

ATRIUM GROUP SERVICES LIMITED (“AGSL”)

Compliance with Section 172 of the Companies Act

A Director of the Company must act in accordance with a set of general duties. These duties are detailed in Section 172 of the Companies Act 2006, summarised as follows:

“A director of a Company must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so have regard (amongst other matters) to the following:

The likely consequences of any decisions in the long-term.

The Board of Northshore has set a number of key strategic priorities for Northshore Group for 2023.

These strategic priorities are cascaded to subsidiary entities, including AGSL, to implement. These are summarised as follows:

- We will proactively support and embed the new leadership and governance structure.
- We will take stock of the many initiatives we have implemented over the last few years and will identify key deliverables to provide focus for 2023 on matters that are of greatest priority to us at Atrium in moving us towards our people, culture and Diversity and Inclusion (D&I) goals.
- We will introduce underwriting measurements on Environmental, Corporate and Social Governance (ESG) and climate change.
- We will continue the embedding of Atrium Values.
- We will adopt any Blue Print II activities that deliver efficiencies for Atrium.

The interests of the Company’s employees.

Engaged, enabled, empowered employees who contribute to the best of their potential are fundamental to the long-term success of the business. We employ and develop high calibre staff. We maintain oversight of their performance through an annual performance and development review process. We seek to offer appropriate levels of remuneration which we benchmark using market surveys. We value our employees’ thoughts and ideas and two-way communication is actively sought and encouraged. Our expected standards of behaviour are set out in our Code of Business Principles and Ethics which all staff are expected to adhere to.

The need to foster the Company’s business relationships with customers, supplier and others.

AGSL’s customers, the Northshore Group companies and the Syndicate, are key to the long-term success of the Company. We seek to ensure that all suppliers we trade with provide appropriate value to the Northshore Group and we agree terms of trade with them. We negotiate and maintain key contracts and agreements on behalf of the Northshore Group of companies including the Syndicate. All entities that we provide services to are provided with detailed disclosure of the expenses that have been settled on their behalf.

The impact of the Company’s operations on the community and environment.

Atrium is a responsible member of its community as it reflects our culture and matters to our staff and local community. Atrium has a strong culture of supporting staff in both individual and group volunteering and fundraising initiatives. In 2021 Atrium set up a Culture Committee in response to the increase in strategic emphasis in culture and also to help co-ordinate across the various employee led groups working on areas such as working practices, ESG, CSR and D&I. The role of the CSR Committee

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is to coordinate CSR activities within Atrium, these encompassed working with an educational charity partner and partnerships with a CSR presence in the London Market; encouraging staff to volunteer at local community projects and participate in local events; and providing corporate sponsorship of charitable activities.

The desirability of the Company maintaining a reputation for high standards of business conduct.

AGSL, and the wider Northshore Group, seeks to achieve and maintain a reputation for demonstrating a high standard of business conduct as this has a positive impact on interactions with and reviews required by Regulators. We maintain an open dialogue with regulators and seek to maintain a strong and trusted reputation on behalf of the Northshore Group companies we provide services to.

The need to act fairly as between shareholders of the Company.

AGSL is a wholly owned subsidiary of AUGL and at the balance sheet date was ultimately owned by Northshore. We have an on-going dialogue with both AUGL and Northshore. Formal communication of financial results is provided on a quarterly basis. We engage with AUGL to ensure that the strategic direction of the business is aligned with group objectives.

Material decisions impacting stakeholders which took place in the year ended 31 December 2022.

During the year the Northshore Group considered its strategic priorities for 2022 which included delivering the ambitious Syndicate Business Plan in an increasingly challenging market. As managing agent of the Syndicate, the Board of Atrium Underwriters Limited (AUL) approved the business plan for 2023 year of account for the Syndicate which included significant premium income growth and led to increasing the stamp capacity for the Syndicate from £651.1m for the 2022 year of account to £872.6m for the 2023 year of account. The impact that this would have on the expenses base of AGSL was considered as part of the detailed financial review that is completed annually.

The Board of AGSL carries out a detailed financial review each year which includes revenue streams in the form of fee income and a detailed expense review where requirements of all stakeholders are considered. The output of this exercise determines how much dividend the Company is able to pay to its shareholder.

The Board of Northshore continued to develop the internal and external communications strategy, articulating the Atrium culture, values and strengths to a wider audience in order to increase exposure and to help attract and retain talent. During the year the Atrium values and behaviours were launched with most employees attending workshops in order to understand and embed the values. Our new website was launched during the year and the Atrium story is covered externally through social media channels. During the year the Board continued to rebuild its reputation internally and externally following the Notice of Censure. There were a series of actions for the Board of AUL to address following the Notice of Censure and remedial action, where required, has been completed in 2022. Atrium employees took part in the Lloyd’s Culture Survey with positive results relayed to the business following publication of the survey results.

A key area of focus in 2022 was career and talent development. The Board launched its Talent Charter which sets out how Atrium will support its employees with their career development, with an underlying ambition for a more diverse workforce. The Performance & Development review process was reviewed in detail and the Board of Northshore believes changes implemented now reflect the needs of our employees and support them with their career development. The Board of Northshore

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encouraged and facilitated an increasing number of in-person development opportunities during the year following the release of all COVID-19 restrictions.

The Board of AUL approved an ESG framework during 2022, meeting expectations of Lloyd’s and other stakeholders. The framework was designed to be embedded into all of our decision making and was presented to all of our staff to ensure that they have an understanding of the Board of Northshore ambitions, timelines and measurements so that progress can be tracked.