

Section 172(1) Statement

Introduction

The Ki Financial Limited Directors' key responsibility is to promote the success of the Group. This principle is the cornerstone of their discussions and decision making. Each Director is cognisant that in discharging this key responsibility, they must have regard to:

- The likely consequences of any decisions in the long-term;
- The need to foster the Group's business relationships with suppliers, customers and others;
- The impact of the Group's operations on the community and environment;
- The desirability of the Group maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between shareholders of the Group.

The Directors of Ki Financial Limited consider, both individually and collectively, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole (having regard to the stakeholders and matters set out in Section 172(1)(a)–(f) of the Companies Act 2006 (Section 172(1))).

Strategic report (continued)

Section 172(1) Statement (continued)

Our strategy

The Board is responsible for a number of key strategic decisions, including approving the business plans, objectives and strategy of the Group. It is also responsible for on-going performance monitoring, recommending dividends and for setting dividend policy.

The Directors determine and monitor underwriting, reserving, business, operational, credit, market and liquidity risk appetites and tolerances. They ensure the Group has an effective risk management framework in place.

Board information

The board of KFL ('Board') receives information on a range of relevant topics and receives information on other areas as requested by the Directors from time to time.

Our policies and practices

All relevant factors are appropriately addressed by the Board when considering matters.

It ensures that all relevant considerations to assist it discharge its responsibilities are embedded in the key operations of the business in order to help it promote the long-term success of the Ki Group.

Training

To assist the Directors to discharge their responsibilities, they are provided with on-going training and development opportunities. They have received a number of in-depth briefings on specific relevant issues.

For the wider workforce, there is a comprehensive staff development programme tailored to meet individual needs. Elements of this training are mandatory, with all staff required to successfully complete e-learning modules on key areas such as money laundering, bribery and corruption, data protection, fraud and cyber risk.

Our culture

Building and maintaining the Group's reputation and its high standards of business conduct are essential to the future success of the Group. This is embedded in our culture.

Our stakeholders

The Board recognises the importance of engaging with both its shareholders, Blackstone and Brit Group, and its broader stakeholder base. The broader stakeholder base includes Lloyd's of London, Fairfax Group, its clients, broking partners, reinsurers, investment managers, bankers and suppliers.

Key decisions made by the Directors during the year

- **2025 business plan and capital requirements**
The Directors approved the 2025 business plan, together with the capital required to support that plan. This plan included the Ki Group's underwriting and investment strategies. The Directors considered the Group's immediate and longer-term strategic priorities, together with the risks facing the business. They also considered the needs and expectations of the Group's shareholders. After due discussion, the Directors concluded that the business plan, and attaching capital requirements, positioned the Group well for 2025 and the longer term.
- **Restructuring activities**
The Directors approved the approach to Ki becoming an autonomous Fairfax Group company, separate financially and operationally from Brit Group. Work will continue on the separation of systems and data throughout 2025, a major project that also offers opportunities for Ki to ensure these are tailored to our needs.