

BRIT UW LIMITED

SECTION 172 (1) STATEMENT

31 DECEMBER 2019

Registered No. 03217775

This Section 172 (1) Statement is reproduced from Brit UW Limited's 2019 'Strategic Report, Directors' Report and Financial Statements' document which was approved by its Board on 24 September 2020.

Introduction

As Directors, our key responsibility is to promote the success of the Company. This principle is the cornerstone of our discussions and our decision making. Each Director is cognisant that in discharging this key responsibility, they must have regard to matters set out in s172(1)(a-f) of the Companies' Act. The Directors 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 Company.

Our strategy

The Board is responsible for a number of key strategic decisions and on-going performance monitoring. The Directors' assessment of long-term value creation considers the Company's resilience. They determine and monitor risk appetites and tolerances, and they ensure the Company has an effective risk management framework in place.

Board information

The 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 reserved for it, as set out in its terms of reference. 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 promote the long-term success of the Company.

The Board reviews its key stakeholder map on an annual basis. New key stakeholder relationships are identified through information received and considered by the Board on a regular basis, or through the Board's consideration and approval of substantial contracts and commitments.

Training

To assist the Directors 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 Company's reputation and its high standards of business conduct are essential to the future success of the Company. This is embedded in our culture and in our new brand purpose, launched in October 2019. The wider group also maintains a 'Code of Conduct' setting out the standard we expect from all of our staff. This is regularly reviewed and updated, and compliance is attested to by each employee on an annual basis.

Our stakeholders

The Board recognises the importance of engaging with its broader stakeholder base. Key stakeholders are set out above, together with why and how we engage with them and the outcomes of that engagement.

Key decisions made by the Directors during the year

- **Reinsurance contract with Brit Reinsurance (Bermuda) Limited**

During the year, the Company renewed a fully collateralised material reinsurance contract with a Group company, Brit Reinsurance (Bermuda) Limited, the benefit of which is charged in favour of Lloyd's, for a premium of US\$78.0m (2018: US\$75.1m). In approving this contract, the Directors considered the limits and terms of this contract and, after reviewing a report commissioned from an independent expected, approved the premium payable for this contract.

- **Mid year coming into line requirements**

In July 2019, The Directors considered the options available to fund its capital requirements in respect of its Syndicate participations. After careful consideration, the Board agreed to fund these requirements by way of a US dollar payment into 'Funds in Syndicate', in turn funded by intra group borrowings from its immediate holding company, Brit Insurance Holdings Limited, and a draw down on the Group revolving credit facility. In concluding that this was the best course of action, the Directors considered to promote the success of the Company.

- **2020 underwriting participations and capital requirements**

The Directors selected and approved its 2020 syndicate participations, together with the capital needed to support those participations. The Directors considered the Company's immediate and longer-term strategic priorities, together with the risks facing the business. They also considered the needs and expectations of the Company's shareholders. After due discussion, the Directors concluded that the planned participations and attaching capital requirements positioned the Company well for 2020 and the longer term.