OLD MUTUAL GROUP UK **TAX STRATEGY**

Our Tax Strategy

The tax strategy for the Old Mutual Group sets out our approach to the management of the Group's tax affairs in the context of the Group's wider strategy, both in relation to the core insurance, asset and wealth management and banking operations, and the Managed Separation announced in March 2016. The Tax Strategy is consistent with these objectives.

The Tax Strategy is reviewed and approved by the Old Mutual plc Board Risk Committee.

Tax risk management and governance

Old Mutual plc reinforces a strong risk culture by ensuring that the Group fulfils its strategic objectives within a stated risk framework providing a structured and transparent framework for the governance of risk. In compliance with this framework Old Mutual plc has tax risk management and governance processes encompassed within a formal Tax Risk Policy.

The Tax Risk Policy is reviewed and approved by the Old Mutual plc Board Risk Committee which is ultimately responsible for determining the nature and extent of the significant risks the Old Mutual Group is willing to take in achieving its strategic objectives. The Terms of Reference for Old Mutual plc Board Risk Committee are described on the Old Mutual website.

The Group Finance Director has primary responsibility for Old Mutual plc's taxation policy, supported by the Head of Tax Advisory and Compliance.

In operating our tax risk management and governance processes Old Mutual plc has a low appetite towards tax risk. The businesses are responsible for embedding the Tax Risk Policy, attesting to compliance via biannual status reports submitted to Old Mutual plc tax and reporting breaches. In addition to this there is a process for reporting any "significant issues" as they arise. We are committed to full compliance with our tax obligations, paying the right amount of tax at the right time.

Assessment of acceptable tax risk

Old Mutual plc has a low appetite towards tax risk - tax risk should be minimised and mitigated, taking into account time, value, cost and risk. Risk is considered from both a financial and reputational perspective.

We do not promote tax avoidance or aggressive tax planning arrangements to our customers or to other parties. Where we promote tax-advantaged products to our customers, such as pension and ISA savings products, it is only where the tax consequences of these products are both clear and consistent with the intentions of Parliament.

Tax planning and tax risks

Doing the right thing is at the heart of Old Mutual's approach to business. We maintain high ethical standards in carrying out our business activities – see our Code of Conduct which is also available on the Old Mutual website.

The underlying principle applied to tax planning is that it should support Old Mutual plc's business activities and strategy, forming just one of the factors considered when evaluating alternative courses of action. We do not engage in tax planning that is considered abusive or the sole purpose of which is to avoid tax. We obtain external advice and seek advance discussion with the tax authorities where tax treatment is unclear or ambiguity exists, to ensure compliance with the legislative environment.

Working with HMRC

We maintain an open and co-operative relationship with HMRC. This is achieved by:

- Regular meetings with HMRC to ensure that HMRC understand our business and to provide the opportunity to discuss tax implications of our strategy and business developments in real time.
- Timely submission of tax returns and prompt responses to queries arising.
- Adopting a cooperative approach to resolving questions over the interpretation of tax law.
- Participating in HMRC consultations to support the development of effective legislation.
- Ensuring appropriate tax accounting arrangements are in place.

We consider that the above statement complies with Old Mutual's obligation under paragraphs 16(2) and 25 (1), Schedule 19 Finance Act 2016.

08 December 2017