

Saga plc Group Tax Strategy

This tax strategy applies to Saga plc and all UK entities in its UK group in respect of the financial year ending 31 January 2019.

As a responsible business which intends to have a positive impact on society, our customers and our employees, we are committed to paying the right amount of tax at the right time. We are committed to treating our customers and employees fairly and to properly assessing the tax impact of any transactions with our customers, employees and suppliers.

We will not support proposals to reduce our or any associated taxpayer's, tax cost through implementing artificial structures, but we will seek to structure commercial transactions in the most efficient, legitimate way.

We will work to ensure that our tax strategy is aligned with Saga's core values and will deploy our tax strategy to support Saga's strategic business objectives.

Saga's tax arrangements

All active trading entities within the Saga Group pay taxes in the UK. This includes corporation tax, indirect taxes (VAT, IPT and excise duties) and employment taxes, and it is our aim to comply with all relevant laws, rules and regulations and all reporting and disclosure requirements at all times.

Our relationship with HMRC

We aim to maintain a professional, open and co-operative relationship with HM Revenue & Customs ('HMRC') based on collaboration, mutual trust, transparency and integrity. We keep HMRC informed of all significant business developments and seek agreements and clearances as appropriate. We work together with HMRC to resolve any issues relating to current, future or past taxes.

Where appropriate, we will contribute views and information, and input into the process to help shape tax legislation in areas of potential change or policy uncertainty.

How we manage our business's tax risks

We are not prescriptive about the level of tax risk which is acceptable for our business but are committed to paying the right amount of tax at the right time and we have a low appetite for incurring material penalties or interest payments.

We maintain a register of Saga's tax risks and ensure we have a robust framework of effective controls to continuously identify, assess and manage those tax risks. We follow the Group's approach to monitoring, reporting and escalating risks and incidents at appropriate governance meetings and to the Group Chief Financial Officer ('CFO').

Our tax function collaborates with Saga's businesses and is actively involved in all key commercial and operational transactions providing advice and guidance to maintain compliance. The business involves the tax function in all material projects. We ensure that our tax function is appropriately qualified with sufficient understanding of Saga's businesses and products to provide support, and to draw conclusions based on the facts and risks involved.

We obtain advice from reputable external advisers with the appropriate experience in areas where tax law is complex or new, is outside the experience of our tax function, or where the treatment may be uncertain and the amount of tax involved is material. We also use these services where business demands exceed the capacity of the team.

Governance

Saga's CFO has overall responsibility for management of the tax affairs of the Group and he is supported by the tax function. The CFO has authority to approve any tax matter with the exception of tax litigation which must be approved by the Board. Litigation will only be considered for recommendation to the Board if there is a robust and sound technical basis.

We operate a three lines of defence model for managing tax risks. Within this, the first line is delivered by our trading businesses which own and operate the day-to-day tax compliance processes; the second line is provided by the tax function and the CFO who provide oversight and support and maintain the relationship with HMRC; and the third line assurance is delivered by Internal Audit and other external providers from time-to-time.

Board ownership

The Board is responsible for approving Saga's tax strategy and uses its committees to monitor our tax risk appetite and compliance with our strategy.

This strategy is aligned with all our codes of practice and operation and is approved, owned and overseen by the Board of Saga plc. The CFO does and will continue to report to the Board on taxation matters that impact the business; highlighting risks, mitigation strategies and opportunities.

Saga plc and UK group companies consider this publication complies with paragraph 16(2) and paragraph 25(1) of Schedule 19 of the Finance Act 2016.

Approval

Approved by the Saga plc Board on 31st January 2019.