

Brown & Brown Inc & Subsidiaries

UK Tax Strategy

Brown & Brown, Inc. & Subsidiaries (“the Group”) regards the publication of this tax strategy as complying with its duty under paragraph 16(2) of Schedule 19 of the Finance Act 2016 to publish its Group tax strategy in the current financial year. Taking each of the requirements of paragraph 16 (2) of Schedule 19 in turn:

1. Approach of the UK Group to risk management and governance arrangements in relation to UK taxation

Brown & Brown, Inc. operates in the UK through two wholly owned UK subsidiaries:

- Decus Holdings (UK), Limited #000006382677
- Decus Insurance Brokers Limited #000006382680

1.1 Governance

Responsibility for the tax strategy, the supporting governance framework and management of tax risk ultimately sits with the Chief Financial Officer. Day-to-day responsibility for each of these areas sits with the Company’s Director of Tax. The Group’s tax strategy aligns to the Group’s wider risk and control framework. Key risks and issues related to tax are escalated to and considered by the Group’s Audit Committee.

1.2 Tax risk management

The Group’s subsidiaries presently operate in five countries and is exposed to a variety of tax risks as follows:

1.2.1 Tax compliance and reporting risks

Risks associated with compliance failures such as submission of late or inaccurate returns, the failure to submit claims and elections on time or where systems and processes are not sufficiently robust to support tax compliance and reporting requirements.

1.2.2 Transactional risks

Risks associated with undertaking transactions without appropriate consideration of the potential tax consequences or where advice taken is not correctly implemented.

1.2.3 Reputational risks

Non-financial tax risks that may have an impact on the firm's relationships with shareholders, clients, tax authorities and the general public.

- *The Group aims to manage tax risk in a similar way to any area of operational risk across the Group. The business is supported by oversight functions, including Tax and Internal Audit functions*
- *The Group routinely engages local country third party CPA and Legal firms to aid in the tax compliance, audit of financials, and the implementation of tax strategies as needed.*
- *As needed, the Group looks to engage with tax authorities to disclose and resolve issues, risks and uncertain tax positions. The subjective nature of global tax legislation means that it is often not possible to mitigate all known tax risks. As a result, at any given time, the Group may be exposed to financial and reputational risks arising from its tax affairs*

2. Attitude of the Group to tax planning (so far as affecting UK taxation)

The Group acknowledges its responsibility to pay the amount of tax, as defined by all rules and regulations, in each of the principal jurisdictions in which it operates.

The commercial needs of the Group are paramount and all tax planning must have a business purpose. The economic benefits associated with tax planning must never override compliance with all applicable laws. The Tax Director will ensure that tax arrangements are well-understood and based on soundly researched techniques. All material tax arrangements are vetted through local jurisdiction third party CPA and of Legal firms. These third-party firms will provide opinion letters to the Group as support for each specific material tax arrangement.

3. Level of risk in relation to UK taxation that the Group is prepared to accept

The Group's tax risk appetite requires that, where tax law is unclear or subject to interpretation, its adopted tax position is at least more likely than not to be allowable under applicable tax laws.

4. Approach towards dealings with HMRC

The firm seeks to comply with its tax filing, tax reporting and tax payment obligations globally. The Group's Tax Director is required to foster good relationships with HMRC, the Group Tax Director will:

- *Proactively manage Brown & Brown Inc.'s (through its Decus Subsidiaries) relationship with HMRC with the aim of minimizing the risk of challenge, dispute or damage to its credibility*
- *Participate in any tax authority formal consultation process where it is expected that the matter under consultation will have a material impact on the Group's liability or the Group's tax compliance management*

This tax strategy is currently awaiting approval by the Board of Brown & Brown Inc. & Subsidiaries. The tax strategy will be updated upon final approval.