

Qurate Retail Inc.'s Approach to Tax

Introduction

Qurate Retail, Inc. ("Qurate Retail") is a global retailer that sells a wide variety of consumer products through video and interactive shopping experiences, reaching approximately 380 million worldwide households each day through broadcast networks and online. Qurate Retail's operating subsidiaries include QVC, HSN, Zulily and the Cornerstone Brands, with operations primarily in the U.S., Germany, Italy, Japan, and the U.K. Qurate Retail and 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 comply with all applicable tax laws and regulations, 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. We do not transfer value to low tax jurisdictions and we do not conduct business operations in tax haven jurisdictions. Transactions and agreements between group members are based on arm's length principles.

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 of our 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.

Qurata Retail has invested in a number of renewable energy projects such as wind, solar, and clean coal that provide for substantial reduction of emissions such as carbon dioxide, nitrous oxide, and mercury. These projects help fulfill our environmental and social responsibilities, and Qurata Retail receives U.S. tax benefits related to these renewable energy projects. We plan to continue investing in renewable energy projects and other projects that reduce harmful emissions.

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 full 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 Qurate Retail submits all tax filings on a timely basis. If we discover any inadvertent error in tax returns or correspondence with tax authorities, we disclose and correct them promptly.

Qurate 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

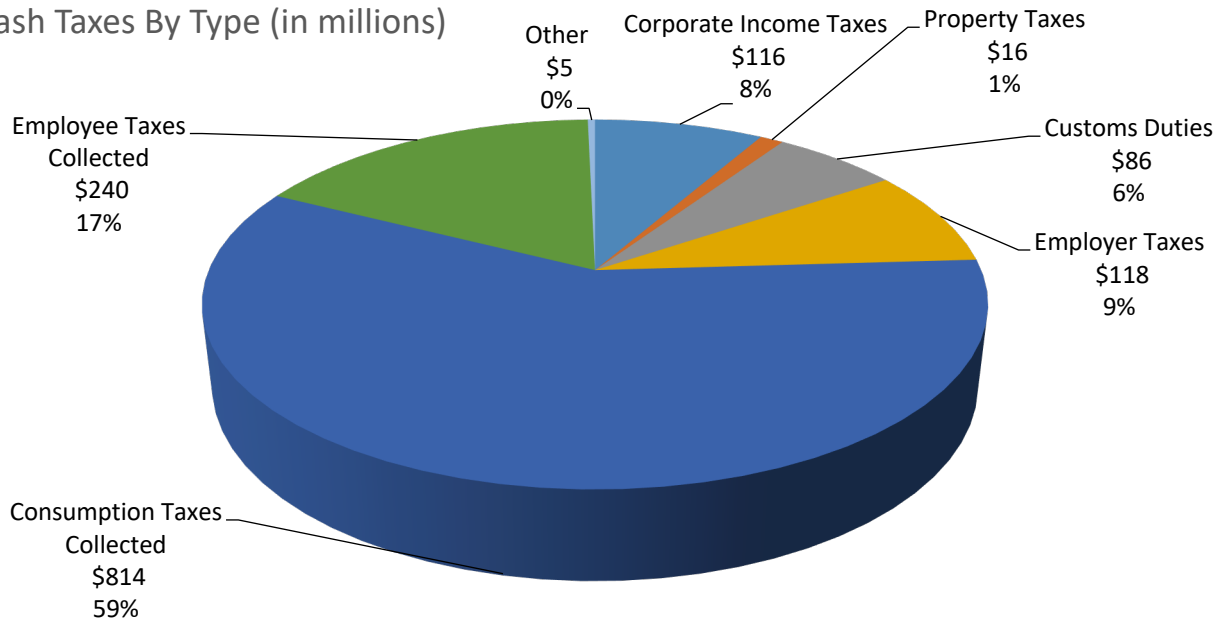
Qurate Retail and subsidiaries make significant economic contributions to the jurisdictions where we operate through taxation, either borne by the group or collected on behalf of and paid to the relevant tax authorities.

In 2020, the group's income taxes by major tax jurisdiction were as follows:

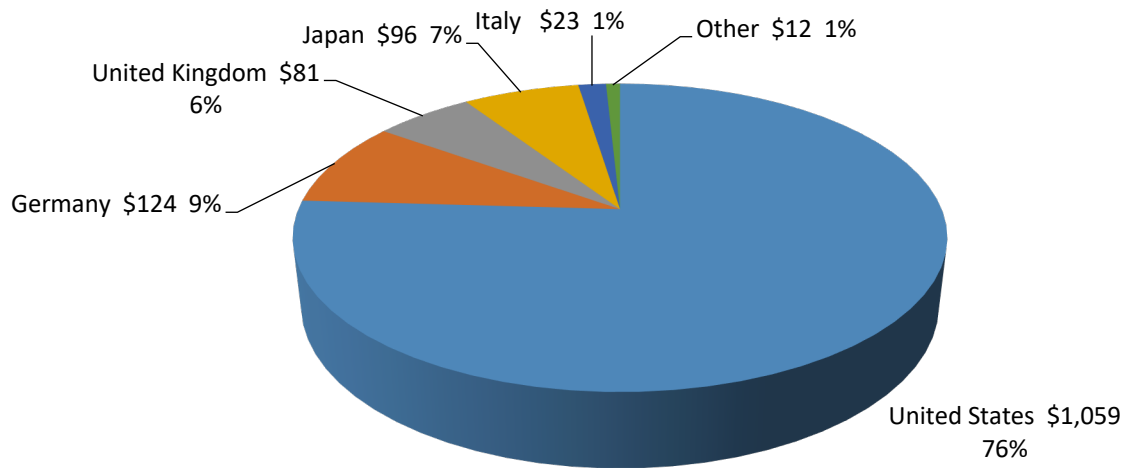
	<i>UK</i>	<i>Germany</i>	<i>Japan</i>	<i>Italy</i>	<i>Other</i>	<i>U.S.</i>	<i>Total</i>
Revenue	701	978	1,132	161	86	11,119	14,177
Net income (loss)	46	90	215	(6)	0	916	1,051
US GAAP Income tax expense (benefit)	6	19	70	0	0	(306)	(211)
<i>Effective tax rate</i>	12.2%	21.3%	32.5%	0.0%	0.0%	-33.4%	-20.1%
Cash paid for income taxes	6	24	59	0	0	27	116
<i>Cash tax rate</i>	13.5%	26.7%	27.2%	0.0%	0.0%	2.9%	11.0%

In 2020, the total taxes borne and collected by the group amounted to approximately \$1.39 billion and the group accrued income taxes of \$116 million. See charts on next page for the breakout of these taxes by type and by jurisdiction.

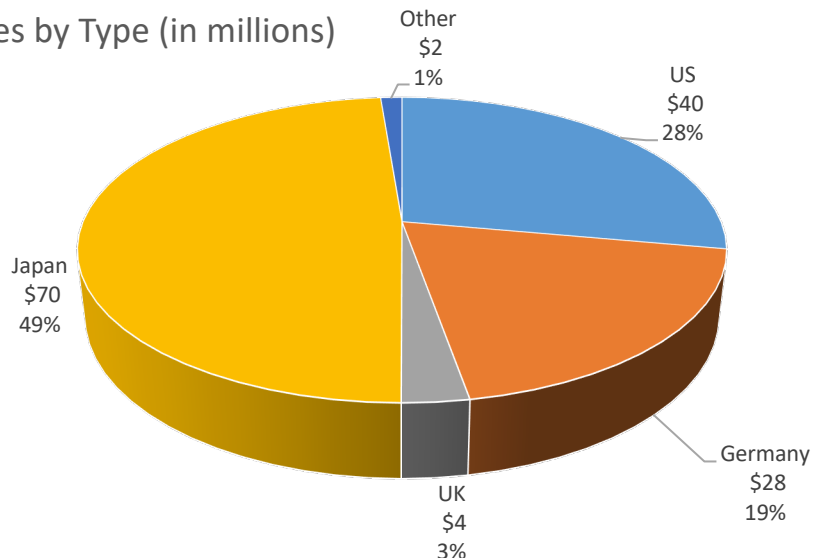
Total Cash Taxes By Type (in millions)



Total Cash Taxes By Jurisdiction (in millions)



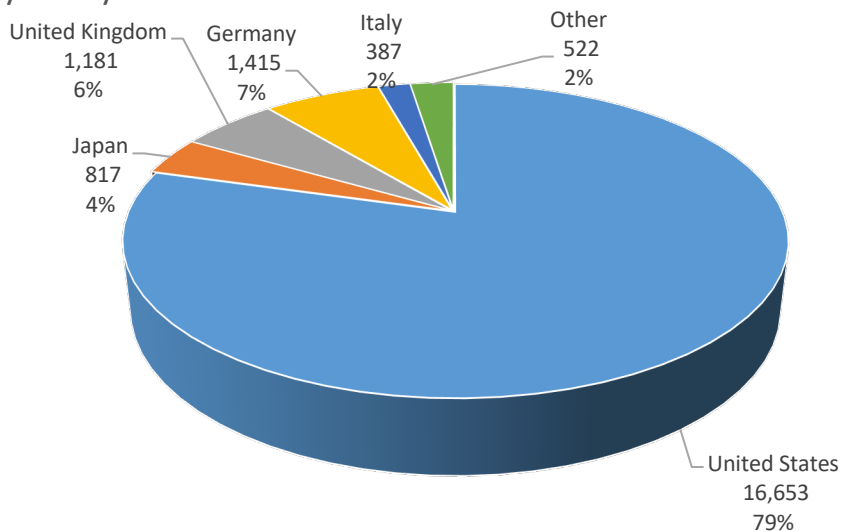
Total Accrued Income Taxes by Type (in millions)



Additional Data

During 2020, the group had approximately 21,000 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
1227844 Ontario Ltd.	CANADA	100	Sales/Inactive
Affiliate Distribution & Mktg., Inc.	USA	100	Business Services
Affiliate Investment, Inc.	USA	100	Holding Company
Affiliate Relations Holdings, Inc.	USA	100	Holding Company
Alta Wind CL II, LLC	USA	50	Power Generation
Alta Wind CL IV, LLC	USA	50	Power Generation
AMI 2, Inc.	USA	100	Holding Company
Ballard Designs, Inc.	USA	100	Sales
Big Horn Alternative Energy, LLC	USA	100	Holding Company
Cinmar, LLC	USA	100	Retailer
CNR Home Shopping Co, Ltd.	CHINA	49	Home Shopping
Contract Décor, Inc.	USA	100	Contract Sales
Cornerstone Brands, Inc.	USA	100	Catalog Sales
Cornerstone Shared Services, LLC	USA	100	Distribution
Diamonique Canada Holdings, Inc.	USA	100	Holding Company
DJ Clean Fuels, LLC	USA	100	Emissions Reduction Facility
DMS DE, Inc.	USA	100	Holding Company
ER Development International, Inc.	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.	USA	100	Holding Company
giggle, Inc.	USA	30.5	Online Retailer
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
Hunter Clean Fuels, LLC	USA	49.9	Emissions Reduction Facility
IC Marks, Inc.	USA	100	Holding Company
IM Experience, Inc.	USA	100	Holding Company
Influence Marketing Corp	CANADA	100	Retail Store
Influence Marketing Services, Inc.	CANADA	100	Consulting Services
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
Liberty Technology Venture Capital II, LLC	USA	80	Technology Investments
Liberty USA Holdings, LLC	USA	100	Holding Company
LIC Britco, LLC	USA	100	Holding Company

Entity Name	Country of Formation	% Owned	Activity
LIC Israel Investment, LLC	USA	100	Holding Company
LIC Sound, LLC (fka LIC Zenefits, LLC)	USA	80	Technology Investments
Mill Creek Clean Fuels, LLC	USA	100	Emissions Reduction Facility
Monroe Fuels Company, LLC	USA	99	Emissions Reduction Facility
NLG Merger Corp.	USA	100	Dormant
NSTBC, Inc.	USA	100	Holding Company
QC Marks, Inc.	USA	100	Holding Company
QExhibits, Inc.	USA	100	Holding Company
QHealth, Inc.	USA	100	Holding Company
QLocal, Inc.	USA	100	Television Broadcast
QRI Cornerstone, Inc.	USA	100	Holding Company
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, 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 (Shanghai) Management Co., Ltd	CHINA	100	Holding Company
QVC Britain	UK	100	Holding Company
QVC Call Center GmbH & Co. KG	GERMANY	100	Call Center
QVC Call Center Verwaltungs-GmbH	GERMANY	100	Call Center
QVC Cayman Holdings LLC	USA	100	Holding Company
QVC Cayman, Ltd.	CAYMAN	100	Holding Company
QVC Chesapeake, LLC	USA	100	Phone Center
QVC China Holdings Limited	HONG KONG	100	Holding Company
QVC China Licensing, 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	GERMANY	100	Distribution Center
QVC eService LLC & Co. KG	GERMANY	100	Call Center
QVC France Holdings, S.à.r.l.	LUXEMBOURG	100	Holding Company
QVC France SAS	FRANCE	99.9	Electronic Retailing
QVC GCH Company, LLC	USA	100	Holding Company
QVC Germany I S.à r.l.	LUXEMBOURG	100	Holding Company
QVC Germany II S.à r.l.	LUXEMBOURG	100	Holding Company
QVC Global Corporate Holdings, LLC	USA	100	Finance Entity
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
QVC Handel S.à r.l. & 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 Information and Technologies (Shenzhen) Co., Ltd	CHINA	100	Computer Related 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.	ITALY	100	Holding Company

Entity Name	Country of Formation	% Owned	Activity
QVC Italy Holdings, LLC	USA	100	Holding Company
QVC Japan Services, LLC	USA	100	Management Consulting
QVC Japan, Inc.	JAPAN	60	Home Shopping
QVC Northeast LLC	USA	100	Warehousing and Distribution
QVC Ontario Holdings, LLC	USA	100	Holding Company
QVC Ontario, LLC	USA	100	Holding Company
QVC Poland Global Services SP. z o.o.	POLAND	100	Other Accounting Services
QVC Realty, LLC	USA	100	Real Property
QVC Rocky Mount, Inc.	USA	100	Warehousing and Storage
QVC RS Naples, Inc.	USA	100	Retail Store
QVC San Antonio, LLC	USA	100	Electronic Retailing
QVC Satellite, Inc.	JAPAN	100	Satellite Broadcasting
QVC Shop International, Inc.	USA	100	Issuer of Letters of Credit
QVC St. Lucie, Inc.	USA	100	Phone Center
QVC STT Holdings, LLC	USA	100	Holding Company
QVC Suffolk, LLC	USA	100	Warehousing and Storage
QVC Suisse Finance GmbH	SWITZERLAND	100	Holding 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	UK	80	Home Shopping
QVC UK Holdings Limited	UK	100	Holding Company
QVC Vendor Development Inc.	USA	100	Holding Company
QVC, Inc.	USA	100	Electronic Retailing
RCM6, LLC	USA	99.8	Emissions Reduction Facility
RQ Holdings Corp.	CANADA	50	Holding Company
RS Marks, Inc.	USA	100	Holding Company
RS Mebane, Inc.	USA	100	Retail Store
RS Myrtle Beach, Inc.	USA	100	Retail
Savor North Carolina, Inc.	USA	100	Retail Store/Inactive
Send the Trend, Inc.	USA	100	E-Commerce
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
TOBH, Inc.	USA	100	Wholesale Trade
Trimble Clean Fuels, LLC	USA	50	Emissions Reduction Facility
Triple Z Logistics Inc.	USA	100	Logistics
Ventana Television Holdings, Inc.	USA	100	Holding Company
Ventana Television, Inc.	USA	100	Consulting
zulily (Shenzhen) Commercial Consulting Co., Ltd	CHINA	100	Consulting
zulily Australia Pty, Ltd	AUSTRALIA	100	Retail Clothing
zulily Canada, Inc.	CANADA	100	Financial Transaction Processing
zulily Hong Kong Limited	HONG KONG	100	Holding Company
zulily Ireland Limited	IRELAND	100	Online Retailer
zulily UK Ltd.	UK	100	Financial Transaction Processing
Zulily, LLC	USA	100	Online Retailer