

ContextLogic's Tax Strategy in the United Kingdom - 2022

Introduction

ContextLogic Inc. ("the Company" or "Wish" or "we") is a mobile e-commerce company that uses its proprietary algorithms and machine-learning technology to adapt to an end user's tastes to show them products they like in a highly visual, entertaining and personalized shopping format. Merchants are provided access to the marketplace hosted by Wish where merchants display and sell their products to consumers. In return, the Company charges commission to merchants for using the Wish platform to sell their products.

Commitment to Compliance

The Company is committed to compliance with applicable tax laws and practices globally, including in the UK. Compliance for Wish means paying an appropriate amount of tax under applicable laws in applicable jurisdictions and in a manner that is consistent with legally required timelines. It also involves disclosing appropriate facts and circumstances to HM Revenue and Customs ("HMRC"), the UK tax authority, and claiming tax reliefs and credits where available. Wish also strives to take tax positions on global matters that would support the positive reputation of the Company and its subsidiaries.

Effective Risk Management

Given the large scale of our business in terms of revenue earned, jurisdictions served, and legal entities managed, the Company has numerous tax obligations that arise across the world. Risks will inevitably arise from time to time in relation to the interpretation of complex tax laws and the nature of our tax and compliance arrangements globally. We actively seek to identify, evaluate, monitor and manage these risks to ensure that we remain in line with our tax obligations. We manage risk by maintaining dialogue with our internal business partners and external tax advisors to identify changes in business activities and tax law changes impacting our business and related tax obligations. In the case where there is significant uncertainty or complexity related to a risk or a change in law, we routinely engage external tax professionals to assist in the management of our global tax obligations. Wish utilizes the Committee of Sponsoring Organizations of the Treadway Commission (COSO) 2013 framework to manage its tax risk.

Strong Corporate Governance

As a publicly traded company listed on the NASDAQ stock exchange, the Company, under the supervision of its Board of Directors, maintains appropriate internal controls and corporate policies that aim to: guard against fraud, maintain proper corporate reporting and tax management, and obtain appropriate corporate approvals. The Audit Committee of our Board of Directors regularly receives a report on the effectiveness of our internal controls and corporate governance related to taxes. The Company has a zero tolerance approach to evasion and the facilitation of tax evasion. Compliance with applicable laws, rules and regulations is an important component of the Company's ethical standards. All employees, including those of our subsidiaries, must comply with applicable laws, rules and regulations, and internal policies. Employees are instructed to immediately report any suspected or actual violations of any applicable laws, rules or regulations to their immediate supervisor, the legal department or our anonymous Ethics Hotline. This tax policy is aligned with our global Code of Conduct and Ethics.

Approach to Engaging with HMRC

When communicating with HMRC, whether it be through official correspondence, tax returns, or by other means, we seek to do so with honesty, transparency, and integrity. Whenever possible, we strive to correspond with HMRC on a real-time basis.

Additional Information

Schedule 19 of the Finance Act 2016 introduced an obligation for large businesses to publish their tax strategy with respect to UK taxation. This statement, while reflecting the Company's global presence, was written to comply with this requirement by identifying the UK tax strategy that applies to ContextLogic Wish UK Limited. This policy was approved by the sole Director of ContextLogic Wish UK Limited, the SVP of Finance & Chief Accounting Officer of ContextLogic Inc, and the Senior Director of Tax of ContextLogic Inc.

Effective for the period ended December 31, 2022.