

# AIG Tax Strategy Statement

## AIG Tax Strategy

Founded in 1919, today AIG member companies provide a wide range of property casualty insurance, life insurance, retirement products, and other financial services to customers in more than 80 countries and jurisdictions.

These diverse offerings include products and services that help businesses and individuals protect their assets, manage risks and provide for retirement security.

AIG's core businesses include Commercial Insurance and Consumer Insurance, as well as Other Operations. Commercial Insurance comprises two modules – Liability and Financial Lines, and Property and Special Risks. Consumer Insurance comprises four modules – Individual Retirement, Group Retirement, Life Insurance and Personal Insurance.

AIG common stock is listed on the New York Stock Exchange and the Tokyo Stock Exchange.

AIG is committed to effective tax risk management and is organised to ensure that the management and governance of tax is consistently applied across AIG's global business.

## Governance Framework

AIG has instituted a clear tax governance structure to ensure that the AIG Tax Department manages tax risk in accordance with the aims stated above:

- The Board of Directors of AIG ("the Board") has overall responsibility for global tax affairs.
- AIG's Chief Financial Officer ("CFO") is accountable to the Board.
- The AIG Tax Department forms part of the wider finance organisation for which the CFO is responsible.
- The AIG Tax Department is responsible for oversight of the management of tax risk.
- AIG has instituted various committees to ensure appropriate tax governance and management of risk.

The management of tax risk includes:

- Overseeing the effective conduct of AIG's dealings with tax authorities throughout the world;
- Identifying and communicating tax risks in the global legal and economic environment in which AIG operates;
- Deploying an appropriate level of controls to mitigate operational risk; and
- Supporting initiatives to streamline tax processes.

## Approach to Risk Management

The AIG Tax Department consists of professionals who collectively have the appropriate levels of knowledge and skills to manage AIG's tax affairs and monitor tax risks across the business. AIG's approach to tax risk is based on principles of reasonable care and materiality consistent with business and strategic objectives, recognising that it is difficult to eliminate tax risk entirely.

AIG operates a three lines of defence model to manage tax risk:

- Tax risks are owned by departments and functions (including the AIG Tax Department) that are responsible for the day-to-day tax operations and the related control processes.
- The governance framework ensures appropriate tax governance through identification, challenge, and management of tax risk.
- Internal Audit provides the final level of assurance, independent of the AIG Tax Department.

There are circumstances under which AIG deems it appropriate to consult external advisors, including where:

- There is significant uncertainty or complexity regarding the tax treatment of a transaction;
- AIG requires specialist knowledge on particular tax technical issues; and
- Consequences of new tax legislation or developments are uncertain.

## Code of conduct

All AIG employees are required to comply with the company code of conduct and certify annually to this effect. The code drives behavioural and ethical requirements consistent with AIG's business and strategic objectives and is available on AIG's website.

## Attitude towards tax planning

AIG aims to deliver long-term value to its shareholders and accordingly seeks to be efficient in its tax affairs. AIG does not enter into aggressive tax planning: that which lacks economic substance or which is based on unreasonable assumptions. AIG does not structure transactions to give a tax result that is inconsistent with the underlying economic consequences. Thorough documentation is maintained for all transactions.

## Level of Acceptable Tax Risk

AIG is not prescriptive in terms of the level of acceptable tax risk it undertakes and each matter is assessed on its specific facts and circumstances, and within the governance framework. Due to the size, breadth and complexity of AIG's business, the AIG Tax Department actively and continuously identifies, monitors and manages tax risks to ensure that they remain in line with AIG's business and strategic objectives

## Approach to Dealing with Tax Authorities

AIG seeks to maintain open and constructive relationships with tax authorities. AIG tax personnel will display respect, integrity and professional cooperation in our dealings with tax authorities worldwide.

In dealings with the UK tax authority, AIG seeks to work in partnership with Her Majesty's Revenue and Customs (HMRC) in relation to its tax affairs. In particular, AIG:

- Aims to work in real time with HMRC where possible;
- Makes full disclosure, as required by law, in the event of discovering inadvertent errors in submitted returns;
- Responds promptly and with full disclosure to any enquiries that are received from HMRC;
- Engages in a cooperative, supportive and professional manner in all transactions with HMRC.

AIG regards this document as complying with the duty under Paragraph 16(2), Schedule 19, Finance Act 2016 to publish a group tax strategy.

