

The Stars Group's Tax Strategy

for the year ending December 31, 2019

As approved on by the Board of Directors of The Stars Group Inc. on November 6, 2018

Our approach to taxation

1) Introduction

Our values, as incorporated in our [Code of Business Conduct](#), among other company policies and guidelines, are the foundation for our approach to taxation.

We operate policies and governance procedures to ensure compliance with tax laws in the territories in which we do business and are committed to transparent and constructive relationships with all relevant tax authorities. Due to the close relationship between the regulation of online gaming and the applicable framework for the taxation of gaming revenue, our commitment is aided by our open support of regulation and strong relationships with regulatory bodies.

This document sets out our general approach to taxation across all entities within The Stars Group's corporate structure, including those entities acquired during 2018. This is intended to provide additional transparency, as well as to comply with applicable tax laws of certain jurisdictions including, without limitation, the UK tax requirements set out in paragraph 16(2) Schedule 19 Finance Act 2016.

What taxes do we incur?

Our business activities around the world are subject to a significant level of taxation, through a variety of taxes across numerous jurisdictions. Where applicable, we pay or incur:

- Taxes on our gaming revenue (both gaming duty and value-added tax ("VAT"));
- Corporate income taxes;
- Payroll tax and social security on employees' salaries;
- Irrecoverable VAT on certain costs.
- Customs duties; and
- Other business taxes.

Where required, we also administer withholding of taxes from customer winnings and from compensation and other payments made to employees.

2) Our approach

Governance, risk management and compliance

The Board of Directors, including through its committees, has overall responsibility for the oversight of our corporate governance and risk management framework, which includes the tax strategy. The Board of Directors approves our tax strategy on an annual basis and applicable members of management provide periodic updates to the Board of Directors, including through its committees, on material tax matters such as risks, costs and considerations.

Our approach is to manage tax risks and costs in a manner consistent with applicable regulatory requirements and our shareholders' long term interests, in each case considering strategic, operational, and reputational factors.

We aim to comply with all applicable laws, rules and regulations and meet our tax compliance responsibilities in each jurisdiction where we are subject to taxation. We have established and maintain robust policies and compliance processes to ensure the integrity of our tax returns, and timely and accurate tax payments. This is supported by ensuring that we engage appropriately

experienced external tax professionals and that our relevant staff have the necessary experience and training to manage our tax position appropriately.

Our approach to taxation in each relevant jurisdiction is reviewed periodically in light of changes to, among other things:

- the general business and regulatory environment;
- national, local and foreign tax laws and regulations;
- emerging business and tax risks; and
- guidelines and recommendations arising from tax authorities, including, without limitation, from the base erosion and profit shifting (BEPS) initiative of the Organisation for Economic Co-operation and Development.

Our tax processes are also subject to the same level of robust internal controls and audit, assurance processes and external audit as the rest of our business, including in accordance with the requirements of the Sarbanes–Oxley Act of 2002.

a) Tax planning

We seek to ensure that an appropriate amount of tax is paid in countries where value is created within the normal course of commercial activity, and avoid contrived or abnormal tax structures. We aim to balance this with our responsibility to our shareholders to structure our affairs in an efficient manner. Accordingly, we may utilise tax incentives or opportunities for obtaining tax efficiencies where these:

- are aligned with the intended policy objectives of the governments which introduced the incentives;
- are not considered to carry a reputational risk with any stakeholders, including tax authorities; and
- are aligned with our business and operational objectives.

b) Our approach in dealings with tax and other authorities

We seek to develop and maintain professional and transparent relationships with applicable tax and regulatory authorities, including, without limitation, Her Majesty's Revenue and Customs. Among other reasons, this is intended to assist in our compliance with tax obligations relating to our many licensed and regulated activities and help reduce the level of tax risk throughout our business.

This is often demonstrated by our pro-active engagement with regulatory bodies and governments on proposed changes to tax legislation, either directly or via representative bodies. Where applicable, we also ensure that tax authorities have access to relevant information demonstrating the integrity of our tax processes, returns and payments.

c) The level of tax risk we are prepared to accept

We value our reputation and integrity and make appropriate tax decisions so as to not jeopardize, among other things, our gaming licenses or approvals or our listing on either the Toronto Stock Exchange or Nasdaq Global Select Market. As such, we always seek to minimize our tax risks.

Our processes, policies and governance structure aim to ensure compliance with tax laws and regulations in the territories where we are subject to taxation and are designed to identify and mitigate material tax risks. Tax risk and uncertainty can arise from, among other factors, ambiguous laws and regulations as well as from differences in interpretation. Where possible we seek appropriate assurance by consulting with local tax advisors and experts and, if necessary, inform senior management of applicable tax risks for consideration in conjunction with our overall business strategy and goals.

For additional information regarding our approach to taxation and other tax-related matters, including tax risks and uncertainties, please refer to our latest Annual Information Form, particularly under the

heading “Risk Factors and Uncertainties”, Financial Statements and Management’s Discussion & Analysis, all of which are available [here](#).