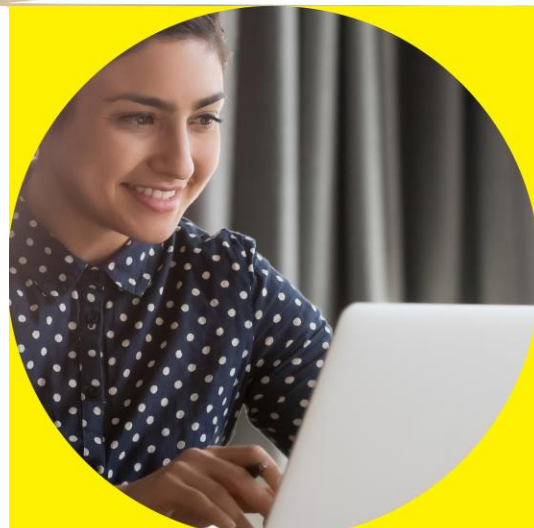


Tax Strategy 2024



ARAG UK– UK companies of ARAG SE in Germany

UK Tax Strategy for the year ended 31 December 2024

Introduction

This Tax Strategy applies to all ARAG SE's group companies and branches that are incorporated within the UK and/or tax resident in the UK (collectively 'ARAG UK').

This Tax Strategy sets out ARAG UK's approach to managing tax risk and compliance. This document is published to comply with the requirements of paragraph 19 Schedule 19 Finance Act 2016.

The term "tax compliance" is used throughout this document to include compliance with all applicable tax laws and tax obligations.

ARAG UK Tax Compliance

The management of ARAG UK expressly declares its commitment to the proper fulfilment of its tax obligations, which it sees as part of its obligation towards the community. Our policyholders' trust in us is based on the expectation that ARAG UK will act in accordance with all legislation and regulations applicable to it and will also meet the high standards it sets for itself.

Our Approach to Tax Planning and Tax Risk

ARAG UK has a low appetite for tax risk, such that it has a very low tolerance towards tax risk across all taxes. All business transactions undertaken by ARAG UK are based on sound commercial reasons; and arrangements are not entered into for purely tax-related reasons, the whole or primary purpose of which is the avoidance of tax. The management of ARAG UK, and the broader ARAG Group of which it is a part, fully rejects so-called aggressive tax planning, which aims to exploit national and international legal loopholes in an abusive manner.

Notwithstanding that, ARAG UK also has a fiduciary duty to its shareholders, to protect their interests and to maximise the return on their investments. As such, we will take advantage of and utilise legitimate tax reliefs and concessions which are permitted within the applicable laws and regulations of the United Kingdom and other jurisdictions as may be applicable. Sometimes, tax legislation can be open to interpretation and when this is the case, we always aim to act within the spirit of the tax law and only apply the legislation in the way we believe it was intended to be used. Where necessary, we will seek the support of external tax advisors to supplement our in-house capacity and expertise.

Every employee must comply with the regulations of the legal systems in which he/she acts in respect of both domestic and cross-border matters. In the event of uncertainties as to whether a planned action violates national or foreign tax law, the employee's supervisor, the Tax Department or the Compliance Department must be consulted.

Goals

Essential tax compliance targets have been defined to align with ARAG UK's fundamental risk management objectives and overall strategy. In general, the management of ARAG UK pursues the following objectives regarding taxation:

- timely, correct and complete submission of tax returns, including compliance with the respective legal obligations regarding proper documentation, storage and recording;
- ensuring a functioning tax compliance system with the objective of preventing or limiting liabilities that may be legitimately avoided, including penalties, for the company, the Board, Senior Management and all employees;
- ensuring the formal and material effectiveness of tax processes and controls;
- specification of the interfaces that employees responsible for tax have with other specialist departments to avoid overlapping responsibilities and conflicts of interest, as well as the maintenance of a cross-departmental awareness and conscientiousness in respect of tax-related processes and workflows;
- active involvement of the Tax Department in all tax-relevant decisions, projects and upcoming tax-relevant corporate activities; and
- ensuring compliance with an appropriate tax compliance culture.

Tax Risk Management

To protect the business, it is essential that we identify, manage and record all the significant risks that ARAG UK faces, especially the risks of violations of rules and regulations. In common with the broader ARAG Group, ARAG UK maintains an enterprise risk management framework which includes a set of risk management policies that are used to identify, measure and record enterprise risks across the Group, including tax risk.

The Tax Department of ARAG UK implements regular procedures appropriate for the systematic and comprehensive identification and assessment of the tax risks to which it is exposed.

The key tax risks identified are classified into risk categories, analysed and weighted according to their probability of occurrence and possible consequences; and appropriate controls are put in place to mitigate the key tax risks identified from this process. Tax compliance risks are determined in relation to the respective tax type and the associated processes. The impact assessment is based on a consideration of a number of factors, including the potential financial, operational, reputational and compliance impacts of a risk event crystallising.

The principal tax risk considerations impacting ARAG UK include compliance with UK tax laws and financial obligations as well as the pricing of cross-border intra-group transactions with the broader ARAG Group.

ARAG UK has adopted the three Lines of Defence ('LoD') model to help us detect and manage our risks, the salient features of which in respect of tax risk are set out below:

1st LoD	Tax Department
	The Tax Department is responsible for identifying and managing most of ARAG UK's tax risks. It is responsible for assessing and controlling tax risks and reporting any weaknesses in controls and any tax risk events that may occur. For payroll taxes, the HR Payroll Team acts as the 1 st LoD with the Tax Department acting as the 2 nd LoD.
2nd LoD	Risk & Compliance Departments
	The Risk & Compliance Departments oversee and manage all risks across the business. They provide support, advice and the framework to the 1 st LoD. They also monitor and challenge the 1 st LoD and ensure consistency in the measurement of risk across the business.
3rd LoD	Internal Audit
	The Internal Audit Department provides independent assurance that the first two LoDs are operating effectively. It reports to the Audit Committee and ultimately to the ARAG UK Boards.

The primary responsibility for Risk Management lies with the ARAG UK Board of Directors, which is supported by the ARAG UK Audit Committee and Risk Committee. These committees are provided with quarterly updates on all material aspects of ARAG UK's tax affairs. Tax risk is a key risk for which an appetite has been agreed, and Key Tax Risk Indicators are monitored at the quarterly meetings of the Board Risk Committee.

The day-to-day responsibility for tax risk management lies with the Chief Financial Officer (CFO), who is supported by the Tax Department and other senior finance professionals within ARAG UK. The management of tax-related activities is undertaken by our in-house Tax Department to ensure compliance and alignment with our strategic objectives.

Our Approach to HMRC

We maintain a transparent and constructive relationship with HMRC based on mutual respect, openness, and trust. We value transparency and will always discuss any material new transactions or arrangements with HMRC as appropriate if there is any uncertainty as to proper tax treatment thereof.

We promptly disclose and aim to resolve on a timely basis any issues identified in respect of our tax affairs and provide complete and timely information to HMRC when required. If any inadvertent error is identified internally, we will disclose and rectify it as soon as practicable. We aim to be transparent on past, current and future tax risks which we believe helps build a good relationship.

Our Tax Strategy is approved by the relevant Boards of ARAG UK and reviewed annually.

Our tax strategy aligns with our broader business ethics and corporate social responsibility commitments.