

Paper Title: Group Tax Strategy
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Executive Summary

Sabre Insurance Group and its subsidiaries are committed to paying the right amount of tax at the right time, as we recognise that taxation is an important part of our contribution to society and appropriate and timely payment is expected of us by both our shareholders and policyholders.

Our aim is to adopt a principled and sustainable tax strategy that balances the Group's desire to consider the various interests of all its stakeholders, including shareholders, employees, customers, governments, regulators, and the community interests which it serves.

To achieve this aim, Sabre will:

- Meet our legal and compliance requirements relating to UK tax;
- Consider tax as part of major business decisions;
- Consider the impact on the Group's reputation; and
- Engage constructively with HMRC.

Managing Tax Risk

The Board is responsible for ensuring the maintenance of a sound system of internal control and risk management. To assist the Board in carrying out this, and to ensure there is independent oversight of internal control and risk management, the Board has delegated the management of tax risk to the Group's Audit and Risk Committee. This Group Tax Strategy is approved, owned and overseen by the Board, through the Audit and Risk Committee.

Tax Planning

Sabre is subject to various taxes including corporation, employment and indirect taxes (including IPT and VAT). Where there are up-coming legislative changes or significant business change we take external advice to ensure that our approach is compliant whilst continuing to deliver value for our shareholders.

Effective Tax Rate

The Group's effective tax rate (being the tax payable divided by the Group's profit before tax) for 2018 is 19%, which is materially identical to the prevailing marginal rate of corporation tax

Sabre's Tax Risks

The primary tax risks faced by the Group have been identified as:

Risk: Changes in legislation

The UK tax landscape is subject to continual evolution, as such there is an underlying risk that we do not identify changes in legislation pertinent to the Group. Such changes could include amendments to tax rates.

Mitigation: We mitigate this risk through our annual review, on-going relationships with external tax advisors and as part of trade bodies including the ABI.

Risk: Transactional risk

When the Group undertakes one-off transactions there is the potential of becoming exposed to unknown tax implications.

Mitigation: Prior to undertaking a one-off transaction we aim to understand the tax implications of the transaction, by engaging with external tax advisers. We also ensure that, if necessary, we engage with HMRC throughout the process to mitigate any risks identified.

Risk: Compliance and reporting

As a listed and regulated group of companies we are required to comply with many compliance and reporting standards.

Mitigation: to ensure we meet our tax compliance obligations we have the right resources and governance in place to enable us to complete tax returns and make tax payments accurately and on time. We engage external advisors where appropriate.

Risk: Reputational damage

Mitigation: We consider the impact of any tax structuring on our reputation, including in how we report and pay tax. We are committed to operating within our tax strategy.

Interaction with HMRC

The Group aims to have an open and constructive relationship with HMRC. In the event that there is a dispute with any tax authority the Group would seek to resolve the matter through proactive and transparent discussion and disclosure.

We regard this publication as complying with the Group's duty under para 16(2) Schedule 19 FA 2016 to publish a tax strategy.

Approved by the Board on: 29th November 2020