

Monument Group – Tax Strategy

Introduction

This document, which has been approved by the Group Audit Committee of Monument Insurance Group Limited, summarises the tax strategy of Monument Insurance Group Limited and its subsidiaries (referred to collectively as 'the Monument Group' or 'the Group'). The Monument Group regards the publication of this tax strategy as complying with its duty under paragraph 16(2) of Schedule 19 to the Finance Act 2016 for the year ended 31 December 2023.

Monument's Approach to Managing Tax Risk

Given the scale of Monument's business and its volume of tax obligations, risks will inevitably arise from time to time in relation to the interpretation of tax law and nature of our compliance arrangements. Tax risk is managed in a manner consistent with the management of all other risks. We proactively seek to identify, evaluate, manage and monitor these risks to make sure they remain in line with the Group's risk appetite. Where there is significant uncertainty or complexity in relation to a risk, external advice or rulings from tax authorities may be sought.

The Group CFO is responsible, with the support of the Head of Group Tax and the CFOs of the local subsidiaries, in managing tax risks across the Group. Where material risks are identified, they will be reported to the Group Audit Committee and, where appropriate, to the Group Board.

Monument's Tax Risk Appetite

Tax risks are considered as part of Monument's broader enterprise-wide risk management process. Our governance documentation and governance framework are designed to ensure compliance with tax law precedent and administrative practice in all regions in which we operate and to ensure that we identify, and then mitigate, any significant tax risks within our business. In all instances, we will document our approach to tax risk to ensure transparency.

The Group has a very low appetite for any risk that it will fail to comply with the laws and regulations (including those relating to tax) of the countries in which it operates. The Group will therefore ensure that the positions taken in its tax returns are supported by relevant tax law, precedent and administrative practice. It also recognises that tax law can at times be subject to different interpretations. Where there is uncertainty or complexity in relation to a tax risk, we may seek external advice and, where appropriate, we may obtain tax clearances from relevant tax authorities.

Monument's Attitude Towards Tax Planning

We seek to balance our goal of sustained economic value creation with ensuring that our ways of working comply with current tax legislation. We make management decisions after careful consideration of all the key metrics, including the regulatory, legal, accounting and tax implications in line with our risk management framework. Where we identify tax issues that may potentially arise from a proposed board or management decision, we analyse and understand them to ensure that there are no unintended tax costs. Whilst the management of our tax affairs contributes to achieving business objectives, we base all management actions on an underlying business purpose with commercial and economic substance. We do not engage in tax planning which is considered abusive when seen against international and domestic



norms or enter into transactions or arrangements where the main purpose, or one of the main purposes, is the avoidance of tax.

There is no intention to carry out specific tax planning except in cases where, but for that planning, we may be liable to double taxation or a significantly uneconomic event could occur (e.g. suffering tax on a reinsurance premium). Our business decisions are not predicated on tax planning and the tax impact of transactions will never be the sole or dominant justification for operations in a low or zero tax jurisdiction.

Monument's Relationships with HMRC and other Tax Authorities

Monument aims engage with HMRC and other tax authorities with honesty, integrity, respect and fairness and in a spirit of cooperative compliance. We will endeavour to get things right first time but, if we do inadvertently make mistakes in our tax filings, we will notify the tax authorities as soon as we discover them.

The tax rules of the jurisdictions in which we operate are complex and fast-changing, meaning that the tax rules can be unclear and/or subject to different interpretations. If there are circumstances where the tax impact on a transaction is unclear and we decide that it would be appropriate to obtain a ruling we will do so by engaging with the relevant authorities in a fully transparent and compliant manner. If we discover that our interpretation of the tax legislation differs from that adopted by the tax authorities, we will notify the tax authorities of the latter fact. And if the Group decides that it is appropriate to challenge any decisions made by the tax authorities, it will do so in a courteous, respectful and open manner.

