

Milliman Group's UK Tax Strategy

Introduction

The Milliman Group ("the Group") is among the world's largest providers of actuarial and related products and services. This tax strategy covers all the Milliman Group's UK companies collectively referred to as "the UK companies" or "we".

Our tax strategy is reviewed annually. The Chief Financial Officer and Tax Director are responsible for management of the tax affairs of the group.

This strategy applies from the date of publication until it is superseded. References to 'UK taxation' are to the taxes and duties in the UK which include:

- All corporate income taxes
- Indirect taxes (VAT, Stamp Duty Land Tax)
- Employment taxes (PAYE/National Insurance/Construction Industry Scheme)
- Other applicable tax matters

The tax strategy is approved by the Board and sets out the Group's general tax arrangements as well as the policy and approach to tax risk management, attitude to tax planning and working with HMRC.

The tax strategy is publicly available on Milliman's website in order to allow external stakeholders to understand the Group's approach to tax. The strategy is compliant with the UK tax strategy publication requirement set out in Part 2 of Schedule 19 FA 2016.

Objective

We are committed to full compliance with all statutory tax obligations and disclosure to tax authorities. We manage our tax affairs in a manner consistent with our core values and wider corporate risk framework.

This document sets out our approach to:

- Risk management
- Tax planning
- Relationship with HMRC

Managing Risk

The level of UK risk we accept is consistent with the companies' and Group's broader business risk management, compliance and transparency framework.

We seek to manage and to reduce the level of tax risks arising from both external and internal events. The ultimate responsibility of the UK companies tax affairs lie with the board of directors who have implemented internal controls so as to mitigate the risk in the most efficient manner. These may include the following:

- Board relies on the CFO of the parent of each UK Company to manage the day to day tax affairs and report in a timely manner on any issues that may arise;
- The UK companies have an experienced finance team who report to the CFO;
- We operate a system of tax risk reviews, assessment and controls as a component to the overall internal control framework applicable to the group's financial reporting system;
- Tax legislative changes are closely monitored to ensure that their impact is considered when reviewing business risks and changes to processes or controls are made where required;
- Training is carried out for staff outside the tax function who manage or process matters which have tax implications;
- We seek advice from professional third party advisors on any issues that are of a concern to the management;
- Overseen by audit committee

Attitude towards tax planning

We seek to ensure that the appropriate amount of tax is paid and that the Group complies with all legal requirements.

When entering into commercial transactions, we seek to employ available tax incentives, reliefs and exemptions in line with, and in the spirit of tax legislation.

We do not undertake tax planning unrelated to commercial transactions.

Reliance is placed on external advisors where there is a need for specialist guidance and support.

We apply the OECD transfer pricing guidelines to intercompany transactions.

Relationship with HMRC

We are committed in maintaining an open, transparent and constructive relationship with HMRC. We achieve this by:

- Acting openly and professionally with HMRC on current, future and past tax risks;
- Responding on a timely basis to any queries HMRC may have; and
- Submitting the required documents on time

If a material transaction arises with a potential uncertain tax position, we seek guidance from third party advisors and, where necessary and appropriate, seek clearance from HMRC.

Any inadvertent errors in submissions made to HMRC are fully disclosed and corrected as soon as is reasonably practicable