

MS Amlin Corporate Member Limited

Section 172 (1) Statement for Year Ending 2022

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 need to foster the Company's business relationships with suppliers, customers and others; (c) the impact of the Company's operations on the community and the environment; (d) the desirability of the Company maintaining a reputation for high standards of business conduct; and (e) 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 understand stakeholders needs when making decisions by ensuring rigorous forecasts are undertaken before key decisions are made and any potential issues are resolved.

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; our employees; the community; and the environment. The following paragraphs explain how they were considered in principal financial decisions during 2022:

- **Long Term Incentive Plan** – the Company has a Long Term Incentive Plan eligible on a discretionary basis to all staff working for the benefit of the Syndicate and the Company. Subject to performance and service conditions, participants are entitled to receive an award in MS&AD shares or an equivalent in cash. This will ensure that the Company will continue to retain leading talent throughout its teams to be able to lead and drive future sustainable growth of the Company and the Syndicate. An independent Employee Benefit Trust exists as a vehicle to hold shares in MS&AD to facilitate employee share incentive arrangements.
- **Investment strategy** – the Board has outlined the risk tolerance of the Company's and Syndicate's investment strategy to ensure responsible investment decisions are made. They understand the importance of investing responsibly to ensure both risk and reward are optimal to meet the Company's financial requirements, which is formalised within the Company's Responsible Investment Principles as part of the Investment Policy.

- **Employees** – as the Company has no employees, it relies on employees of MS Amlin Corporate Services Limited ('MS ACS') for the management and execution of its operations. Therefore, the directors understand that the decisions they make will have a significant impact on the employees of MS ACS. The directors recognise that these employees are fundamental to its long-term success and seek to promote the interests of all employees. During 2022, MS AUL was the proud global sponsor of the Dive In festival for the fourth year running. Dive In is a global festival for diversity and inclusion in insurance to support the development of inclusive workplace cultures. Diversity and inclusion are core values of MS Amlin and an area that the Board are committed to supporting.
- **Capital** – the Board operates a Capital Management Policy, to ensure it meets the capital requirements applicable to it and the Syndicate, as well as it is able to respond to reasonably severe but plausible scenarios as set out in the going concern assessment. It does this by having access to letter of credit facilities, and arrangements with its parent MSI. During the year, this Capital Management Policy was put into effect as a number of banks exited the letter of credit facility reducing capital capacity and the response was for MSI to acquire an additional share in the Company for consideration of £300.0 million.

Approved by the Board and signed by order of the Board.

A J Carrier
Director
12 May 2023