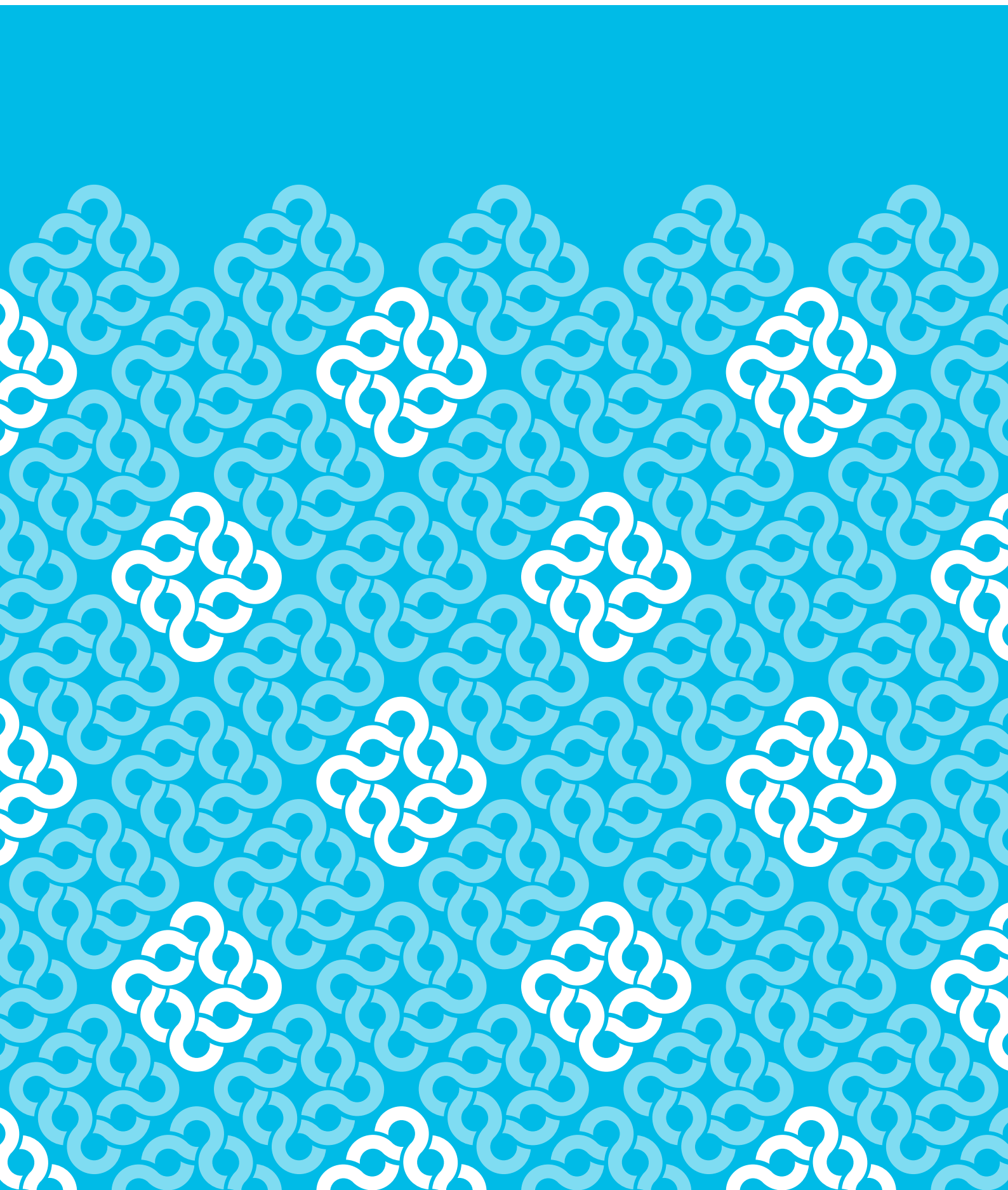


**ATHORA NETHERLANDS**

Responsible Tax Policy



## CORPORATE TAX GOVERNANCE ATHORA NETHERLANDS

Taxation touches on many aspects of our business and is therefore relevant for our ability to deliver on our vision.

Products we offer to our customers may benefit from a preferential tax treatment which may help customers secure their financial needs. Taxes we pay on our earnings impact the return for our shareholder, who provides us the capital required to back promises made to our customers. Investments made for the account of our policyholders are often made jointly with other investors and the international set-up of these investments may result in economic double taxation and reduced returns for our policyholders. We need to execute cost effective, efficient and compliant processes as tax regulations require us to apply proper withholding of taxes on benefits paid to customers and employees or to periodically report to tax authorities on benefits paid to customers.

To support management in the realisation of our purpose and vision, the Athora Netherlands Responsible Tax Policy describes what tax position Athora Netherlands strives for and how we want to achieve this.

The ‘what’ is not limited to being compliant with tax laws and regulations but also includes finding an optimal tax position reflecting the interests of our many stakeholders. The ‘how’ we deal with tax matters contributes to being regarded as a trustworthy corporate citizen that is a valuable contributor to the communities we operate in.

The Corporate Tax Governance of Athora Netherlands consists of four building blocks:

The **Tax Strategy** strategically and systematically describes our long-term approach to tax and tax management.

The **Tax Governance Framework** outlines the roles and responsibilities within Athora Netherlands with respect to tax matters. Both on a strategic and operational level. A Tax Mandate was approved by the Executive Board in December 2018 that gives clarity on the various roles in the organisation and gives a mandate to Athora Netherlands Tax. The Tax Mandate will be updated once the 2023 Athora Netherlands Responsible Tax Policy is approved and will also reflect changes in the organisation that occurred since 2018.

**Tax Risk Management** describes the way that tax risks relevant to Athora Netherlands are identified, assessed, monitored, and controlled. A strong basis for our tax risk management is the Internal Control Framework which is complemented by our Tax Control Framework which provides for specific control measures relevant to tax.

**Tax Transparency** is about internal and external reporting on non-financial and financial data of the organisation with respect to tax.

This Athora Netherlands Responsible Tax Policy (“the Policy”) focuses on the Tax Strategy of Athora Netherlands. The principles formulated in the VNO NCW Tax Governance Code provided direction for Athora Netherlands in the drafting of its Responsible Tax Policy.

## Athora Netherlands Responsible Tax Policy and the Athora Netherlands Sustainability Strategy

The Athora Netherlands Responsible Tax Policy describes the organisation's approach towards tax and is relevant for the roles we see for Athora as insurer, corporate citizen, and investor. Each role is relevant for the execution of our sustainability strategy as outlined below.

Our mission is that people enjoy financial security in a beautiful world, ecologically and socially.

We deliver on this mission through the provision of excellent pension solutions, created and delivered in a sustainable manner, optimising financial, ecological, and social return through:

### **Products & customer relationships:**

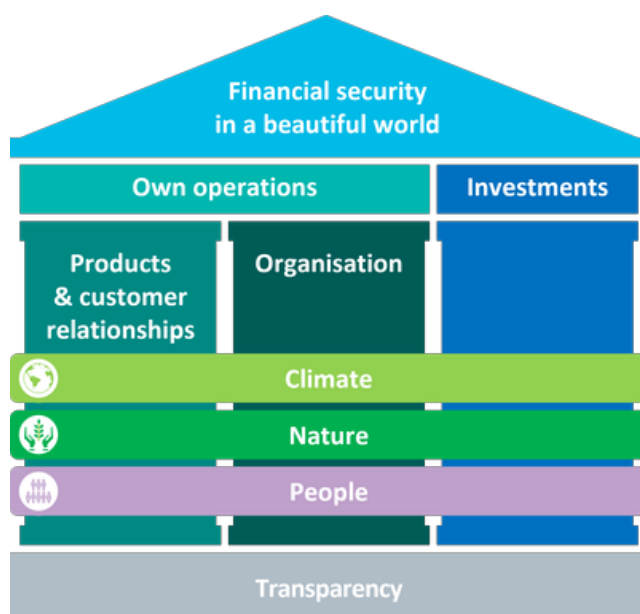
In our role as insurer, we ensure that our products are fair, transparent, and accessible and protect the interest of our clients whilst empowering and enabling them to make sustainable choices.

### **Organisation:**

In our role as employer and corporate citizen, we ensure that we offer a fair and stable work environment, improve communities and our planet, and raise awareness about our activities and impact.

### **Investments:**

In our role as investor, through our investments and integration of sustainability risk mitigation, make a positive, real and measurable impact on the economy, community and planet, and deliver long-term returns for our clients and business.



## Tax Strategy

### 1. General

#### 1.1. Governance

The Executive Committee of Athora Netherlands is responsible for managing the business operations of Athora Netherlands and setting strategic direction. In the role of setting strategic direction, the Executive Committee reviews and approves the Tax Strategy of the company as developed by the Athora Netherlands Tax Department (“Athora Tax”). Athora Tax keeps the Executive Committee informed of material tax developments relevant for Athora Netherlands including legislative developments.

#### 1.2. Tax Principles

Our long term approach to tax is aligned with and supportive to realisation of our business strategy and vision. The following generally applies to our approach to tax:

- we comply with tax laws and regulations,
- we pay fair taxes in the communities we operate in,
- our tax returns are accurate and complete and are filed timely,
- we strive for a stable and predictable tax position in line with the Athora Netherlands tax risk appetite,
- we seek optimisation of our tax position where this can support our business strategy, such as our Solvency II tax position,
- transactions should have economic substance and commercial rationale and realisation of tax benefits should not be the sole purpose of a transaction,
- we identify, manage and monitor tax risks in a systematic and controlled manner,
- we maintain a constructive and transparent working relationship with external stakeholders such as the Tax Authorities.

### 2. Scope

#### 2.1. Entities

The Policy applies to all Dutch and non-Dutch entities that are fully or partially, directly or indirectly, held by Athora Netherlands NV and in which Athora Netherlands NV has a controlling interest, either alone or jointly via contractual arrangements, or for which Athora Netherlands is able to give direction on the management of business affairs.

## **2.2. Taxes**

All taxes, levies and tax reporting obligations that apply to the entities in scope or the products and services that we provide to our customers are covered by this Policy. This includes Dutch as well as non-Dutch taxes and includes for example Corporate Income Tax, Value Added Tax, Wage Tax, Withholding Tax, FATCA / CRS reporting obligations and Pillar 2 taxation.

## **2.3. Business Activities**

The Policy applies to all business activities of Athora Netherlands including, but not limited to, product development, investments, hedging, reinsurance, capital optimisation, capital market transactions, business acquisitions and disposals, intra-group transactions, remuneration and procurement of goods and services.

## **3. Tax compliance**

### **3.1. Compliance with Tax Laws and Regulations**

Our objective is to comply with tax laws and regulations that apply to Athora Netherlands and the products and services we provide to our customers. Athora Tax provides advice and guidance on relevant tax laws and regulations while business functions implement processes, procedures and controls to ensure compliance with legislation. New legislation and case law is monitored and new guidance is issued by Athora Tax where needed.

Tax laws and regulations may be open for interpretation and we retain the right to seek favourable interpretations if this can be comfortably supported. While doing so, we do not only look at the letter of the law but also take the intent and spirit of the law into account. We will seek expert opinion or discuss our position with the Tax Authorities in case of uncertainty.

Athora Netherlands applies the at arm's length principle, in line with guidance from the OECD, for assessing cross border intra-group transactions. This approach is in line with the Athora Group Transfer Pricing Policy. External advice and substantiation of inter-company pricing will be sought from outside counsel.

### **3.2. Tax Filings**

We ensure that our tax returns are accurate, complete and timely filed and tax due is paid in time. If tax filings are done by external service providers we keep oversight to ensure these are in line with our standards and requirements. We keep record of the data we use to complete our returns and maintain supporting documentation for positions taken.

Accurate, complete and timely filing of tax returns is not only a legal requirement. It also mitigates the risk of penalties and interest due and supports accurate reflection of our tax position under IFRS and Solvency II. Timely filing of tax returns allows for tax years to be closed soon which provides certainty about the tax position of the company.

#### **4. Tax Objective**

Athora Netherlands seeks a stable and predictable tax position that is in line with its tax risk appetite. The primary focus for tax optimisation is how tax impacts our capital position under Solvency II. Also, Athora Netherlands aims to avoid (economic) double taxation.

#### **5. Tax Risk Appetite**

We have a low appetite for the risk of penalties or interest payable, due to late filing of tax returns or adjustments being made by the Tax Authorities as a result of incorrect data or as a result of tax positions being taken that cannot be supported by a reasonable interpretation of tax legislation.

We avoid uncertainty in our tax position reported under IFRS or Solvency II and therefore have no appetite to initiate transactions or take positions that are not based on a reasonable explanation of the law. Where possible, we seek advance agreement from the Tax Authorities on a material tax position that will be taken.

We have no appetite for transactions or positions that may harm our reputation with the Tax Authorities, Regulators or other stakeholders.

We seek simplicity and stay away from complex structured transactions that have a high level of operational or transactional risk.

#### **6. Tax Risk Management**

The Athora Netherlands Internal Control Framework is the basis for identification and management of risks, including tax risks, that Athora Netherlands is exposed to. Our Tax Control Framework specifically focuses on the identification, management and control of tax risks. The Tax Control Framework is dynamic and is amended to reflect changes in business operations, risks and changes in legislation. Raising tax awareness with key stakeholders through guidance, instructions and training contributes to tax risk management. We actively discuss components of our Tax Control Framework with the Tax Authorities to get their view.

#### **7. Public Policy**

Athora Tax representatives participate in Tax Committees of industry groups such as the Verbond van Verzekeraars and DUFAS. Athora Tax regularly, actively and constructively engages in the development of industry viewpoints on tax matters and in the Tax Committee's dialogue with the Dutch Tax Authorities or the Ministry of Finance on the development of fair and effective legislation and tax systems.

## **8. Relationship (Dutch) Tax Authorities**

Athora Netherlands seeks a cooperative relationship with the Dutch Tax Authorities that is based on mutual respect, transparency and trust. Discussion of positions taken will be based on a full disclosure of relevant facts and circumstances taking into account the interest of both parties.

Athora Netherlands is a Top 100 taxpayer and supervision by the Dutch Tax Authorities is detailed in the Athora Netherlands Individual Supervision Plan (“ISP”). As part of the ISP, Athora Netherlands and the Dutch Tax Authorities have regular meetings to discuss tax positions and developments for Corporate Income Tax, VAT and Wage Tax. Athora Netherlands may approach the Dutch Tax Authorities to get certainty in advance on the tax treatment of transactions to be undertaken.

## **9. Tax Follows Business**

We do not engage in transactions for which the sole purpose is the realisation of a tax benefit. Transactions undertaken should have commercial and economic purpose and have genuine substance. Athora Tax seeks to optimise these business transactions from a cash tax, Solvency II, IFRS or administrative perspective. If one of the main benefits of a transaction structure is the realisation of a tax benefit, then the business rationale should be explicitly justified and approved.

## **10. Tax Incentives**

Athora Netherlands may respond to generally available tax incentives and tax exemptions in the jurisdictions where we operate our business.

## **11. No or Low Tax Jurisdictions (“Tax Havens”)**

We do not structure our business operations through entities based in no or low tax jurisdictions (“tax havens”) for the sole reason of realising a tax benefit. In case we undertake transactions via entities in no or low tax jurisdictions, the business rationale of these transactions and economic substance should be justified and separately approved. The absence of a tax benefit, compared with a direct investment not involving intermediate entities in no or low tax jurisdictions, can serve as a proxy for sufficient business rationale.

## **12. Fair Taxes**

Athora Netherlands pays fair taxes in jurisdictions and entities where economic value is created. We pay the taxes that are required to be paid by law at the right time but seek to avoid (economic) double taxation. We take the interests of all our stakeholders into account when managing our tax affairs. For communities, policyholders, employees, shareholders and Tax Authorities the concept of fair taxes may have a different meaning.

## **13. Tax Team**

We invest in an Athora Tax team that is diverse in terms of experience and knowledge and that is capable of managing the tax affairs of Athora Netherlands in line with the Athora Netherlands Responsible Tax Policy. The Athora Tax team consists of experts in the field of product taxation and corporate taxation.

#### **14. Tax Transparency**

Athora Netherlands will disclose its approach to taxes on its website and as part of its Annual Report. For most material taxes, insight will be given in the amounts of tax paid each year.

#### **15. Customers and Business Partners**

Pension, annuity and other products that we develop for our customers are compliant with tax laws and regulations and are designed to be tax efficient from the customer's perspective. Compliance with (changes in) tax legislation is continuously monitored for our existing book. Specific requests from customers and advisers to deviate from standard product design are constructively reviewed but not approved if this would result in non-compliance with letter, intent or spirit of tax regulations.

We expect our customers and business partners to pay fair taxes and to organise their business affairs on basis of commercial and economic rationale and genuine substance. We screen all investments against a broad set of criteria laid down in our Sustainable Investment Policy and Fundamental Investment Principles which includes criteria on tax compliance and involvement in tax evasion. We apply the same criteria to our strategic suppliers and are exploring how to expand this into customer screening.

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