



Our approach to TAX

INTRODUCTION

As an international Group active in insurance business, Ageas¹ is aware of its corporate social responsibility. Ageas is present in multiple jurisdictions and is subject to different tax regimes and regulations. Not only are clients, shareholders, regulators, business partners and employees important stakeholders, but also the tax administrations of the jurisdictions in which Ageas operates are parties with which Ageas seeks to have relationships based on mutual trust.

Ageas operates as a responsible tax collector and taxpayer to ensure that its reputation as a Group is protected. Furthermore, Ageas believes that for a sustainable relationship with all of its stakeholders, one of the important elements is to report in a transparent way on its tax position and the principles that it applies in that regard.

Ageas is committed to ensuring full compliance with the tax regulations in all countries in which it operates.

OUR APPROACH TO MANAGING TAX

TAX PLANNING

Ageas engages in efficient tax planning and evaluates existing engagements that supports its business and commercial activities. Business and commercial rationale are the driving force behind decisions though tax efficiency is also pursued within the business in relation to such decisions. Ageas does not enter into artificial arrangements in order to avoid or evade taxation.

Ageas adheres to all relevant tax law and seeks to manage the risk of uncertainty regarding a tax-related situation or tax disputes as part of its tax planning. Ageas conducts transactions on an arm's-length basis and in accordance with current Organization for Economic Co-operation and Development ("OECD") principles and relevant tax laws, including any applicable tax treaties.

Ageas has a real economic substance and it is one of Ageas's core principles to pay the required amount of taxes on profits generated through operational activities.

Ageas recognizes that tax incentives and exemptions are sometimes offered by governments and fiscal authorities in order to support investment, employment and economic development. Where these incentives exist, Ageas seeks to apply them in the manner intended, but will not "arbitrage" or abuse the tax laws in a manner that yields a result contrary to the economic purpose of a business decision or transaction.

TAX COMPLIANCE

The positions taken in the tax returns and other tax related obligations must be supported by relevant tax law, recognizing that tax law can at times be subject to different interpretations. Where there is any doubt about the interpretation of the law, Ageas will communicate with the tax authority openly and transparently.

TRANSFER PRICING

Ageas applies the arm's length principle for determining the pricing of intercompany transactions.

1 "Ageas" designates the conglomerate of companies forming a group of which ageas SA/NV is the top holding. It encompasses the mother company, all its subsidiaries and affiliates. Subsidiary means an entity in which ageas SA/NV, directly or indirectly, has a majority shareholding and holds operational control, and Affiliate means any entity in which ageas SA/NV, directly or indirectly, has a minority shareholding and holds no operational control.

As required by the OECD Base Erosion and Profit Shifting (“BEPS”) Action 13, the Ageas Group provides the tax authorities with sufficient information and documentation to support conclusions regarding the tax treatment of its activities.

TAX RISKS

Ageas may be exposed to financial and reputational risks arising from its tax affairs.

Ageas’s tax strategy is to ensure that the Ageas Group is a responsible and fair tax payer with adequate processes and controls to enable all tax liabilities to be accurately calculated and all taxes due to be timely paid. In order to accomplish this, any tax initiatives must be carried out bearing in mind any reputational, financial, legal, regulatory or commercial risk. Ageas’s business will always be the driver for its legal structure and transactions, followed by the tax risks and consequences thereof.

Ageas aims to manage tax risk and protect its reputation in a similar way to any area of operational risk across the Group.

RELATIONSHIP WITH TAX AUTHORITIES

Ageas seeks to build and sustain constructive relationships with the tax authorities in the jurisdictions where it is present. Ageas aims to have an open, transparent and collaborative working relationship and acts with integrity at all times.

Ageas:

- proactively manages tax issues by engaging with the tax authorities as required;
- responds to queries from the tax authorities promptly and constructively;
- makes disclosures to the tax authorities if inadvertent errors have occurred in historic tax returns as soon as they are discovered;
- contributes to consultations in relation to developments in tax law that may affect the Group;
- may seek tax rulings from appropriate tax authorities to provide certainty over tax positions and these will be based on full disclosure of all relevant facts.

GOVERNANCE SYSTEM

Day-to-day responsibility for compliance with tax policies, processes, procedures and controls sits with the local Tax Functions across our operating companies.

The Financial Officers of each Ageas Group entity are responsible for compliance with tax policies, the supporting governance framework and management of tax risk. The ultimate responsibility lies with the Board of Directors of each Ageas entity.