

KI FINANCIAL LIMITED
SECTION 172 (1) STATEMENT
31 DECEMBER 2023

Registered No. 12594708

This Section 172 (1) Statement is reproduced from Ki Financial Limited's 2023 'Strategic Report, Directors' Report and Financial Statements' document which was approved by its Board on 1 May 2024.

Introduction

The Ki Financial Limited Directors' key responsibility is to promote the success of the Company. 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 Company's business relationships with suppliers, customers and others;
- The impact of the Company's operations on the community and environment;
- The desirability of the Company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between shareholders of the Company.

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 Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1) (a-f) of the Act).

Our strategy

The Board is responsible for a number of key strategic decisions, including approving the business plans, objectives and strategy of the Company. 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 Company has an effective risk management framework in place.

Board information

The board of the Company ('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 Company.

Training

To assist the Directors discharge their responsibilities, 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.

Our brand purpose informs everything we do, from how we communicate, to how we develop and deliver our services, to how we work together.

Our stakeholders

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

Key decisions made by the Directors during the year

- **Approval of 2022 financial statements**

The Directors approved the Company's strategic report, directors' report and financial statements for the year ended 31 December 2022 in April 2023.

- **2024 business plan and capital requirements**

The Directors approved the 2024 business plan, together with the capital needed to support that plan. This plan included the Ki Group's underwriting and investment strategies. 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 business plan, and attaching capital requirements, positioned the Company well for 2024 and the longer term.

- **Launch of Ki Digital Services Limited (KiDS)**

In 2023 the Directors approved the launch of a new business model providing transformational change for the Lloyd's market. From 1 January 2024, Syndicate 1618 and two partner syndicates are underwriting on a delegated basis through KiDS, a subsidiary of KFL, meaning that brokers are now able to access third-party digital capacity, directly through the Ki platform. The Board considered and approved the opportunity for Ki to become the first algorithmic underwriting business in the market to offer capacity from multiple Lloyd's syndicates across property, specialty, and casualty.

- **Letter of credit facility**

The Board considered and approved amendments to the letter of credit facility. Over 2023, the facility size remained at \$180m, with the utilised proportion of the facility dropping from \$180m to \$150m at the end of May. From August, collateral was posted against the facility to reduce its cost. The Board concluded the facility appropriately supported Ki's future plans and was in the interest of its shareholders.