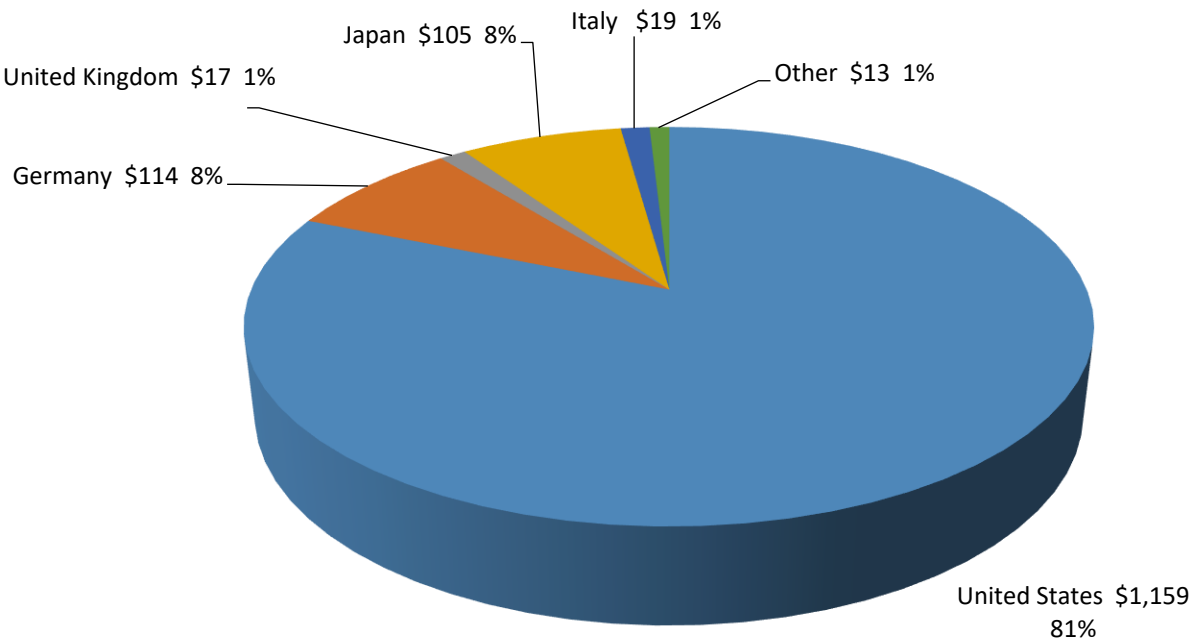
In 2022, the group's income taxes by major tax jurisdiction were as follows (in millions):

	<i>UK</i>	<i>Germany</i>	<i>Japan</i>	<i>Italy</i>	<i>Other</i>	<i>U.S.</i>	<i>Total</i>
Revenue	567	813	1,017	133	63	9,514	12,106
Net income (loss)	(6)	34	206	(13)	-	(2,529)	(2,308)
US GAAP Income tax expense (benefit)	(6)	17	63	-	-	150	224
<i>Effective tax rate</i>	101.8%	49.3%	30.5%	0.0%	0.0%	-5.9%	-9.7%
Cash paid for income taxes	9	30	69	-	2	175	284
<i>Cash tax rate</i>	-150.6%	86.8%	33.5%	0.0%	0.0%	-6.9%	-12.3%

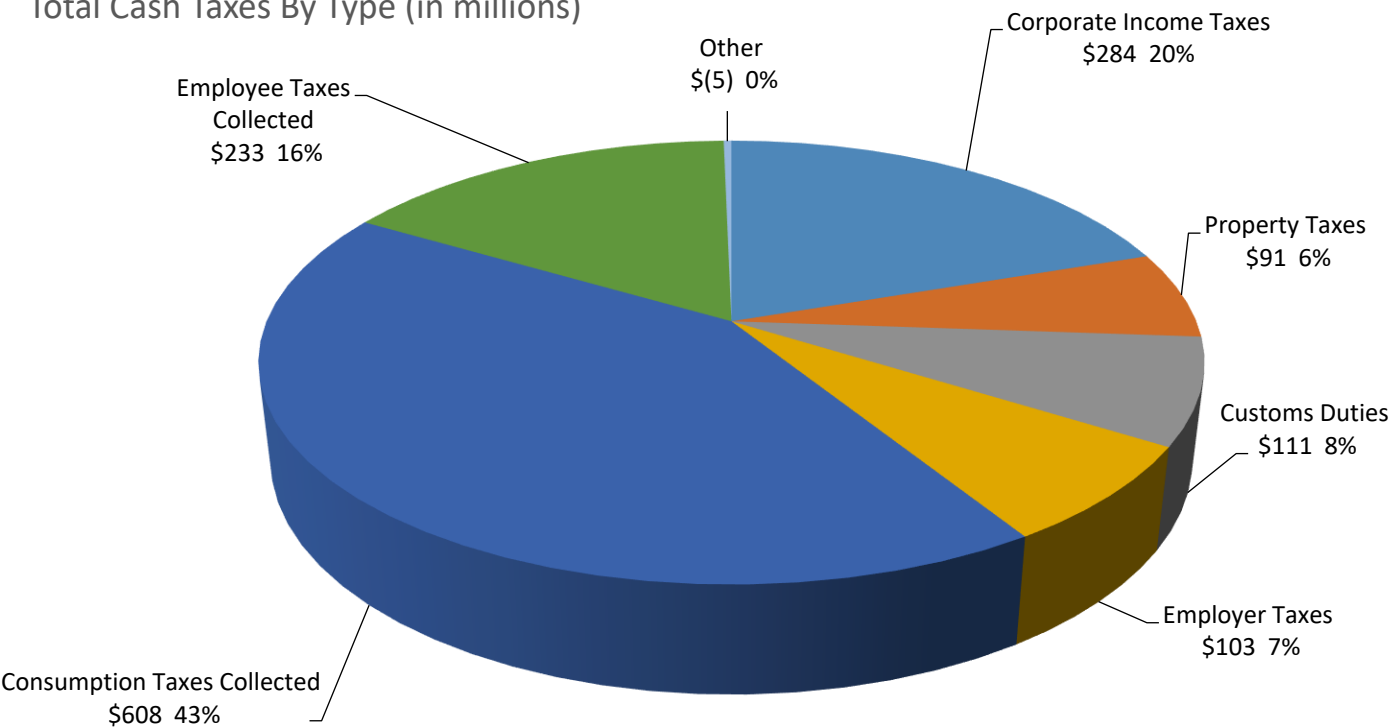
Please note that the Company recorded a one-time impairment charge of \$3.08 billion in 2022, which resulted in a significant net loss for 2022 and causes negative tax rates to be presented in the above table.

In 2022, the total taxes borne and collected by the group amounted to approximately \$1.43 billion and the group accrued income taxes of \$207 million. See charts on next page for the breakout of these taxes by type and by jurisdiction.

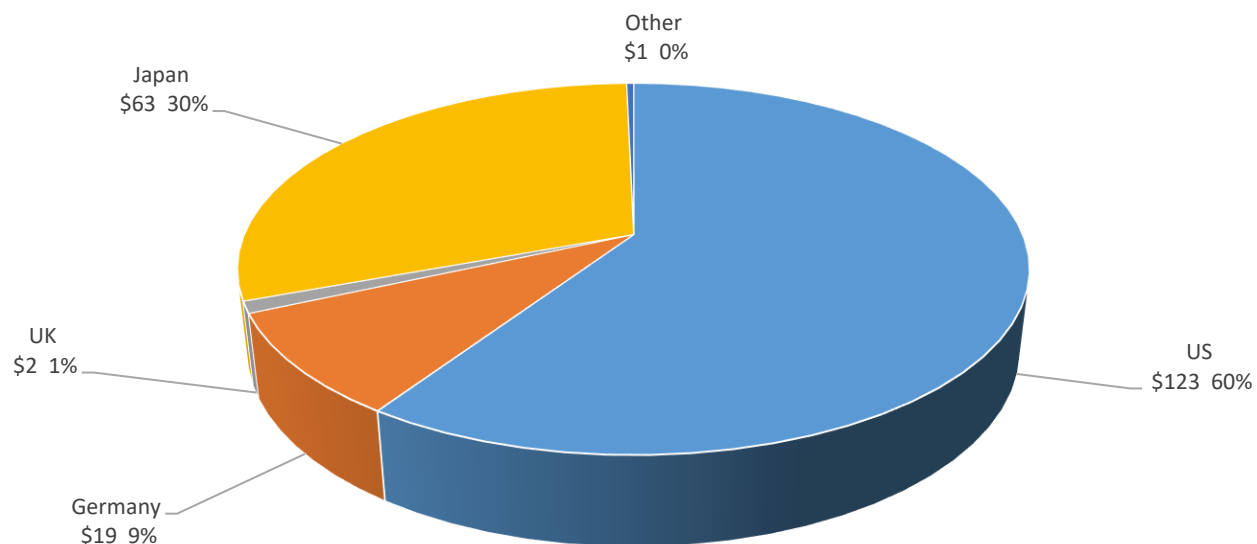
Total Cash Taxes By Jurisdiction (in millions)



Total Cash Taxes By Type (in millions)



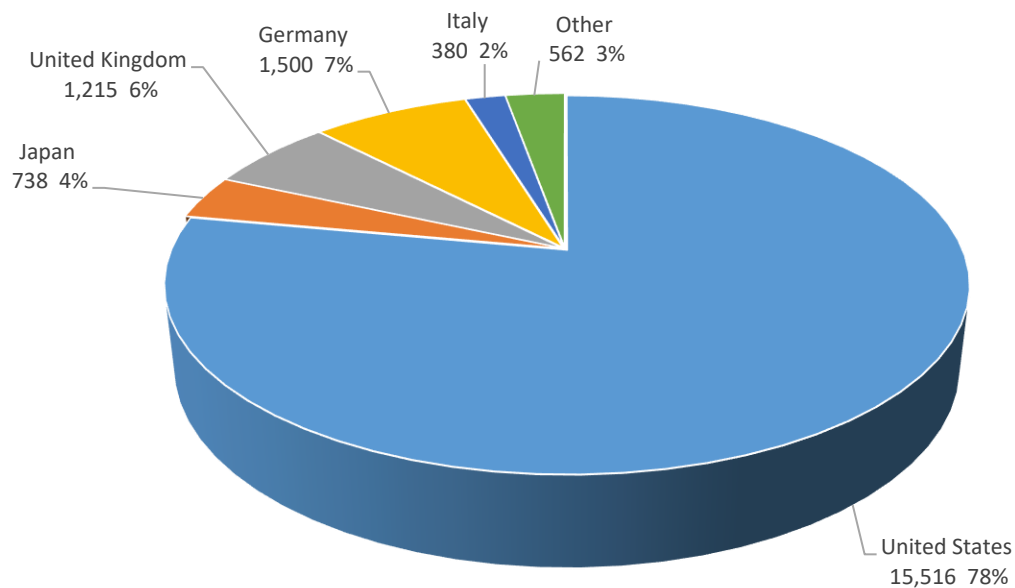
Total Accrued Income Taxes by Jurisdiction (in millions)



Additional Data

During 2022, the group had approximately 20,000 full-time employees. See the following chart for the location of employees:

Full-Time Employees By Jurisdiction



The following pages list the legal entities in the group, including the entity name, the country of formation, and business activity.

Entity Name	Country of Formation	% Owned	Activity
Affiliate Distribution & Mktg., Inc. (fka Affiliate Sales & Marketing, Inc.)	USA	100	Business Services
Affiliate Investment, Inc.	USA	100	Holding Company
Affiliate Relations Holdings, Inc.	USA	100	Holding Company
AMI 2, Inc.	USA	100	Investment Company
Ballard Designs, Inc.	USA	100	Sales
Big Horn Alternative Energy, LLC	USA	100	Power Generation
Cinmar, LLC	USA	100	Retailer
Contract Décor, Inc.	USA	100	Contract Sales
Cornerstone Brands, Inc.	USA	100	Catalog Sales
Cornerstone Shared Services, LLC (fka Cornerstone Services, Inc.)	USA	100	Distribution
Diamonique Canada Holdings, Inc.	USA	100	Holding Company
DMS DE, Inc.	USA	100	Holding Company
ER Development International, Inc. (dba QVC International Development)	USA	100	Business Development
ER Marks, Inc.	USA	100	Holding Company
Frontgate Marketing, Inc.	USA	100	Mail Order
Garnet Hill, Inc.	USA	100	Retail Catalog
GC Marks, Inc. (fka TATV, Inc.)	USA	100	Holding Company
Home Shopping Espanol (Mexico) S. de R.L. de C.V.	Mexico	100	Retailer
Home Shopping Espanol Servicios S. de R.L. de C.V.	Mexico	100	Retailer
Home Shopping Network En Espanol, L.L.C.	USA	100	Retailer
Home Shopping Network En Espanol, L.P.	USA	100	Retailer
HSN Catalog Services, Inc.	USA	100	Promotion
HSN Holding LLC	USA	100	Holding Company
HSN Improvements, LLC	USA	100	Catalog Sales
HSN, Inc.	USA	100	Holding Company
HSNi, LLC	USA	100	TV Sales
IC Marks, Inc.	USA	100	Holding Company
IM Experience, Inc.	USA	100	Holding Company
Ingenious Designs LLC	USA	100	Retailers
Innovative Retailing, Inc.	USA	100	Holding Company
Liberty Acorns, LLC	USA	100	Holding Company
Liberty Alta IV, Inc.	USA	100	Holding Company
Liberty Alta, Inc.	USA	100	Holding Company
Liberty Alternative Energy, LLC	USA	100	Holding Company
Liberty Clean Fuels 2, LLC	USA	100	Holding Company
Liberty Clean Fuels, Inc.	USA	100	Holding Company
Liberty Interactive LLC	USA	100	Holding Company
Liberty Quid, LLC	USA	100	Holding Company
Liberty QVC Holding, LLC	USA	100	Holding Company
Liberty Solar Energy, LLC	USA	100	Holding Company

Entity Name	Country of Formation	% Owned	Activity
Liberty Technology Venture Capital II, LLC (fka Liberty Israel Venture Fund II, LLC)	USA	80	Technology Investment
Liberty USA Holdings, LLC	USA	100	Holding Company
LIC Britco, LLC	USA	100	Holding Company
LIC Israel Investment, LLC	USA	100	Holding Company
LIC Sound, LLC	USA	80	Technology Investment
Live Shop Ventures	USA	100	Live Streaming App
NLG Merger Corp.	USA	100	Dormant
NSTBC, Inc.	USA	100	Holding Company
QC Marks, Inc.	USA	100	Holding Company
QHealth, Inc.	USA	100	Holding Company
QLocal, Inc. (fka QVC Local, Inc.) [dba QVC Productions; QVC Remote Productions]	USA	100	Television Broadcast
QRI Cornerstone, Inc.	USA	100	Holding Company
Qurate Digital Ventures, LLC	USA	100	Dormant
Qurate DJCF Investor, LLC	USA	100	Holding Company
Qurate HCF Investor, LLC	USA	100	Holding Company
Qurate MCCF Investor, LLC	USA	100	Holding Company
Qurate Retail Group Global Business Services SP. z.o.o.	Poland	100	Services
Qurate Retail Group, Inc.	USA	100	Holding Company
Qurate Retail, Inc.	USA	100	Corporate Office
Qurate SCOR, LLC	USA	100	Holding Company
Qurate TCF Investor, LLC	USA	100	Holding Company
QVC (Barbados) International Finance SRL	Barbados	100	Finance Entity
QVC Britain [English Unlimited Liability Company]	UK	100	Holding Company
QVC Call Center GmbH & Co. KG	Germany	100	Call Center
QVC Call Center Verwaltungs-GmbH	Germany	100	Call Center
QVC Chesapeake, LLC (fka QVC Chesapeake, Inc.)	USA	100	Phone Center
QVC China Holdings Limited (fka Pier Success Investments Limited)	Hong Kong	100	Holding Company
QVC China Licensing, Inc. (fka AI 2, Inc.)	USA	100	Holding Company
QVC China, Inc.	USA	100	Business Services
QVC Delaware Holdings, Inc.	USA	100	Holding Company
QVC Delaware LLC	USA	100	Retail Store/Inactive
QVC eDistribution LLC & Co. KG (fka QVC eDistribution Inc. & Co. KG)	Germany	100	Distribution Center
QVC eService LLC & Co. KG (fka QVC eService Inc. & Co. KG)	Germany	100	Call Center
QVC France Holdings, S.à.r.l. (fka QVC Brazil Holdings I, S.à.r.l.)	Luxembourg	100	Holding Company
QVC GCH Company, LLC	USA	100	Holding Company
QVC Germany I S.à r.l. (fka QVC Germany I, Inc. and QVC German I LLC)	Luxembourg	100	Holding Company
QVC Germany II S.à r.l. (fka QVC Germany II, Inc. and QVC Germany I LLC)	Luxembourg	100	Holding Company
QVC Global Corporate Holdings, LLC	USA	100	Holding Company
QVC Global DDGS, Inc.	USA	100	Holding Company
QVC Global Holdings I, Inc.	USA	100	Holding Company
QVC Global Markets S.à r.l.	Luxembourg	100	Holding Company
QVC Grundstücksverwaltungs GmbH	Germany	100	Hold Property

Entity Name	Country of Formation	% Owned	Activity
QVC Handel S.à r.l. & Co. KG (fka QVC International Management LLC & Co KG.) (fka QVC Handel LLC & Co. KG)	Germany	100	Retail Sales
QVC HK Holdings, LLC	USA	100	Holding Company
QVC Iberia, S.L.	Spain	100	Electronic Shopping
QVC India, Ltd.	USA	100	Business Services
QVC International Holdings S.à r.l.	Luxembourg	100	Holding Company
QVC International Management GP S.à r.l.	Luxembourg	100	Holding Company
QVC Italia S.r.l. [Italian limited liability company]	Italy	100	Holding Company
QVC Italy Holdings, LLC	USA	100	Holding Company
QVC Japan Services, LLC (fka QVC Japan Services, Inc.)	USA	100	Management Consulting
QVC Japan, Inc.	Japan	60	Home Shopping
QVC Northeast LLC	USA	100	Holding Company
QVC Ontario Holdings, LLC	USA	100	Holding Company
QVC Ontario, LLC	USA	100	Holding Company
QVC Realty, LLC (fka QVC Realty, Inc.)	USA	100	Holding Property
QVC Rocky Mount, Inc.	USA	100	Warehousing and Distribution
QVC San Antonio, LLC (fka QVC San Antonio, Inc.)	USA	100	Electronic Retailing
QVC Satellite, Inc.	Japan	100	Satellite Broadcasting
QVC Shop International, Inc. (fka EZShop International, Inc.)	USA	100	Issuer of Letters of Credit
QVC SPFO S.à r.l.	Luxembourg	100	Holds Internal Notes/Cash
QVC St. Lucie, Inc.	USA	100	Call Center
QVC Suffolk, LLC (fka QVC Suffolk, Inc.; CVN Distribution Co., Inc.; C.O.M.B. Distribution Co.)	USA	100	Warehousing and Storage
QVC Suisse Finance GmbH	Switzerland	100	Investment Company
QVC Suisse Holdings GmbH	Switzerland	100	Holding Company
QVC Trading (Shanghai) Co., Ltd	China	100	Holding Company
QVC Trading (Shenzhen) Co., Ltd	China	100	Holding Company
QVC UK (fka QVC [English Unlimited Liability Company])	UK	80	Home Shopping
QVC UK Holdings Limited	England-Wales	100	Holding Company
QVC Vendor Development Inc.	USA	100	Holding Company
QVC, Inc.	USA	100	Electronic Retailing
RQ Holdings Corp.	Canada	50	Holding Company
Shopping Holdings, LLC	USA	100	Holding Company
The Cornerstone Brands Group, Inc.	USA	100	Management Company
The Cornerstone Holdings Group, Inc.	USA	100	Holding Company
Ventana Television Holdings, Inc.	USA	100	Holding Company
Ventana Television, Inc.	USA	100	Consulting