

August 2023

**Sabre Insurance Group plc's ('Sabre') Response Financial Reporting Council's ('FRC') Consultation on changes to the UK Corporate Governance Code – September 2023**

Sabre would like to provide the below feedback on the FRC's Consultation on changes to the UK Corporate Governance Code (the 'Code'):

**Section 5 – Remuneration**

The mark up suggests that ESG should become part of the Company's incentive structure.

**Sabre's comment:** We do not believe that ESG should automatically be part of compensation.

Suggestion: Wording amended

**Q10: Do you agree that all Code companies should prepare an Audit and Assurance Policy, on a 'comply or explain' basis?**

**Sabre's comment:** We are supportive of this inclusion in the Code, as this could provide clarity to users of the Annual Report on the extent of assurance obtained on various disclosures within it.

**Q11: Do you agree that amending Provisions 25 and 26 and referring Code companies to the Minimum Standard for Audit Committees is an effective way of removing duplication?**

**Sabre's comment:** We do not know if the removal of Provisions 25 and 26 removes duplication, but the Minimum Standards for Audit Committee is sensible, and effectively describes current good practice, so we are supportive of including the reference in the Code.

**Q12: Do you agree that the remit of audit committees should be expanded to include narrative reporting, including sustainability reporting, and where appropriate ESG metrics, where such matters are not reserved for the board?**

**Sabre's comment:** We agree that it is sensible that external reporting on other topics should fall within the remit of audit committees as this would ensure coherence with all aspects of external reporting.

**Q14: Should the board's declaration be based on continuous monitoring throughout the reporting period up to the date of the annual report, or should it be based on the date of the balance sheet?**

**Sabre's comment:** Making the board's declaration on continuous monitoring of controls throughout the reporting period and up to the date of the annual report is very onerous and we question whether this would really add value as there is a risk that a lot of extra disclosure would be required which would be difficult for users of the annual report to interpret. We think the cost of implementing this

August 2023

could be significant and the value to be obtained is doubtful. A point in time statement of effectiveness at the year-end should be sufficient.

**Q15 – Where controls are referenced in the Code, should ‘financial’ be changed to ‘reporting’ to capture controls on narrative as well as financial reporting, or should reporting be limited to controls over financial reporting?**

**Sabre’s comment:** Extending the definition of controls beyond financial controls requires further consideration and further clarity should be given as to what is actually included. Typically control frameworks over financial controls are much more robust than those over other types of controls so thought should be given to the type of assurance required for each.

**Additional Comment:**

It is felt that adding to the existing responsibilities, many of which are individually sensible proposals, simply adds to costs and makes listing in the UK relatively less attractive.