

ALOPUC LIMITED (“ALOPUC”)

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 has set a number of key strategic priorities for 2023 at an Atrium group level as set out below:

- Deliver high quality, timely and focused services to its managed Syndicate;
- Be a highly effective, agile and efficient organisation, seeking to deliver scalable services;
- Create a culture of learning and continuous improvement, optimising processes and systems; and
- Operate a highly motivated workforce.

The Group also has a number of strategic priorities for 2023 which can be summarised as follows:

- We will aim to exceed our financial objectives and agreed 2023 Syndicate Business Plan.
- We will determine and execute underwriting strategy to maximise the return from the current market conditions, ensuring we can absorb all attractive new business opportunities.
- 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 D&I.
- We will introduce underwriting measurements on 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.
- We will continue to develop our digital underwriting capabilities.

These priorities reflect the need to consider the interests of our staff and the need to keep pace with market initiatives and technological changes so the business is appropriately positioned to take best advantage of market conditions. The strategic priorities are cascaded down to individuals within the business through the Performance and Development Review process.

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.

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

Atrium’s customers, our (re-)insureds, are key to the long-term success of our business. We seek to grow and maintain our customer base. Our reputation needs to be preserved to protect our position as the specialist insurance and reinsurance business of choice and achieve our growth ambitions. Business is sourced through Lloyd’s Brokers and Coverholders. They are key business partners and we set out our relationship in terms of business or service level agreements. We maintain oversight of these arrangements as well as making sure our customers receive appropriate level of disclosure.

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 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.

The Atrium Group includes a registered Lloyd’s Managing Agency, AUL, which is authorised and regulated by the PRA and regulated by the FCA. AUL must comply with regulatory rules and minimum standards in order to maintain its licence to operate. Over and above this Atrium 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 all regulators and seek to maintain a strong and trusted reputation.

We get the majority of our capital to support the Syndicate from third party members of Lloyd’s whose affairs are managed by Members Agents. We therefore have a duty to ensure all capital providers are treated fairly and equitably. We maintain an open and regular dialogue with those agents to ensure that the members can make an informed decision about continued support of our business.

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

The Company at the balance sheet date was ultimately owned by Northshore. We have an ongoing dialogue with Northshore. Formal communication of financial results is provided on a quarterly basis. We engage with Northshore 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 Board considered its strategic priorities for 2022 which included delivering the ambitious Syndicate Business Plan in an increasingly challenging market. The Board approved the business plan for the 2023 year of account for the Syndicate which included significant premium income growth and led the Board to increasing the stamp capacity for the year Syndicate from £652m for the 2022 year of account to £873m for the 2023 year of account. This received full support from our capital providers. The actual financial results for the Syndicate for 2022 show a reduction in profitability compared to the prior year as a result of unrealised investment losses and an increase in

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catastrophe losses in the year. However, premium growth as in excess of plan, particularly for the Aviation class, where underwriters took advantage of significant rate rises in the year.

The Board 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.

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 believes changes implemented now reflect the needs of our employees and support them with their career development. The Board encouraged and facilitated an increasing number of in person development opportunities during the year following the release of all COVID-19 restrictions.

The Board 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’s ambitions, timelines and measurements so that progress can be tracked.

The Board carries out a detailed financial review each year for all group companies which includes revenue streams and a detailed expenses review where requirements of all stakeholders are considered. The output of this exercise determines how much dividend the group is able to pay to its shareholder.