

Aioi Nissay Dowa Europe Limited – Tax Policy

Introduction

Aioi Nissay Europe Limited (“AND-E”, “the Company”) is a UK-registered company and is the holding company for the AND-E Group. The Company is a wholly-owned subsidiary of Aioi Nissay Dowa Insurance Company Limited, a company incorporated in Japan. MS&AD Insurance Group Holdings, Inc., a company incorporated in Japan, is the ultimate parent company and ultimate controlling party.

The principal activity of the Group is as an insurer and its main business is retail general insurance. Following the Group’s Brexit restructuring, the Group has two general insurance entities. These are Aioi Nissay Dowa Insurance Company of Europe SE, domiciled in Luxembourg, with branches in the UK, Belgium, France, Germany, Italy and Spain, and Aioi Nissay Dowa Insurance UK Limited, domiciled in the UK. The Group has a credit life insurance business in Germany, Aioi Nissay Dowa Life Insurance of Europe AG, and several other subsidiaries, including insurance intermediaries and service companies.

The Group’s tax policy is:

- To satisfy all tax compliance obligations within the relevant statutory timeframe and in compliance with the relevant tax law, disclosure requirements and regulations;
- To complete accurate tax reporting on at least an annual basis to allow a detailed understanding of the Group’s effective tax rate as well as the tax balances in the balance sheet;
- To develop and maintain good working relationships with all tax authorities in jurisdictions where the Group has a legal presence and with other external stakeholders including regulatory authorities; and
- To contribute to shareholder returns on a sustainable basis by organising its tax affairs efficiently within the letter, and spirit, of the laws of the territories in which it operates.

AND-E seeks to safeguard shareholder interests as well as maintain its reputation and brand with its external stakeholders including investors, governments and customers.

Ultimate responsibility for AND-E’s tax strategy and compliance rests with the Group Board, however day-to-day management is delegated to the Chief Financial Officer.

Management of tax risks

AND-E faces similar tax risks to other multinational groups operating in the insurance market, including cross border tax risks.

- AND-E operates a system of tax risk assessment and has appropriate controls in place to ensure tax risks are identified and mitigated in a timely fashion.
- AND-E has outsourced day-to-day tax work to the tax team of MS Amlin, a sister company within the MS&AD Group. This work is overseen by the AND-E Finance team and the Chief Financial Officer. The outsourced tax provider has corporate tax compliance and advisory, VAT and employment taxes specialists in the UK to ensure all applicable tax risks are identified and

managed. The team are appropriately trained and there is focus on continuous development of tax knowledge.

- In non-UK jurisdictions, the AND-E Finance team and the outsourced tax provider will, as necessary, engage external advisors to prepare and submit all tax returns.
- The outsourced tax team works with AND-E to educate staff about the importance of involving the outsourced tax team before undertaking commercial transactions, to ensure any tax risks are identified and appropriately dealt with.
- The Board has oversight on tax matters and is briefed on key tax developments and tax impacts of commercial transactions when deemed appropriate by the Chief Financial Officer.
- AND-E is committed to preventing persons associated with it from engaging in criminal facilitation of tax evasion and, where possible, has procedures in place to identify and mitigate risks of facilitating tax evasion.

Attitude to tax planning

AND-E's policy is to pay the right amount of tax as required by local tax laws in each jurisdiction.

- AND-E aims to undertake all tax planning within the context that the commercial needs of the Group are paramount. However, where alternative routes exist to achieve the same commercial result, the most tax efficient route which is in line with, and in the spirit of, tax legislation should be recommended.
- Managing tax efficiency involves choices as to the jurisdictions in which to locate capital and/or business activity and the legal structure of that activity. Such choices take account of all business and regulatory consequences of operating in such a manner.
- Where the outsourced tax team deems there is insufficient technical expertise within the Group (for e.g. entry into a foreign market), external tax advice is sought.

Relationship with tax authorities

- AND-E seeks to have a constructive and transparent relationship with all tax authorities through communication in respect of developments in AND-E's business, current, future and retrospective tax risks, and interpretation of the law in relation to all relevant taxes.
- Where possible, tax authorities are regularly updated on significant business developments or matters that could involve a number of interpretations of tax legislation.
- Where relevant, AND-E discloses all uncertain tax positions and rationale for adopting treatments in the tax computations submitted to relevant tax authorities.

The Group regards this strategy as complying with paragraph 16(2) of Finance Act 2016. This strategy has been confirmed with MS&AD Insurance Group Holdings, Inc.

This policy has been approved by the Board on 28 March 2022.