

# MS Amlin Underwriting Limited

## Section 172(1) Statement

The Companies Act 2006 has been updated to include a new statutory reporting requirement for financial reporting years beginning on or after 1 January 2019. As a result, the Directors of the Company are required to give an annual statement which describes how the Directors have had regard to the matters set out in section 172(1) of the Companies Act 2006 when discharging their duty under that section.

Under section 172 of the Companies Act 2006, the Directors of a Company must act in the way that 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. In doing so, they should have regard to other factors, including but not limited to: (a) the likely consequences of any decision in the long term; (b) the interests of the Company's employees; (c) the need to foster the Company's business relationships with suppliers, customers and others; (d) the impact of the Company's operations on the community and the environment; (e) the desirability of the Company maintaining a reputation for high standards of business conduct; and (f) the need to act fairly as between members of the Company.

The Directors of the Company are fully aware of their responsibilities to promote the success of the Company in accordance with section 172 of the Companies Act 2006. Management ensure that the Board are assisted in considering key stakeholders as part of the process for setting strategy and making decisions by considering relevant stakeholder considerations as appropriate, for inclusion in board papers and in the information provided to the Board before Board meetings.

The Directors acknowledge that effective and meaningful engagement with stakeholders, and the positive performance against the Company's KPIs were key to promoting the success of the Company. Given the activities of the Company (and the fact that it has no employees), our key stakeholders are identified as Mitsui Sumitomo Insurance Company, Limited (the Sole Shareholder); our suppliers; the Company's regulators; the community; and the environment. The following paragraphs explain how they were considered in principal financial decisions during 2019:

- Payment of Dividends – during the year the Company declared a total of £42 million in dividends to its parent, MS Amlin Corporate Services Limited. Prior to announcement, the directors ensured they understood the impacts of this decision on the Company's stakeholders. The primary factor was to ensure that all Lloyd's solvency requirements were comfortably met and the Company would remain liquid and able to meet its financial obligations as they fall due.
- Sale of Investment Property – in October 2019 the Company completed the sale of its investment property, a freehold land and building at Victoria Road, Chelmsford, to its parent, MS Amlin Corporate Services Limited, as a result of better understanding the property's purpose within the MS Amlin group. This decision was taken to benefit the Company's stakeholders by bringing the owner of the property and the third party tenant closer together and streamline the subsequent transactions.