

# UK CORPORATE GOVERNANCE CODE STATEMENT

For Saga plc for Financial Year Ended 31 January 2022

We confirm that throughout the year, the Company complied with all principles and provisions of the UK Corporate Governance Code 2018 (the 'Code') other than where explained in the tables below. This statement supplements the information provided on page 60 of the 2022 Annual Report & Accounts (the '2022 ARA').

A copy of the Code is available from the Financial Reporting Council's website.

## 1. BOARD LEADERSHIP & COMPANY PURPOSE

Principles	Status at Saga plc	Commentary
A.	Compliant	The Board met formally 13 times during the year. The schedule of matters reserved for the Board (available on the Saga plc corporate website) was reviewed on 20 September 2021. The governance structure in place clearly sets out delegated authorities. The Board considered progress against long-term strategy at each Board meeting. More information on Company key performance indicators (KPIs), strategic priorities, principal risks and uncertainties (PRUs), and stakeholder engagement is provided in the Strategic Report of the 2022 ARA.
B.	Compliant	The Company's purpose, values and strategy are defined in the Strategic Report of the 2022 ARA. Culture continued to play an important part in delivery of strategy and operation of the business model. The Company's purpose is to deliver exceptional experiences every day, while being a driver of positive change in our markets and communities.
C.	Compliant	The Board and its principal Committees' focus was to provide entrepreneurial leadership of the Company within a framework of prudent and effective controls. This enabled risk to be assessed and managed. The Board and Committee framework meant that the Company's strategic aims were continually assessed and ensured that the necessary resources were in place for Group objectives to be met and to review management performance.
D.	Compliant	The Board remains committed to understanding the views of the Company's key stakeholders and considering their interests in Board discussion and decision making.  The importance of ongoing dialogue with shareholders was recognised. The Group CEO and Group CFO met with shareholders and provided updates to the Board. Advisers attended Board meetings to provide feedback as required and analyst reports were circulated to the Board for discussion.
E.	Compliant	Key policies were reviewed and submitted to the Board as part of an annual review for discussion and approval. These were reviewed in the context of regulatory changes as well as best practice and to reflect the Company's values and training, tailored to the audience. Board members considered a 'Speak Up' report and the Audit Committee Chair served as 'Speak Up Champion'. The People Committee and People Forums provided an effective mechanism for colleagues to speak freely.

### Provisions

The Company was compliant with all provisions of Section 1 of the Code (Provisions 1 to 8) other than Provision 3 with which it was partially compliant. Whilst the Non-Executive Chairman did meet with some shareholders during the year, as he is a significant shareholder in the business, it was determined that it would be more appropriate for the Senior Independent Director, Group CEO and Group CFO to engage with major shareholders in order to understand their views on governance and performance against the strategy.

## 2. DIVISION OF RESPONSIBILITIES

Principles	Status at Saga plc	Commentary
F.	Compliant	The Chairman set the agenda for meetings, managed the meeting timetable (in conjunction with the Group Company Secretary) and facilitated open and constructive dialogue during the meetings, with particular focus on strategic issues.
G.	Compliant	The division of responsibilities between the Non-Executive Chairman and the Group CEO, and the role of the Senior Independent Director were clearly defined. The Non-Executive Chairman was responsible for the leadership and effectiveness of the Board. The Group CEO was responsible for leading the day-to-day management of the Group within the strategy set by the Board. A document clarifying these divisions and responsibilities was reviewed and approved by the Board on 20 September 2021. This document is reviewed annually by the Board. Matters reserved for the Board and the Board and Executive Committees' terms of reference were also reviewed. The Matters Reserved to the Board and the Board Committees' terms of reference can be found <a href="#">here</a> .
H.	Compliant	The Non-Executive Directors provided objective, rigorous and constructive challenge to management and met regularly without the Executive Directors. The Senior Independent Director acted as a sounding board for the Chairman and led an appraisal of the Non-Executive Chairman's performance.
I.	Compliant	The Chairman, in conjunction with the Group Company Secretary, ensured that all Board members received accurate and timely information, had the resources needed and were kept informed on all governance and regulatory matters. This included communication of the policies and procedures needed in order to function effectively and efficiently. A regulatory report detailing the impact of all emerging and future changes was tabled at each Board meeting.

### Provisions

The Company was compliant with all provisions of Section 2 of the Code (Provisions 9 to 16) other than Provision 9. Due to his shareholding in the Company, the Chairman was not considered independent on appointment. Taking into account Roger De Haan's history with the Saga brand and business, his proposed time commitment, the terms of the Relationship Agreement between him and the Company and his letter of appointment, the appointment was deemed to be in the best interests of the Company. Shareholders supported this appointment when they voted in favour of his reappointment at the 2021 AGM.

## 3. COMPOSITION, SUCCESSION & EVALUATION

Principles	Status at Saga plc	Commentary
J.	Compliant	The appointment of new Directors to the Board is led by the Nomination Committee and the process is such that candidates are selected on merit and with due regard for the benefits of diversity, in all forms.
K.	Compliant	The Nomination Committee was responsible for reviewing the composition of the Board, considering succession planning and evaluating the skills, knowledge and experience required of Board candidates. The Company requires all Directors to stand for annual re-election by shareholders at the Company's AGM.
L.	Compliant	The Board conducted an annual evaluation of its own performance and that of its Committees. The Chairman and Non-Executive Chairman met with individual Directors during the year and discussed their contribution.

## Provisions

The Company was compliant with all provisions of Section 3 of the Code (Provisions 17 to 23).

### 4. AUDIT, RISK & INTERNAL CONTROL

Principles	Status at Saga plc	Commentary
M.	Compliant	The Board delegated a number of responsibilities to the Audit Committee, which was responsible for overseeing the Group's financial reporting processes, internal controls and the work undertaken by, and the effectiveness of, the internal and external auditors.
N.	Compliant	The Board has established arrangements to ensure that reports and other information published by the Group are fair, balanced and understandable. The Strategic Report provides information about the performance of the Group, the business model, strategy and emerging PRUs relating to the Group's future prospects.
O.	Compliant	The Board set the Group's risk appetites and Risk Policy. The effectiveness of the Group's risk management and internal control systems was reviewed during the year. The Risk Committee was responsible for monitoring the Group's overall risk appetite, tolerance, strategy and risk assessment processes, effectiveness of the Group's risk management and the Group's capability to identify and manage new and emerging risks and deal with any material breaches of risk limits.

## Provisions

The Company was compliant with all provisions of Section 4 of the Code (Provisions 24 to 31).

### 5. REMUNERATION

Principles	Status at Saga plc	Commentary
P.	Compliant	The Remuneration Committee was responsible for setting levels of remuneration that supported strategy and promoted the Company's long-term sustainable success. Remuneration was structured to link it to both corporate and individual performance, so that the interests of management were aligned with those of shareholders and the Company's key stakeholders. Annual bonus was underpinned by personal objectives which were aligned with the Company's purpose and values and clearly linked to the delivery of the Company's strategy.
Q.	Compliant	Details of the work of the Remuneration Committee and the Remuneration Policy can be found in the Directors' Remuneration Report. A copy of the current Remuneration Policy can also be found on the Company's website ( <a href="http://www.corporate.saga.co.uk/about-us/governance">www.corporate.saga.co.uk/about-us/governance</a> ). None of the Directors were involved in deciding their own remuneration outcome.
R.	Compliant	The Remuneration Committee exercised independent judgement and discretion when considering remuneration outcomes, taking account of Company and individual performance, and wider circumstances. The Committee had the ability to override formulaic remuneration if necessary.

## Provisions

The Company was compliant with all provisions of Section 5 of the Code (Provisions 32 to 41).