Board of Directors

A purpose-driven Board

B R N

Philip Broadley
Non-Executive Chair

Date of appointment to the Board: 8 November 2023
Board meeting attendance: 4/4

Skills, experience and qualifications:

Philip Broadley was appointed as a Non-Executive Director to the Board on 8 November 2023. He assumed the role of Chair on 1 May 2024. Philip was Group Finance Director of Prudential plc from 2000 until 2008 and subsequently held the same position at Old Mutual plc from 2008 until 2014. He has served as Chairman of 100 Group of Finance Directors and as a member of the Code Committee of The Takeover Panel. He chaired the Group Audit Committee of Legal & General for six years. Prior to his board roles, Philip began his career at Arthur Andersen in 1983, becoming a partner in 1993, where he specialised in auditing banks and insurance companies. Philip is a Fellow of the Institute of Chartered Accountants in England and Wales. Philip graduated in Philosophy, Politics and Economics from St. Edmund Hall, Oxford, where he is now a St. Edmund Fellow. He holds an MSc in Behavioural Science from the London School of Economics.

External appointments/Other roles:

Philip is Senior Independent Director and Audit Committee Chair at AstraZeneca PLC and a Non-Executive Director of Legal & General Group Plc.

B U

Alex Maloney
Group Chief Executive Officer

Date of appointment to the Board: 5 November 2010
Board meeting attendance: 4/4

Skills, experience and qualifications:

Alex Maloney joined Lancashire in December 2005 and was appointed Group Chief Executive Officer in April 2014. On joining, Alex was responsible for establishing and building the energy underwriting team and account and, in May 2009, was appointed Group Chief Underwriting Officer. Since November 2010, Alex has served as a member of the Board and was appointed Chief Executive Officer of Lancashire Insurance Company (UK) Limited in 2012. Alex has over 30 years' underwriting experience and has also worked in the New York and Bermuda markets.

B I

Natalie Kershaw
Group Chief Financial Officer

Date of appointment to the Board: 1 March 2020
Board meeting attendance: 4/4

Skills, experience and qualifications:

Natalie Kershaw joined Lancashire in December 2009 as the Group Financial Controller and has also held the positions of Chief Financial Officer of Lancashire Insurance Company Limited and Group Chief Accounting Officer. She has over 20 years' experience of the insurance/reinsurance sector with previous roles at Swiss Re, ALAS (Bermuda) Ltd and PwC. Natalie graduated from Jesus College, Oxford University in 1996 with a first class degree in Geography and is a Fellow of the Institute of Chartered Accountants in England and Wales. Natalie was appointed to the Board of Lancashire Holdings Limited as an Executive Director on 1 March 2020.

Key
Chair | B Board of Directors | A Audit Committee | I Investment Committee | N Nomination Corporate Governance and Sustainability Committee | R Remuneration Committee | U Underwriting and Underwriting Risk Committee

Board of Directors *continued*

B U

Paul Gregory
Group Chief Underwriting Officer

Date of appointment to the Board: 1 May 2024
Board meeting attendance: 2/2

Skills, experience and qualifications:

Paul Gregory has led the underwriting operations of the Lancashire Group since May 2014 as Group Chief Underwriting Officer. Paul joined Lancashire in 2007 as part of the team responsible for underwriting the energy portfolio. In January 2009, he was appointed Chief Underwriting Officer of Lancashire Insurance Company (UK) Ltd and was responsible for all business underwritten from the platform. Paul also served as Chief Executive Officer of Lancashire Insurance Company (UK) Ltd between 2014 and 2019. Paul has been a member of the Lancashire Holdings board's Underwriting and Underwriting Risk Committee since 2010 and has served as Chief Executive Officer of Lancashire Capital Management (LCM) since 2021. Prior to working at Lancashire, Paul was an energy underwriter at AIG and he started his career at Marsh as an Account Executive in the Energy team as part of the Marsh graduate scheme.

B

Bob Cox
Non-Executive Director

Date of appointment to the Board: 1 January 2025
Board meeting attendance: 0/0

Skills, experience and qualifications:

Bob Cox is an experienced insurance underwriter and senior manager with experience of US and international insurance markets. Bob was appointed by resolution of the LHL Board on 5 November 2024 and became a Non-Executive Director of LHL with effect from 1 January 2025. Bob joined Markel in 2018 as the President and Chief Operating Officer, Insurance Operations and stepped down from that role in December 2023. During his tenure, Bob oversaw Markel's global insurance operations, including its specialty and international divisions and served on several subsidiary boards across the Markel group. He played a key strategic and operational role during a period of significant growth and profitability. Prior to joining Markel, during a long career at Chubb, Bob served in a number of leadership positions within Chubb Specialty Insurance including roles as Chief Underwriting Officer and later as the Chief Operating Officer. Bob was first employed by the Chubb group in 1981, as an underwriter in Chubb's Department of Financial Institutions. He specialised in underwriting Directors and Officers (D&O) and Errors and Omissions (E&O) insurance, while also gaining knowledge of other lines of insurance for financial institution clients in US and international risk.

External appointments/Other roles:

Bob also serves as a Director on the Board of American Bankers Mutual Insurance Company Limited, based in Bermuda.

B N R U

Michael Dawson
Non-Executive Director

Date of appointment to the Board: 3 November 2016
Board meeting attendance: 4/4

Skills, experience and qualifications:

Michael Dawson has more than 40 years' experience in the insurance industry, having started his career at Lloyd's in 1979. He joined Cox Insurance in 1986 where he was the Chief Executive from 1995 to 2002. In 1991, Michael formed and became the underwriter of Cox's and subsequently Chaucer's specialist nuclear syndicate 1176, where he remains the active underwriter. Between 2005 and 2008, Michael was appointed Chief Executive of Goshawk Insurance Holdings PLC and its subsidiary Rosemont Re, a Bermuda reinsurer. Michael served on the Council of Lloyd's from 1998 to 2001 and on the Lloyd's Market Board from 1998 to 2002.

External appointments/Other roles:

Michael is Deputy Chairman of the Management Committee of Nuclear Risk Insurers Limited. He is also a Director of Knoll Investments Limited, and Glengau Limited, all private family companies.

Key: Chair; B Board of Directors; A Audit Committee; I Investment Committee; N Nomination Corporate Governance and Sustainability Committee; R Remuneration Committee; U Underwriting and Underwriting Risk Committee

B R U A

Jack Gressier
Non-Executive Director

Date of appointment to the Board: 26 July 2022
Board meeting attendance: 4/4

Skills, experience and qualifications:

Jack Gressier has over thirty years' experience in the insurance industry, including as Chief Operating Officer of Axis Capital Holdings Ltd. and the Chief Executive Officer of its Insurance segment. He served as an underwriter at Charman Underwriting Agencies from 1989 until 1998, when acquired by ACE Limited. At ACE, he served in a number of senior roles including as a member of the Global Markets Executive Underwriting Committee and was appointed Joint Active Underwriter of Syndicate 2488 and Director of the ACE Agency Board, where he served until joining AXIS in 2002.

External appointments/Other roles

Jack currently serves as Non-Executive Chair to strategic intelligence firm, Herminius Holdings Ltd. Previous Non-Executive appointments include Chair of Syndicate Holdings Corp, the holding company for the Lloyd's managing agency, Vibe Syndicate Management. In addition, Jack served as Non-Executive Chair of Limehouse Agencies Limited.

B A U

Bryan Joseph
Non-Executive Director

Date of appointment to the Board: 26 April 2023
Board meeting attendance: 4/4

Skills, experience and qualifications:

Bryan Joseph is a Fellow of the Institute and Faculty of Actuaries with over 40 years of experience in the insurance and reinsurance industry. Having started his career as a trainee actuary in Legal & General, Bryan held a number of senior roles in the industry including partner and global chief actuary for PwC. Bryan left PwC in 2015 and founded Vario Partners LLP, an ILS consultancy specialising in transforming underwriting risk into capital markets. In 2016, Bryan joined XL Catlin (now AXA XL) as an independent Non-Executive Director serving in a variety of Non-Executive Director and Committee Chair roles within the AXA XL group including as Chair of the UK audit committees, and as Chair of XL Insurance Company SE, the group's European and Asia Pacific-focused entity, overseeing its move to the Republic of Ireland and merger with AXA. Bryan stepped down from all AXA XL directorships in 2023 to take on his role with Lancashire. Bryan is also a Director of Lancashire Syndicates Limited, where he is Chair of the Risk and Compliance Committee.

External appointments/Other roles:

Bryan remains a partner on Vario Partners LLP and a Director of Vario Global Capital Limited, the Vario operating company. Bryan was appointed as a Non-Executive Director for Sabre Insurance Group plc in June 2023 and as the company's Senior Independent Director in May 2024. In July 2024, Bryan was appointed as a Non-Executive Director for CFC Underwriting Limited.

B A I R

Robert Lusardi
Senior Independent Non-Executive Director

Date of appointment to the Board: 8 July 2016
Board meeting attendance: 4/4

Skills, experience and qualifications:

From 1980 until 1998, Robert Lusardi was an investment banker in New York, ultimately as a Managing Director specialising in the insurance and asset management industries. From 1998 until 2005, he was a member of the Executive Management Board of XL Group Ltd. (now AXA-XL Group), first as Group CFO then as CEO of one of their three operating/reporting segments; from 2005 until 2010 he was an EVP of White Mountains (an insurance merchant bank) and CEO of certain subsidiaries; and from 2010 to 2015 he was CEO of PremieRe Holdings, a private insurance entity. He has been a Director of a number of insurance-related entities including Symetra Financial Corporation, Primus Guaranty Ltd., OneBeacon Insurance Group Ltd., Esurance Inc., Delos Inc., Pentelia Ltd. and FSA International Ltd. He received a BA and MA degree in Engineering and Economics from Oxford University, an MBA from Harvard University, and a PhD from Barry University.

External appointments/Other roles:

Robert is a board member of Oxford University's 501(c)(3) charitable donations entity.

Key: Chair | B Board of Directors | A Audit Committee | I Investment Committee | N Nomination Corporate Governance and Sustainability Committee | R Remuneration Committee | U Underwriting and Underwriting Risk Committee

Board of Directors *continued*

B N R

Irene McDermott Brown
Non-Executive Director

Date of appointment to the Board: 28 April 2021
Board meeting attendance: 4/4

Skills, experience and qualifications:

Irene McDermott Brown most recently held the position of Chief Human Resources Officer at M&G plc, a FTSE 100 international savings and investments firm, retiring from that role on 31 December 2021. Her executive career has included international Human Resources roles at Barclays, BP, and Cable and Wireless. Irene's UK experience includes over 12 years at Mercury Communications, Digital Equipment Company and the Electricity Supply Industry. She has an MSc from the London School of Economics in Industrial Relations and is a Fellow of the Chartered Institute of Personnel and Development.

External appointments/Other roles:

Irene was appointed as a Non-Executive Director of IntegraFin Holdings plc, the holding company of a leading UK investment platform, in January 2025.

B

Nathalie Rachou
Non-Executive Director

Date of appointment to the Board: 5 November 2024
Board meeting attendance: 0/0

Skills, experience and qualifications:

Nathalie Rachou has strong asset management and capital markets experience, with commercial and financial expertise across several sectors including as a senior manager and entrepreneur. Nathalie worked at Banque Indosuez and Crédit Agricole Indosuez from 1978 until 1999, She was company secretary from 1991 to 1996 and from 1996 to 1999, served as Global Head of Foreign Exchange and Foreign Exchange Options. In 1999, Nathalie founded Topiary Finance Ltd, an asset management company of which she remained the CEO until its merger with Rouvier Associés in 2015. At Rouvier Associés-Clartan, Nathalie was a senior advisor until 2020. Nathalie has a Masters in Management at Ecole des Hautes Etudes Commerciales (HEC), and completed an executive programme at INSEAD.

External appointments/Other roles:

Nathalie is a member of the board of UBS Group AG, based in Switzerland, and serves on the Audit Committee and the Governance and Nominations Committee. Nathalie is also a member of the supervisory board of Euronext NV, where she chairs the Remuneration Committee and is a member of the Nomination and Governance Committee, the Audit Committee and the Risk Committee. Since 2023, Nathalie has served on the board of Fondation Leopold Bellan.

B A I

Linda Ventresca
Non-Executive Director

Date of appointment to the Board: 7 August 2024
Board meeting attendance: 1/1

Skills, experience and qualifications:

Linda Ventresca is an experienced senior leader in the insurance industry, having worked at AXIS Capital from 2003 to 2023. She most recently served as Head of Digital at AXIS Capital and previously held a number of leadership roles at AXIS, including Chief Strategy Officer, Chief Transformation Officer, and Head of Corporate Development and Investor Relations and served as a Director of Axis Reinsurance Company. She joined AXIS Capital from MMC Capital (predecessor firm to Stone Point Capital) where she was a private equity investment associate integrally involved in the formation of AXIS Capital. Linda commenced her career as an analyst in the financial institutions investment banking operations of UBS Securities, LLC and Donaldson, Lufkin & Jenrette. She has served as a Director on a number of boards and in an advisory capacity, with a focus on the insurance sector. She holds an M.B.A. from Columbia Business School and a B.S.E. in bioengineering from the University of Pennsylvania.

External appointments/Other roles:

Linda is a member of the board of Velocity Holdco., LLC, the holding company of a managing general agency/carrier hybrid specialising in excess and surplus lines insurance for the US property market.

Key: Chair; B Board of Directors; A Audit Committee; I Investment Committee; N Nomination Corporate Governance and Sustainability Committee; R Remuneration Committee; U Underwriting and Underwriting Risk Committee

B A N

Sally Williams
Non-Executive Director

Date of appointment to the Board: 14 January 2019
Board meeting attendance: 4/4

Skills, experience and qualifications:

Sally Williams is an experienced Audit Committee Chair with extensive risk, compliance and governance experience, having held senior positions with Marsh, National Australia Bank and Aviva. Sally is a chartered accountant and spent the first 15 years of her career with PwC, where she held senior roles in their financial services risk management and audit practices. She also undertook a two-year secondment from PwC to the Bank of England. Sally is also a Director of Lancashire Insurance Company (UK) Limited where she chairs the Audit Committee.

External appointments/Other roles:

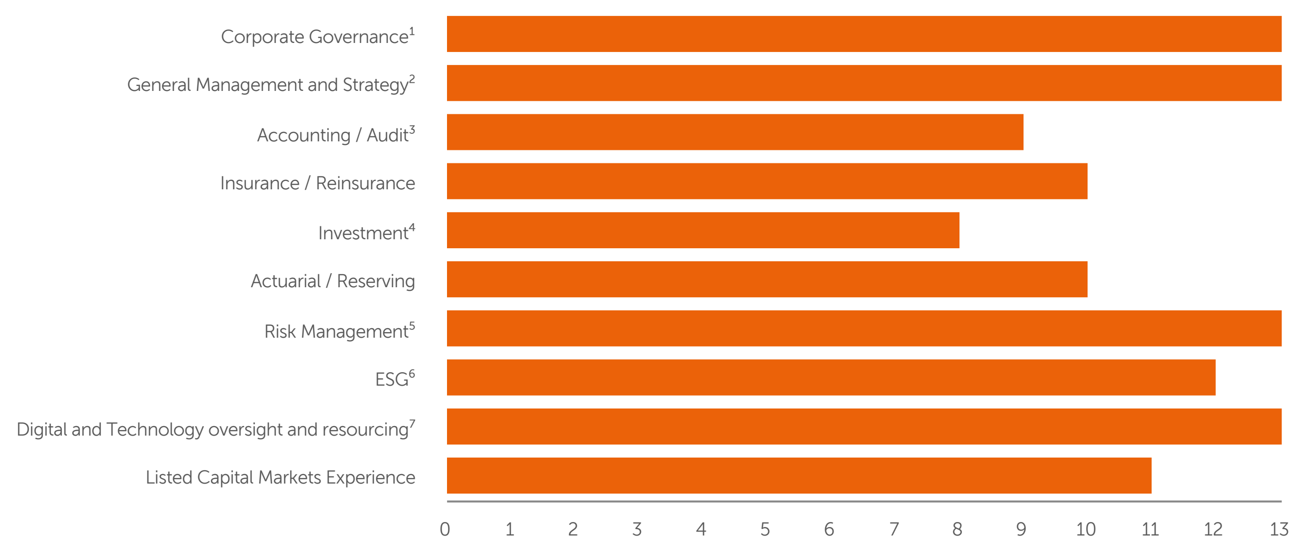
Sally is a Non-Executive Director of Family Assurance Friendly Society Limited (OneFamily), where she is Chair of both the Audit Committee and the With Profits Committee, and a member of the Risk, Nominations and Member & Customer Committees. Sally is also a Non-Executive Director of Close Brothers Group plc and Close Brothers Limited, where she is a member of the Audit and Risk Committees. Sally is a Trustee of the charity Ovarian Cancer Action, where she chairs the Audit and Risk Committee.

Christopher Head
Company Secretary

Skills, experience and qualifications:

Christopher Head is a qualified solicitor and joined Lancashire in September 2010. He was appointed Company Secretary of LHL in 2012 and advises on issues of corporate governance and generally on legal affairs for the Group. He also advises on the structuring of Lancashire's third-party capital underwriting initiatives, which have included the Accordion and Kinesis facilities. Prior to joining Lancashire, he was in-house Counsel with the Imagine Insurance Group, advising specifically on the structuring of reinsurance transactions. He transferred to Max at Lloyd's in 2008 as Lloyd's and London Counsel. Between 1998 and 2006, Chris was Legal Counsel at KWELM Management Services Limited, where he managed an intensive programme of reinsurance arbitration and litigation for insolvent members of the HS Weavers underwriting pool. Chris worked until 1998 at Barlow Lyde & Gilbert in the Reinsurance and International Risk Team. Chris has a History MA and legal qualification from Cambridge University.

Director skills matrix



1. Including legal, regulatory and compliance
2. Including business development and M&A
3. Including competence in accounting or auditing, and recent and relevant financial experience
4. Investment Treasury, portfolio and asset-liability management
5. Including internal control and internal audit processes
6. Including sustainability and climate change
7. Including oversight of data management, information security and cyber

The Board and Committees

Board and Committee administration

The Board of Directors is responsible for overseeing and monitoring the effective leadership and performance of Lancashire's business. The Board agrees the Group's strategy and monitors performance. It ensures an appropriate focus on opportunities, risks and a framework of controls designed to deliver the profitable and long-term sustainable success of the business in the interests of the Group's shareholders, clients, employees and other stakeholders. The Board has reserved a number of matters for its decision, including responsibility for setting the Group's values and standards, and approval of the Group's strategic aims and objectives. It has delegated certain matters to Committees of the Board, as described below. Copies of the Schedule of Board Reserved Matters and Terms of Reference of the Board Committees are available on the Company's website at www.lancashiregroup.com.

The Board has approved and adopted a formal division of responsibilities between the Chair and the Group CEO. The Chair is responsible for the leadership and management of the Board and for providing appropriate support and advice to the Group CEO. The Group CEO is responsible for the management of the Group's business and for the development of the Group's strategy and commercial objectives. The Group CEO is responsible, along with the executive team, for implementing the Board's decisions.

The Board and its Committees meet on at least a quarterly basis. At the regular quarterly Board meetings, the Directors review all areas of the Group's business, strategy and risk management and receive reports from management on underwriting, reserving, reinsurance, finance, investments, capital management, internal audit, risk, legal and regulatory developments, compliance, climate change risk, ESG and sustainability and other matters affecting the Group. Management provides the Board with the information necessary for it to fulfil its responsibilities. In addition, presentations are made by external advisers such as the independent actuary, the investment managers, the external auditors, the remuneration consultants and the Group's corporate brokers. The Board Committees are authorised to seek independent professional advice at the Company's expense.

The Board also meets to discuss strategic planning matters in addition to the customary schedule of quarterly meetings. The Board dedicated time to strategic opportunities and capital planning at a dedicated Board strategy session which was held in April 2024 in which all Directors and invited members of the management team participated.

The Chair holds regular meetings with the Non-Executive Directors, without the Executive Directors present, to discuss a broad range of matters affecting the Group. The Chair also holds regular meetings with the Chairs of the Group's principal operating subsidiaries.

The Directors

Appointments to the Board are made on merit, against objective criteria, and with due regard to the right balance of skills, experience, knowledge, independence and diversity required for the Board to operate effectively as a whole. These areas are considered in detail by the Nomination Corporate Governance and Sustainability Committee. The Board considers all the Non-Executive Directors to be independent within the meaning of the Code. Bob Cox, Michael Dawson, Jack Gressier, Bryan Joseph, Robert Lusardi, Irene McDermott Brown, Nathalie Rachou, Linda Ventresca, and Sally Williams are independent, as each is independent in character and judgement and has no relationship or circumstance likely to affect his or her independence.

Chair succession

Following the Company's AGM held on 1 May 2024, Philip Broadley assumed the role of Chair of the Board of Directors. Philip Broadley was determined to be independent on his appointment and he succeeded Peter Clarke as Chair, who stepped down as a Director following the AGM, having completed over nine full years of service on the Board. Peter's service as Chair for more than nine years was a departure from Provision 19 of the Code which helped facilitate the Board's Chair succession plans published in November 2023.

Executive Directors

Following the 1 May 2024 AGM, Paul Gregory, who since 2014 has been the Lancashire Group Chief Underwriting Officer, was appointed as an Executive Director on the Lancashire Board. As one of three Executive Directors on the Board, Paul Gregory is not counted as independent.

Non-Executive Directors

The Board appointed three Non-Executive Directors during the course of 2024: Linda Ventresca, Nathalie Rachou and Bob Cox. The three appointments were facilitated by the independent specialist recruitment agency Russell Reynolds, which conducted a search exercise for Non-Executive Director candidates under the direction of the Nomination Corporate Governance and Sustainability Committee, and Philip Broadley as the Company Chair. Russell Reynolds prepared reports for each of the candidates. A series of meetings was arranged between each one of the candidates and the Directors, either individually or in small groups. Each of the candidates also gave their responses to requests for information pertinent to their skills and experience, reputation and independence. Each of the appointments was considered at the Nomination Corporate Governance and Sustainability Committee. As part of this process close consideration was given to the balance of skills and experience on the Board. Linda Ventresca joined the Board as a Non-Executive Director with effect from 7 August 2024. Nathalie Rachou joined the Board as a Non-Executive Director with effect from 5 November 2024. Bob Cox was appointed by the Board as a Non-Executive Director on 5 November 2024 and the appointment took effect from 1 January 2025. Accordingly, Mr Cox was not a Director at the year-end on 31 December 2024.

The Board considered the range of skills and experience of each candidate with due regard to the evolving suite of skills and experience of the whole Board and its Committees. With respect to these appointments, the Board also considered the question of each candidate's independence of character and judgement. The Board accordingly determined that each of Linda Ventresca, Nathalie Rachou and Bob Cox individually brings relevant skills and experience to the Board and should be considered independent on appointment. Linda Ventresca was appointed, on 5th November 2024, as a member of the Audit Committee and the Investment Committee. The Committee memberships for Nathalie Rachou and Bob Cox will be considered during the course of 2025.

Please see the Nomination Corporate Governance and Sustainability Committee Report on page 83 for more details of the appointment process. For a summary of the current roles, including external appointments, and the skills and experience of all the Directors and the balance of skills and perspectives on the Board and its Committees, please see the biographies and summary data on pages 63 to 67. Where Directors assumed other external appointments during the year, these were discussed with the Chair and approved on the understanding that each Director is required to devote the necessary time for the performance of their duties for the Company's Board.

At the Board meeting held on 5 March 2025, further to a recommendation by the Nomination Corporate Governance and Sustainability Committee, the Board affirmed its judgment that nine of the thirteen members of the Board (excluding the Chair and the Executive Directors) are independent in their roles as Non-Executive Directors. The Board noted that Robert Lusardi and Michael Dawson have each served as Non-Executive Directors on the Board for over eight years. In light of the Code guidance on independence, the Board had announced in November 2024 that both Robert Lusardi and Michael Dawson had decided not to submit themselves for re-election and to step down as Directors at the 2025 AGM, which is planned for the 30 April 2025. It is therefore planned that the number of Directors on the Board will reduce from thirteen to eleven immediately following the 2025 AGM. At that point, seven of the eleven members of the Board are expected to be independent in their roles as Non-Executive Directors. Therefore, in the Board's judgement, the Board's composition complies with the Code requirement that at least half of the Board, excluding the Chair, should comprise Non-Executive Directors determined by the Board to be independent.

In accordance with the provisions of the Company's Bye-laws and the Code, and for 2025, with the exception of Michael Dawson and Robert Lusardi, all the Directors are subject to election (in the cases of Paul Gregory, Linda Ventresca, Nathalie, Rachou and Bob Cox) or re-election annually at each AGM.

Information and training

On appointment, the Directors receive written information regarding their responsibilities as Directors and information about the Group. An induction process is tailored for each new Director in the light of his or her existing skill set and knowledge of the Group and includes meetings with senior management and visiting the Group's operations. Information and advice regarding the Company's official listing, legal and regulatory obligations and on the Group's compliance with the requirements of the Code are also provided on a regular basis. An analysis of the Group's compliance with the Code is collated and summarised in quarterly reports together with a more general summary of corporate governance developments, which are prepared by the Group's legal and compliance department for consideration by the Nomination Corporate Governance and Sustainability Committee. That Committee also receives reports from the ESG Committee Chair on its work. The Directors have access to the Company Secretary and the Group General Counsel who are responsible for advising the Board on all legal and governance matters.

The Directors also have access to independent professional advice as required. Regular sessions are held between the Board and management as part of the Company's quarterly Board meetings, during which in-depth presentations covering areas of the Group's business are made. During these presentations, the Directors have the opportunity to consider, challenge and help shape the Group's commercial strategy. The Directors are also encouraged to seek supplementary know-how training suitable to their roles offered by the many external providers of training pertinent to governance, in particular the roles of Non-Executive Directors, and to consider their training needs and priorities as part of the year-end performance evaluation for the Board and its Committees.

Board performance – 2024 evaluation

A formal performance evaluation of the Board, its Committees and individual Directors is undertaken on an annual basis and the process is initiated by the Nomination Corporate Governance and Sustainability Committee led by the Chair of the Board. The aim of this work is to assess the effectiveness of the Board and its Committees in terms of performance and risk oversight, strategic development, stakeholder and employee engagement, composition, skillset, supporting processes, and management of the Group. The evaluation is forward-looking in terms of identifying strategic priorities and actions as well as considering performance, training and development needs for the Directors within the context of the work of each Committee and that of the Board.

At the meetings held in April 2024, the Nomination Corporate Governance and Sustainability Committee and the Board noted that, pursuant to principle 21 of the Code, the chair of any FTSE 350 board is expected to consider commissioning an externally facilitated board evaluation at least once in every three years. Consequently, the Code created an expectation that an externally facilitated review would be commissioned for the current 2024 year. Whilst mindful of this expectation, the Board noted that because the role of Board Chair had been assumed by Philip Broadley on 1 May 2024, there would be greater value and cost benefit from an externally facilitated evaluation if it were to be deferred until the end of the 2025 year, by which time the Board will have been chaired by Philip Broadley for over a year. Accordingly, the Board determined that the 2024 evaluation should be led by the company secretariat and that an external facilitator will be appointed to conduct the 2025 Board performance evaluation, which will be four years since the last externally facilitated evaluation. To this extent, the Board decided to depart from the formal UK Code expectation, and to explain the reasons for doing so.

The 2024 evaluation process for the Board and each of its Committees was conducted internally, and was based on a set of questionnaires which were prepared by the company secretariat and agreed with the Board Chair and the Chairs of each of the Committees and made available to participants using a web-based platform. The Group's principal operating subsidiaries, LICL, LUK, LSL and LCM also carried out performance appraisals facilitated by the respective company secretaries.

Corporate governance report *continued*

The reports covering the subsidiary boards and relevant Committees, including recommendations, were discussed with the respective subsidiary chairs and have been discussed within the relevant subsidiary boards. Key themes from those subsidiary evaluations were also reported to the LHL Board.

The 2024 LHL Board and Committee evaluation process involved each Director as well as the Company Secretary, the Group CRO, Group General Counsel and other Committee members and members of senior management who were invited to review and complete online questionnaires. Further to this process, the Company Secretary prepared an evaluation report for the Board which collated feedback from the responses which was then reported on an anonymised basis. The summary reports identified a series of themes covering both areas of effectiveness and potential actions and areas for future focus, discussion or development. The summary reports were discussed between the Company Secretary and the Board Chair and the relevant Committee Chairs before being distributed to each of the Directors. The Chair invited feedback on key findings in the evaluation reports prior to their finalisation.

The performance evaluation reports were formally tabled and discussed at meetings of the Nomination Corporate Governance and Sustainability Committee and the Board held in March 2025, and each of the other Committees discussed the report pertinent to its own operation and performance. The reports identified a number of key strengths of the Board and its Committees, including; dynamics and chairing; skills and expertise of both Non-Executive and Executive Directors; effective oversight of strategy and performance; effective shareholder and stakeholder engagement; strong Committee reporting; an open, candid and collaborative Board culture; effective risk management and controls; an effective Group structure and governance; and good company secretariat support. The Board discussions on the reports were led by the Chair.

In summary, in its consideration of the 2024 performance evaluation reports, the Board concluded that it operates effectively and has a good blend of insurance, financial, regulatory and other relevant expertise. All Non-Executive Directors are committed to the continued success of the Group and to making the Board and its Committees work effectively. Attendance at Board meetings was found to be good. The Group CEO, the Group CFO and the Group CUO, being the Company's Executive Directors, were also found to be operating effectively.

The Board also concluded that appropriate infrastructure, processes and governance mechanisms are in place to support the effective performance of the Board and its Committees. The Board is also considered to manage risk effectively. Furthermore, the number of Directors on the Board and the balance of skills is considered to be appropriate. Respondents commented favourably on the smoothness of the transition in the Chair role and on the effectiveness of the process to identify and appoint both Executive and Non-Executive Directors during the course of 2024.

The Board noted the progress made during 2024 in improving the gender and diversity balance of the Board as part of its succession planning.

Further to the Board engagement with the evaluation process and consideration of the reports, the Board concluded that Board and Committee oversight of strategy, risk tolerances and controls had operated effectively. Management's presentation to the Board of strategy had generated a useful discussion of the longer term strategic trajectory of the Group.

It was noted that the Group had commenced underwriting activities during 2024 through the new LUS underwriting platform. The Board had received regular updates on the performance of the new platform and with regard to US strategic growth plans. The processes for Board and Chair succession had been well managed and had operated effectively. Implementation during the year of enhancements to the Group's IT underwriting systems had been well reported and implemented by management and associated risks and timing had been discussed effectively within the Board. The Board and its Committees had effectively monitored and responded to changes during 2024 to the UK Corporate Governance Code and to the UK Listing Rules.

Engagement between the Board and the workforce was considered to be generally strong and beneficial to the operation of the business and will continue to be a priority for the Board. For further information on workforce engagement, please see the report from the Nomination Corporate Governance and Sustainability Committee starting on page 82.

Other strategic priorities identified by the Board for the year ahead included ensuring a balance between the maintenance of a robust capital base for the Group, capable of supporting the strategic growth plans for the business and the Group's strategic objective of actively managing its capital. The Board and management are also committed to maintaining a close focus on recruitment, skills, employee retention and training to further strengthen and build a workforce equipped to deliver the Group's strategic growth plans.

The Board identified a number of areas for training and specific themes for monitoring over the coming year, including the following:

- To monitor developing insurance market conditions and review strategic opportunities for growth and the related resourcing requirements;
- To monitor performance of the Group's new US underwriting platform;
- To continue to monitor expected UK legislative and regulatory changes in the areas of corporate governance, employment law, financial reporting, audit and associated regulation;
- To ensure the ongoing resilience of the Group's data protection and information security systems;
- To ensure the allocation of Board time to the discussion of emerging risks; and
- To continue to monitor changes to the Bermuda, UK and global tax rules and to consider the strategic implications.

The Board will continue to review its procedures, training requirements, effectiveness and development during 2025.

The Chair's performance appraisal was led by the Senior Independent Director, who consulted with the Non-Executive Directors with input from the Executive Directors during November 2024. The Chair was considered to be effective in facilitating strategic decision-making, the oversight of financial and business performance, Board risk oversight, whilst ensuring an appropriate level of challenge and a culture of constructive discussion.

Following the year end, the Chair met with the Group CEO, and the Group CEO met with the Group CFO and Group CUO, to conduct a performance appraisal in respect of 2024 and to set targets for 2025. The results of these performance evaluations were discussed by the Chair and the Non-Executive Directors and are reported in the Directors' Remuneration Report commencing on page 92.

Relations with shareholders

The Company actively seeks engagement with feedback from its shareholders. During 2024, the Group's Head of Investor Relations, usually accompanied by one or more of the Group CEO, the Group CUO, the Group CFO, the Chair or a senior member of the underwriting team, engaged in a series of meetings with and presentations to major shareholders, analysts and the investor community. Summary reports of these meetings were provided to the Board on at least a quarterly basis.

Conference calls with shareholders and analysts hosted by senior management are held quarterly following the announcement of the Company's quarterly financial results or trading statements. The Group CEO, Group CUO and Group CFO are generally available to answer questions on these calls.

Shareholders are invited to request meetings with the Chair, the Senior Independent Director and/or the other Non-Executive Directors by contacting the Group Head of Investor Relations. All of the Directors are expected to be available to meet in person or virtually with shareholders at the Company's 2025 AGM.

The Chair of the Remuneration Committee led a shareholder advisory exercise with the Group's largest shareholders regarding the Board's remuneration plans during early 2024. Please see page 92 for details.

The Company commissions regular independent shareholder analysis reports, and also receives periodic reports from the Group's Head of Investor Relations on feedback from shareholders and analysts.

The Company's bye-laws are governed by Bermuda company law and subject to approval of shareholders in a general meeting. The bye-laws are available on the Company website. A copy of the Company's bye-laws is also available for inspection at the Company's registered office.

Enterprise Risk Management

The Board is responsible for setting the Group's risk appetites, defining its risk tolerances, and setting and monitoring the Company's risk management and internal control systems, including compliance with risk tolerances. During 2024, the Board received regular reports on the emerging and principal risks affecting the Group's business model, future performance, solvency and liquidity and the operation of internal control systems.

Further discussion of the emerging and principal risks affecting the Group, as well as the procedures in place to identify and manage them, can be found in the ERM section of this report starting on page 24 and in the risk disclosures section on page 136. The Group's reporting of climate change risk and its management within the business can be found in the TCFD Report starting on page 46.

Each of the Committees is responsible for various elements of risk (see the various Committee reports starting on page 76 for further detail). The Group CRO reports directly to the Group and subsidiary boards and facilitates the identification, evaluation, quantification and control of risks at a Group and subsidiary level. The Group CRO provides regular reports to the Group and subsidiary boards covering, amongst other things, actual risk levels against tolerances, emerging risks, loss events and near misses, key risk indicators, and an overview of the control environment (driven by key control testing and control affirmations and supported by internal audit findings). The Board considers that a supportive ERM culture, established at the Board and embedded throughout the business, is of key importance. The facilitating and embedding of ERM and helping the Group to improve its ERM practices are a major responsibility assigned to the Group CRO. The Group CRO's remuneration is subject to annual review by the Remuneration Committee. The Board is satisfied that the Company's risk management and internal control systems have operated effectively for the year under review. In this regard, please see the Audit Committee report on page 80. During 2024, the Board also considered the changes to board risk monitoring and reporting requirements introduced by amendments to provision 29 of the Code, which will take effect for financial years commencing in 2026. The Board and its Committees expect to further develop their risk review and reporting practices with a view to meeting the Code requirements in 2026.

Committees

The Board has established Audit, Investment, Nomination Corporate Governance and Sustainability, Remuneration, and Underwriting and Underwriting Risk Committees. Each of the Committees has written Terms of Reference, which are reviewed regularly and are available on the Company's website. The Committees' Terms of Reference were reviewed by the Board during 2024 and considered again as part of the 2024 year-end performance evaluation process. The Committees' Terms of Reference are considered to be in line with current best practice. The Committees are generally scheduled to meet quarterly, although additional meetings and information updates are arranged as business requirements dictate. Director attendance at the 2024 Board meetings is set out on pages 63 to 67. A report from each of the Committees, which covers Committee attendance, is set out at the front of each of the Committee reports.

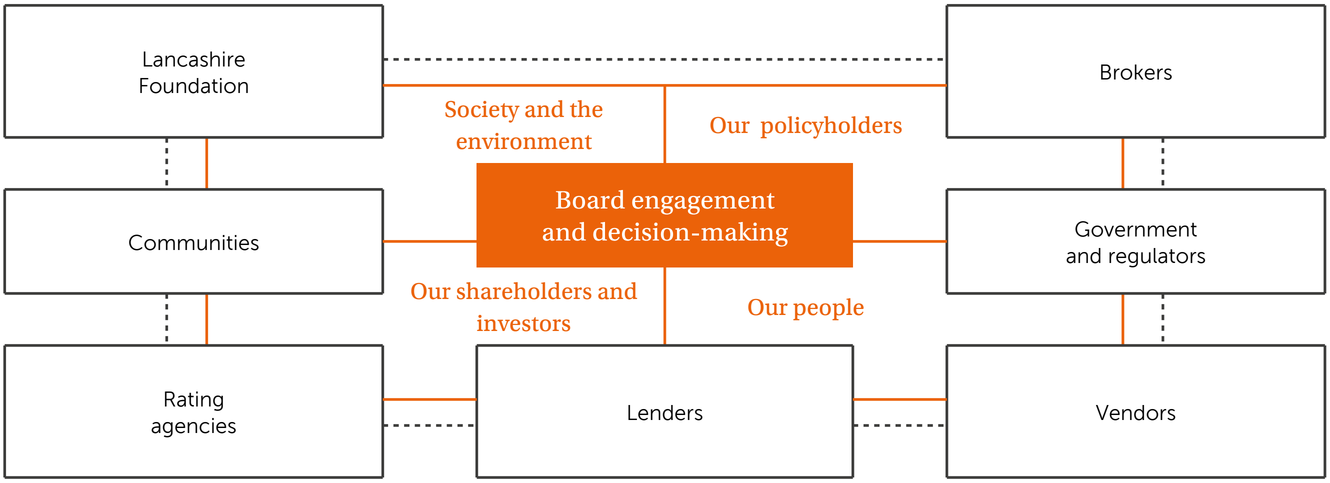
Section 172

The Code requires formal disclosure around the interests of and engagement with stakeholders, and the duties falling upon boards under Section 172 of the UK Companies Act 2006. Although the Company is incorporated in Bermuda, and is therefore not subject to the UK Companies Act requirements, the Board continues to pay close attention to developments in English law and governance best practice.

In this 2024 Annual Report and Accounts, we give an overview of how both the Board and the business have factored in the needs of our stakeholders in their discussions and decision-making in all areas of performance review, strategy, risk and capital management. This section should be considered together with the rest of this report as the Company's comprehensive summary of its Directors' compliance with their equivalent Section 172 duties.

Section 172(1):	Duty to promote the success of the company, with regard to:	For further details, see:
a	The likely consequences of any decision in the long term;	The Group's statement of purpose – page 8 The Group's business model – page 9 The Group's strategic goal and three priorities: that Underwriting comes first; balancing risk and return through the cycle; operating as an insurance market employer of choice – pages 12 and 13 Attracting and retaining talent – page 36 The Board's assessment of the Group's viability and prospects as set out in the going concern and viability statement – page 111
b	The interests of the company's employees;	The importance of our people, and the business's focus on Lancashire's values, culture, diversity and inclusion, training and development and workforce engagement – pages 33 to 36
c	The need to foster the company's business relationships with suppliers, customers and others;	Our business depends upon the strong business relationships that we build and maintain with our core and broader stakeholders. All Board members attend the quarterly UURC and, during 2024, gave close consideration to business development opportunities, as summarised in the Committee's report – page 88
d	The impact of the company's operations on the community and the environment;	Society and the environment form part of our 'core' set of stakeholders. The Board is engaged with the impact of the Company's operations through its oversight of the Lancashire Foundation, the annual offsetting of our own operations' GHG emissions, and our commitments to report against the UNEP FI Principles for Sustainable Insurance (see our website for details) and reporting against the requirements of the TCFD – pages 42 to 62
e	The desirability of the company maintaining a reputation for high standards of business conduct; and	Through its compliance with the Code, the Company strives to operate in line with high standards of governance expectation and business conduct. A healthy and sustainable corporate culture is embedded throughout the business, which is assessed by the Board through various channels – page 84 The Audit Committee oversees the Group's implementation of whistleblowing arrangements, and other systems and controls for the prevention of fraud, bribery and money laundering – page 81
f	The need to act fairly as between members of the company.	The Board is committed to treating the Company's shareholders fairly, and engaging with them through a broad programme of investor relations activities, meetings (including the AGM), and targeted consultations; be that with our substantial shareholders, the Company's own employees, private individuals, or via shareholder advisory groups. See 'Section 172 responsibilities in focus' regarding the Board's consideration of the balance between underwriting opportunities and the payment of dividends – page 74

Our engagement with stakeholders



	How we engage	2024 highlights
Our people		
Our employees, which number more than 400, are the bedrock of our success and strong and positive culture. They deliver our strategy aligned to our purpose and operational priorities. Ensuring we retain and attract the best talent available is a fundamental business focus.	• Our Group CEO hosts quarterly town hall meetings for all employees to update them on financial performance and other corporate activities. • The business operates various forums to discuss opportunities and challenges with the input of senior leaders. • Informal social events are organised during the year to allow employees to interact outside the work environment. • All employees have annual review conversations with their manager to discuss their performance and any training and development needs.	• A new Group intranet was launched to help ensure that all employees, regardless of location, have timely access to Company news and information. • 'The Lancashire Way', a new set of statements that highlight the positive behaviours we expect from our employees, was rolled out across the Group. Events were held for all staff with senior management to discuss the initiative and answer questions. See page 33. • The Lancashire Employee Network hosted a number of events for staff to hear from external and internal experts and learn 'soft skills' to expand their horizons. See page 35. • A new manager training programme was launched to give our leaders further skills and capabilities to manage their teams. See page 36. • Charities nominated by our employees received total donations of $297,000 during 2024. See page 42.
Our policyholders		
We value our long-standing relationships with many policyholders and seek to develop mutually beneficial partnerships with new clients. Our focus on customer service and our positive culture ensure that our policyholders are at the centre of everything we do.	• Our claims specialists have expert knowledge of our diverse product lines and are focused on ensuring a timely and equitable claim resolution for our clients. • Our claims handling process is proactive and efficient, as well as transparent and flexible. It is conducted in accordance with the terms and conditions of the (re)insurance policy. • We operate in a highly-regulated market, seeking to engage constructively with the Group's regulators. This regulation helps reinforce management's focus on maintaining good risk management and a strong capital base.	• $511.3 million claims paid during 2024. • See Purpose in action Q&A on page 11.

Corporate governance report *continued*

	How we engage	2024 highlights
Brokers		
Lancashire strives to be a trusted partner to brokers distributing (re)insurance solutions to our policyholders and, since inception, we have built strong relationships with large international firms and smaller independent intermediaries.	• The expertise of our people adds value to our discussions with broker partners, and we always look for new ways to further strengthen and enhance our relationships. • Our teams attend a wide range of industry events and conferences each year to discuss our products and capabilities. • We market our products through a number of channels including our Company website and at face-to-face events.	• Senior management and product leaders attended industry events including the RVS in Monte Carlo, and conferences in Baden Baden, and Singapore. • Event sponsorships included the WTW aviation and space series.
Our shareholders and investors		
We pride ourselves on our mutually beneficial relationships with our shareholders and those entities which lend to the Group. We look to maintain transparent communication with them and foster good relations through our active programme of engagement.	• Our relationship with our shareholders is led by our Group Head of Investor Relations, in collaboration with members of the Board and the wider Executive team. • The Group's corporate brokers provide guidance on investor priorities and perceptions and meet regularly with the Board. • We maintain a regular and open dialogue with the Group's lenders and main ratings agencies.	• An Investor Event was held in November, including an update on company strategy, underwriting priorities, and capital management.
Society and the environment		
Lancashire seeks to be a good corporate citizen with a focus on doing good in society and ensuring the environmental impact from our operations is minimal.	• Lancashire has been a member of the ClimateWise group since 2022. • We continue to support our clients as they transition and reduce GHG emissions and through active engagement with them with regard to our ESG Insurance Underwriting Guidelines. • We measure and offset carbon emissions for our own operations.	• Our 2023-2024 ClimateWise Report was published in September and is available on our website. • We purchased 3,700 carbon credits to balance our calculated carbon emissions. • The Lancashire Foundation makes a tangible difference to communities across our markets and beyond. Total donations for 2024 were $0.9 million. See page 42.

Section 172 responsibilities in focus

Capital requirements and dividend	**Relevant stakeholders**		
Criteria considered (Key)	Our shareholders	Our policyholders	a b c e f
	Our people	Government and regulators	

The Board considered the appropriate return of capital to shareholders during the course of 2024. These discussions were framed by the capital requirements of the business and the current underwriting conditions. The Group continues to have a robust capital position due to the strong operational performance of the business during 2024.

In March, given the increased resilience of Lancashire's business model, the Board approved a change to the regular final and interim ordinary dividend policy. Our Board declared a final ordinary dividend of $0.15 per common share, an increase of 50% from the previous year, and its intention to increase the Group's ordinary interim dividend to $0.075 per common share. The interim ordinary dividend was paid after the announcement of our results for the first six months of the year. Please see the Director's report on page 109 for more information on dividends paid during 2024 and the Group's dividend policy.

Aligned to these decisions were the requirements for capital held in light of the Group's regulatory capital requirements and with regard to the market credit rating agency models.

The Board discussed the success of the Group's diversification strategy, which has resulted in an improved performance and capital position. A key part of Lancashire's offering to (re)insured policyholders is its financial security and balance sheet strength.

The Board also discussed the positive approach to employees sharing in the Group's success through the RSS, whose members are eligible to receive special and other dividend equivalents.

Our US operations	Relevant stakeholders		
Criteria considered (Key)	Our policyholders	Our shareholders	a b c d e f
	Government and regulators	Our people	
		Society	

Lancashire Insurance US opened for business in March 2024. This was a significant milestone in the strategic development of Lancashire, giving the Group access to business that it could not write before, through new distribution channels and with new clients.

Lancashire Insurance US operates under a delegated underwriting arrangement with LUK and is focused on the US excess and surplus market. The initial product lines written were energy casualty and property.

The Board noted the strong team built in the US, both of underwriters and within support functions, the long-term business plan projections, and the significant planning required for the successful execution of the launch. It also discussed further opportunities within the US market and additional product lines that could be offered.

This geographic expansion strengthens Lancashire's offering to clients and created a number of opportunities for current and new employees. The launch of the business was aligned to relevant legal and regulatory requirements and capital demands.

Operational enhancements	Relevant stakeholders		
Criteria considered (Key)	Our policyholders	Our people	a b c e

The growth of the business and the diversification of the underwriting portfolio over the past five years has required Lancashire to review its operational efficiency.

The Board received regular reports on the Group's programme to bring core underwriting platforms together onto an upgraded policy administration system, and discussed its progress and implementation. Key to these discussions was ensuring oversight of associated risks.

Core elements of the programme include the alignment and simplification of processes and systems to make day-to-day working easier, more efficient applications and tools to augment our capabilities, and enhanced data for decision-making. The project also introduced a new risk modelling system and a centralised document management system.

The Board discussed the successful implementation of the first phase of the programme, which went live in September 2024, and work continues on a second phase.

Audit Committee

"2024 was an excellent year for the Lancashire business and has also been another busy year for the Committee. The Committee continues to provide appropriate challenge around key accounting judgements, assessing the integrity and fair presentation of the Group's financial reporting, and reviewing the effectiveness of the Group's internal control framework. In what has proven to be another active year for insurance market losses, the Committee has maintained its focus on the adequacy of the Group's reserving. In addition, the Committee has been mindful of both business and systems changes during the year and remained focused on obtaining assurance that our risk management, internal audit and external audit teams appropriately factor these changes into their work."

Sally Williams
Chair of the Audit Committee

Committee membership

The Audit Committee comprises five independent Non-Executive Directors and is chaired by Sally Williams. As part of the Board's longer-term succession planning, Linda Ventresca became a Committee member on 5 November 2024. The qualifications for each of the Committee members are detailed on pages 63 to 67. The Committee members bring a diverse range of experience in finance, risk management, and business, with experience in the property, casualty and specialty insurance and reinsurance sectors. The Board has confirmed that the members of the Committee and the Committee Chair have the necessary expertise to provide effective challenge to management.

The Group's internal and external auditors have the right of direct access to both the management team and the Audit Committee. The Audit Committee's detailed Terms of Reference are available on the Group's website.

Committee members	Meetings attended
Sally Williams (Chair)	4/4
Jack Gressier	4/4
Bryan Joseph	4/4
Robert Lusardi	4/4
Linda Ventresca[1]	0/0

1. Linda Ventresca was appointed to the committee on 5 November 2024.

Principal responsibilities of the Committee

- Monitoring and reviewing significant accounting judgements;
- Monitoring the integrity of financial and narrative reporting including recommending to the Board if this reporting is fair, balanced and understandable;
- Reviewing the independence and effectiveness of Group internal audit;
- Overseeing the appointment, reappointment, remuneration, independence and effectiveness of the external auditor;
- Recommending the appointment of the external auditor and the approval of their fees;
- Overseeing the effectiveness of the Group's risk management systems and internal controls; and
- Monitoring compliance, whistleblowing and speaking up mechanisms for financial irregularities, together with risk and fraud.

Specific details of the Committee's responsibilities and activities in these principal areas during the year are set out in the table on the following pages.

Summary of key areas of Audit Committee challenge

IFRS 17 and IFRS 9 embedding

The IFRS 17 and IFRS 9 accounting standards were implemented during 2023, resulting in significant changes to the accounting treatment for (re)insurance contracts and financial instruments respectively. 2024 has seen the further embedding of these changes into our day-to-day finance processes. Accordingly, during 2024, the Committee devoted additional time to reviewing enhanced reporting under these new standards from the finance team. The Committee also considered the validity of the related assumptions, judgements and disclosures in the financial statements.

New policy administration system implementation and capitalisation of costs

The Committee monitored progress around the implementation of a new Group-wide policy administration system during September 2024, and sought assurance that related financial controls remained robust. The Committee also reviewed a management proposals with regard to the capitalisation and amortisation of related project costs.

Significant areas of judgement and estimation

An annual paper is presented by management to the Committee that details the areas of judgement and estimation in the preparation of the consolidated financial statements. This is scrutinised and challenged by the Committee. Key areas of judgement and estimation challenged by the Committee during the year are discussed below.

Measurement of insurance contracts issued and reinsurance contracts held

The most significant area of judgement and estimation considered by the Committee during 2024 related to the Group's measurement of insurance contracts issued and reinsurance contracts held. These are recognised on the statement of financial position as 'insurance contract liabilities' and 'reinsurance contract assets'. As a result of the judgemental nature of these balances, changes in assumptions made may materially change the fulfilment cashflows within these balances. The estimation of the fulfilment cashflows is a complex actuarial process which incorporates a significant amount of judgement, in particular in relation to the estimation of the liability for incurred claims and the asset for incurred claims (i.e. the gross and net loss reserves).

The Committee's primary areas of focus and challenge relates to the adequacy of these gross and net loss reserves. The Committee held regular sessions with the Group Chief Actuary and the Group Head of Claims during the year to discuss reserving and claims developments. This included a close focus on the Group's gross and net of reinsurance exposures to significant loss events, which during 2024 included the Baltimore Bridge marine collision and collapse, and hurricanes Helene and Milton. The Committee also received independent estimates of the Group's loss reserves from an external actuary and compared these third-party estimates to those of the Group at its second and fourth quarter Audit Committee meetings.

During the year the Committee discussed and challenged:

- reserving for loss events which occurred during the year, together with reserve developments in respect of prior year losses across the Group's entities;
- the impact of inflation on the Group's approach to reserving and related assumptions;
- the IFRS 17 risk adjustment maintained within insurance contract liabilities above the established actuarial best estimate; and
- the IFRS 17 confidence level for the Group's reserves.

KPMG conducted a detailed re-projection of the Group's loss reserves as part of the annual financial statement audit.

Having reviewed and challenged these areas, the Committee concurred with management's valuation of the Group's loss reserves and the relevant disclosures in respect of loss reserving and the related assumptions within the Group's consolidated financial statements.

Assessment of premium allocation approach ("PAA") eligibility

The Committee previously considered the Group's eligibility for the PAA during the implementation of the IFRS 17 accounting standard. During 2024, the Committee considered eligibility of the 2024 groups of insurance contracts. The PAA is designed to simplify the measurement of insurance and reinsurance contracts. Judgement is applied when performing the PAA eligibility assessment on insurance and reinsurance contracts with a coverage period of more than one year. The Committee discussed and agreed with management the basis on which the Group would apply judgment in determining that it is eligible to apply the PAA measurement model to its portfolios and groups of contracts. The measurement of the liability for remaining coverage and asset for remaining coverage is not reasonably expected to differ materially from that calculated under the general measurement model.

The Committee also discussed with KPMG, as external auditors, the auditor challenge around stress testing and management's conclusions with regard to the Group's eligibility for the PAA. The Committee remains satisfied that the Group remains eligible to apply the PAA for all portfolios and contract groups.

Risk culture and controls

Other key areas of review and challenge by the Committee were over the effectiveness of the Group's control environment; the continued integrity of external financial reporting; and the oversight of corporate and risk culture through the reporting of the internal audit and risk management functions. The Committee seeks to ensure that the Group operates within a framework of prudent and effective controls that allow risks to be identified, assessed and managed.

Furthermore, the Committee discussed the expected evolution in this work and related disclosures in future years, following the FRC publication of the 2024 Corporate Governance Code.

Bermuda CIT regime

The Committee monitored developments related to the implementation of the new Bermuda corporate income tax regime which became effective from 1 January 2025. The Group is not expected to become subject to Bermuda CIT until 1 January 2030, provided it continues to meet the relevant conditions within the Bermuda CIT rules that means groups with a limited international presence are excluded from scope for a period of up to five years.

The recently published, post balance sheet, administrative guidance by the OECD in respect of Pillar Two has no impact on the Group's balance sheet position at 31 December 2024.

FRC's Audit Committees and the External Audit: Minimum Standard

The FRC issued this standard in 2023 and it became effective in January 2025. The Audit Committee has considered this standard and received a report on how the committee addresses the requirements within it. The Committee concluded that there are no significant changes in the Committee's activities arising from this new standard, as it primarily codifies existing good practice.

Going concern basis of accounting and longer-term viability

The Audit Committee reviewed and challenged the going concern assessment prepared by management at both the August 2024 and March 2025 meetings, with particular consideration of capital management, the current underwriting and loss environment, the composition and liquidity of the investment portfolio, long-term debt financing arrangements, strategic and financial forecasts over the business planning horizon, and stress and scenario testing (including climate change risk scenarios). These factors are also relevant in providing assurance to the Board on the longer-term viability of the Group's business strategy.

Having reviewed and challenged these areas, the Committee concurred with management's going concern assessment, together with the relevant disclosures in respect of going concern and longer-term viability within the Group's consolidated financial statements.

Committee reports *continued*

How the Committee discharged its responsibilities

Financial and narrative reporting

Committee responsibility	Committee activities
Monitors the integrity of the Group's consolidated financial statements, including its annual and half-yearly reports, annual reporting arising under applicable supervisory rules, interim management statements, and any other formal statements relating to the Group's financial performance. Reviews and reports to the Board on significant financial reporting issues and judgements contained in the consolidated financial statements.	At each meeting, the Committee reviewed the Group's management accounts, including the annual consolidated financial statements, as well as the Annual Report and Accounts, and other public financial disclosures for the purpose of recommending their approval by the Board. The Group's annual regulatory reports, prepared in accordance with the BMA's reporting requirements, were reviewed in April 2024 at the Audit Committee meeting prior to their recommendation to the Board for approval. The Committee also monitored the activities of the Group's Disclosure Committee and reviewed the Group's financial releases and accompanying earnings call investor presentations. During 2024, the Committee received, discussed and challenged regular and ad hoc reports and presentations from management in the following areas. • Loss reserving, and developments to the Group's reserving process (see the Summary of key areas of Audit Committee challenge section above). • Financial reporting-related changes arising from the embedding of IFRS 17 and IFRS 9 and other new or significant accounting treatments (including related party transactions). • Developments in accounting and financial reporting requirements impacting the consolidated financial statements. • The suitability and methodology for the Group's APMs. • The wider activities of the finance team. • The 2024 assessment of the Group's ability to continue as a going concern and the longer-term viability of the business. • Consideration of reports from management concerning the dividend proposals to the Board during 2024 and compliance with Bermuda law and regulatory requirements. • Key risk and controls including those relating to information security as part of regular risk controls reporting, together with quarterly confirmatory compliance statements from the Group's legal and compliance function. The activities of LHL's subsidiary companies boards and audit committees. This included management reporting on progress made in the integration of the Group's new Lancashire US underwriting operation. Reports from the external auditors and discussion with them, covering audit planning, the results of the external auditor assessment of key financial statement judgements and estimates, control testing, misstatements identified and other audit and accounting matters. The Audit Committee continued its practice of holding closed sessions with the Group CFO, the Group Head of Internal Audit, the Group Chief Actuary and the External Auditor without management present.
Reviews the content of the Annual Report and Accounts and advises the Board on whether, taken as a whole, it is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's performance, business model and strategy.	The Committee reviewed drafts of the 2024 Annual Report and Accounts in order to provide input and challenge of its key themes and messages. Ahead of their presentation to the Committee, a thorough review process of the Annual Report and Accounts was conducted to help ensure disclosures were balanced, accurate and consistent with the expectations of the Committee. The Committee carefully reviewed the Group's performance and reporting in light of the principal and emerging risks. The Committee carefully reviewed the clarity of the Group's financial statement disclosures made in accordance with applicable accounting standards, and relating to APMs, including consideration of the overall presentation of APMs to ensure that they are properly explained, reconciled and not given undue prominence. The Committee reviewed the final draft of the 2024 Annual Report and Accounts at the March 2025 Audit Committee meeting, together with the external auditor's report. The Committee advised the Board that, in its view, the 2024 Annual Report and Accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's performance, business model and strategy.

External audit oversight

Committee responsibility	Committee activities
Oversees the relationship with the Group's external auditors, approves their remuneration and terms of engagement, and assesses annually their independence and objectivity, taking into account relevant legal, regulatory and professional requirements, together with the Group's relationship with the external auditors as a whole. This includes an annual assessment of the qualifications, expertise and resources, and independence of the external auditors and the effectiveness of the external audit process.	The Committee considered the appropriateness of the annual external audit plan, and whether appropriate professional scepticism was applied by KPMG to key accounting judgements such as loss reserving. KPMG's work included a detailed re-projection of the Group's loss reserves, and the Committee discussed with KPMG their work during the course of the year and was satisfied that their work afforded appropriate challenge and professional scepticism. Following its review, the Committee approved the scope of the external audit plan. Throughout 2024, the Committee received regular reports from the external auditors, including regular assessments of the progress and effective delivery of the audit compared to the plan. KPMG's terms, scope of engagement and fees were discussed, challenged and subsequently approved by the Committee during the year. Following the 2023 year-end audit, the Committee performed an assessment led by the Committee Chair, of the effectiveness of the external audit process. The evaluation focused on the following areas: independence, professional scepticism and culture; the quality of audit expertise; auditor quality control; audit planning; and audit performance and evaluation. The assessment was discussed at the April 2024 Audit Committee meeting. The process identified a number of potential areas for enhancement that were factored into the audit planning process for 2024. Overall, the Committee was able to conclude that the external audit process was operating effectively, both with respect to the service provided by KPMG and management's continued support of the audit process. The Committee reviewed a letter from the external auditor to the management team, setting out certain findings and recommendations in respect of the control environment observed during the 2023 audit, together with management responses in each area identified. The Committee reviewed the independence of the external auditors at the half-year and year-end meetings, taking into account any non-audit services provided and related fee arrangements. The Committee concluded that KPMG remained independent.
The development and implementation of a formal policy on the provision of non-audit services by the external auditors, taking into consideration any threats to the independence and objectivity of the external auditors.	Pursuant to its annual review process, the Committee received a recommendation from management and approved a revised non-audit services policy in April 2024. The policy stipulates the approvals required for various types of non-audit services that may be provided by the external auditors, as well as those from which the external auditors are excluded, and is made available on the Group's website. During 2024, KPMG provided $0.6 million of non-audit services to the Group relating to the half-year reporting review, and PRA Solvency II and Lloyd's regulatory returns. The Committee considered the nature of the non-audit services provided, the suitability of KPMG as the supplier of the non-audit services, and the level of fees charged, and has determined that they do not affect the independence and objectivity of KPMG as external auditors.
Makes a recommendation to the Board, to be put to shareholders for approval at the AGM, in relation to the appointment, re-appointment or removal of the Group's external auditors.	The 2024 financial year was the eighth financial year in which KPMG acted as the Group's external auditor. The incumbent lead audit partner is Salim Tharani, who assumed this role in February 2022 and has now completed three full years as the designated KPMG lead audit partner. In conformance with the required rules, provisions and good corporate governance, the Group will be required to tender for the external audit ahead of the 2027 year-end. The Committee discussed the need to run an external audit tender process during the course of 2025 and appointed certain members of management and the Committee to collectively facilitate the audit tender process on behalf of the Committee, but with the Committee's ultimate oversight and responsibility. It is intended that the Committee itself will consider proposals from prospective audit services providers during the course of 2025, with a view to making a recommendation to the Board with regard to the appointment of an external auditor later in the year. The proposed external auditor will be put to a shareholder vote at the 2027 AGM and will be expected to commence offering audit services for the 2027 financial year. The external audit fee arrangements across the Group were agreed after discussion between the Committee, management, and KPMG. The Committee and the Board are recommending the re-appointment of KPMG as external auditor at the 2025 AGM. The Committee monitored the developing regulatory landscape relating to the corporate governance, delivery and conduct of the external audit. In this regard, the Committee noted the changes and future requirements arising from the 2024 revisions to the FRC's Code and the ongoing requirement on audit committees to follow the FRC's Audit Committees and External Audit: Minimum Standard.

Internal audit oversight

Committee responsibility	Committee activities
Monitors and assesses the role and effectiveness of the Group's internal audit function in the overall context of the Group's risk management systems, ensuring it has no restriction over setting their scope, and the necessary resources and access to information to enable it to fulfil its mandate in accordance with appropriate professional standards.	The Group's internal audit function reports directly to the Committee. At the beginning of 2024, the Committee reviewed and approved a 2024-2026 strategy for the internal audit function, tabled by the Group Head of Internal Audit, that supports the strategic objectives and success of the Group and aligns with the expectations of the Board, senior management, and other key stakeholders. Throughout 2024, the Committee reviewed the delivery of the strategic priorities agreed for the year. In November 2024, the Group Head of Internal Audit presented the 2025 Group internal audit plan to the Committee for review, discussion and approval. The internal audit plan adopts a risk-weighted approach and considers current and emerging risks which impact the business, articulates the audit universe for the Group, sets out proposed work aligned with the Group's audit cycle and addresses specific area identified by management and Board for focus or to address regulatory requirements. The Committee received reports from the Group Head of Internal Audit summarising the status of the internal audit plan; findings from internal audits conducted in the period; and the status of actions taken by management to implement recommendations arising. The internal audit programme also covers the assessment of the Group's culture, including risk culture, for each audit undertaken. An overall summary of observations identified in respect of the Group's culture is presented to the Committee and discussed in both open and closed Committee sessions. The Committee reviewed and approved the Internal Audit Charter, which can be viewed on the Group's website. The Committee approved the objectives, the performance review and the succession plan for the Group Head of Internal Audit. The Committee commissioned Grant Thornton to conduct an External Quality Assessment, which was due in 2024, and to assess the performance of the internal audit function against the Chartered Institute of Internal Auditors' UK Code for Effective Internal Audit in the Financial Services Sector and the International Professional Practice Framework (IPPF) including the Global Institute of Internal Auditors' standards. The Committee also requested the internal audit function's work to be benchmarked with the practices prevalent in the UK Financial Services sector and amongst Lloyd's Specialty Market insurers. The review also included a gap analysis against the new Global Internal Audit Standards released in 2024, which will be effective starting in January 2025. The conclusion of the review was that the Group internal audit function 'generally conforms' to the requirements of the Standards. The Committee was content that this is the highest rating for the IIA IPPF. The Committee reviewed the implementation of the observations raised during the External Quality Assessment during the course of 2024. The Chair of the Committee undertook an annual review of the effectiveness of the internal audit function and its activities. At its November 2024 meeting, the Committee discussed the report and its findings and concluded that the internal audit function had operated effectively in the overall context of the Group's risk management systems, has appropriate standing and priority within the Group, and that the Group Head of Internal Audit has the appropriate reporting lines to maintain independence.

Internal controls and risk management systems

Reviews the adequacy and effectiveness of the Group's internal financial controls systems that identify, assess, manage and monitor financial risks, and other internal control and risk management systems. Reviews and approves the statements to be included within the Annual Report and Accounts concerning internal control, risk management, including the assessment of principal and emerging risks, and the statements regarding going concern and viability.	The Board has ultimate responsibility for ensuring the maintenance of a robust framework of internal control and risk management systems across the Group and has delegated the monitoring and review of these systems to the Committee. The Committee reviewed and challenged the Group's control environment, in the light of regular quarterly reporting from the Group Chief Risk Officer, the finance department and the legal and compliance function and half yearly reporting from an external actuary on the adequacy of loss reserving. The Committee discussed and challenged the results of the risk and control affirmation review and testing work performed and the ongoing effective operation of key controls. At each meeting the Committee is presented with a report from the Group Head of Internal Audit, and reviews findings relating to the control environment and management responses. In addition, the Committee received from the Group Head of Internal Audit an annual assessment of the effectiveness of the Group's governance, risk and control framework for discussion, together with an analysis of themes and trends from the internal audit work performed and their impact on the Group's risk profile. The Group Head of Internal Audit considered management's fraud risk assessment as part of this work. Fraud risk and the associated controls were, otherwise, ordinarily considered by the Group internal audit function as part of the planning phase for each audit conducted. During this review, the Committee did not identify any weaknesses which were determined to be significant to the preparation of the financial statements. Where areas for improvement were identified, processes are in place to ensure that the necessary actions are taken, and progress is monitored by the Committee. As a result of this work the Committee and the Board were satisfied with the effectiveness of the Group's internal controls, including operational and compliance controls and controls over financial reporting. The Committee assisted the Board in determining the appropriateness of adopting the going concern basis of accounting and in performing the assessment of the viability of the Group, as more fully described in the Directors' Report on page 111.

Compliance, speaking up and fraud

Committee responsibility	Committee activities
Reviews for adequacy and security the Group's compliance, speaking up and fraud controls.	The Committee conducted an annual effectiveness review of the Group's policies and procedures relevant to financial controls and recommended the adoption by the Board of updated policies and procedures in respect of: • anti-money laundering; • the prevention of bribery and financial crime (including the detection of fraud); • conflicts of interest; • whistleblowing arrangements; and • sanctions monitoring. The operation of the controls that are documented in these policies and procedures are reported to the Committee on a quarterly basis in the form of confirmatory compliance statements from the Group's legal and compliance function, members of which include the Group's Money Laundering Reporting Officers and Group Data Protection Officer. The Committee also keeps under review the adequacy and effectiveness of the Group's legal and compliance function, and receives regular updates on compliance training delivered to employees across the Group. The Group's whistleblowing policy and procedures provide an internal mechanism for the reporting, investigation and remediation of any workplace wrongdoing, with arrangements in place that allow for the independent investigation of such matters and appropriate follow-up action. A whistleblowing champion has been appointed to each of the Group's principal operating subsidiaries, as well as at a parent company level, with the Chair of the Audit Committee serving in such capacity. The appointed whistleblowing champions have responsibility for ensuring and overseeing the integrity, independence and effectiveness of the Group's policies and procedures on whistleblowing. The Group places a high priority on employees' understanding of this process to enable them to speak out with confidence when appropriate. This message, as well as the arrangements that are in place, is regularly communicated to all employees.

Priorities for 2025

- Maintain the focus on the Group's risk and control framework, the operation of the business's financial reporting systems and the integrity of external financial reporting, with consideration of the changes to the UK Code where relevant;
- Monitor and embed aspects of positive business culture in quarterly reporting, in particular regarding the Group's financial and risk control environment;
- Conduct an effective tender process for the Group's external audit services which is compliant with the requirements set out in the FRC's Audit Committees and the External Audit: Minimum Standard;
- Monitor developments and implement recommendations relating to anticipated changes in the corporate governance, corporate reporting, audit practice landscape, ESG, sustainability and climate reporting; and
- Oversee the implementation of the changes required by the new Global Internal Audit Standards for the Audit Committee and the internal audit function.

Sally Williams
Chair of the Audit Committee

5 March 2025

Nomination Corporate Governance and Sustainability Committee

"I became Chair of the Committee following Peter Clarke's planned departure at the 2024 AGM. The Committee has had another active year, with its principal focus being on succession both to further the commercial and strategic objectives of the business and to ensure the evolution of the Board and its Committees with due regard to the overall balance of skills, experience and diversity. Following a thorough process for the identification of candidates, and on the recommendation of the Committee, the Board appointed Linda Ventresca in August 2024, and Nathalie Rachou and Bob Cox in November 2024. The Board has the right balance of skills and experience to deliver intelligent and focused governance, with an appropriate balance of challenge and support for our senior executive team."

Philip Broadley
Chair of the Nomination Corporate Governance and Sustainability Committee

Committee membership

The majority of the Nomination Corporate Governance and Sustainability Committee members are independent Non-Executive Directors. The Committee Chair is Philip Broadley, who is also the newly appointed Chair of the Board.

Committee members	Meetings attended
Philip Broadley (Chair)	3/3
Peter Clarke (former Chair)	2/2
Michael Dawson	4/4
Sally Williams	4/4
Irene McDermott Brown	4/4

Principal responsibilities of the Committee

- Reviews the structure, size and composition (including the skills, knowledge, independence, experience and diversity) of the Board and oversees Board engagement with the workforce;
- Considers succession planning for the Directors and other senior executives;
- Nominates candidates to fill Board vacancies;
- Makes recommendations to the Board concerning Non-Executive Director independence, membership of Committees, suitable candidates for the role of Senior Independent Director, and the re-election of Directors by shareholders;
- Reviews the Company's corporate governance arrangements and compliance with the Code;
- Monitors and makes recommendations to the Board regarding the environmental, social and governance responsibilities of the Company; and
- Makes recommendations to the Board concerning the charitable and corporate social responsibility activities of the Company and donations to the Lancashire Foundation.

How the Committee discharged its responsibilities

Committee responsibility	Committee activities
Board and Committee succession, independence, composition and effectiveness	The appointment of Russell Reynolds as the independent external recruitment consultancy to carry out a search for the three additional Non-Executive Director candidates who were appointed during 2024 was approved by the Committee. The Committee agreed detailed specifications for the required Non-Executive Director roles, which were structured with regard to the balance of skills, experience and diversity of the Board and its Committees. During the course of 2024, regular meetings were held with representatives of Russell Reynolds, as well as numerous meetings between Directors, members of management and the prospective candidates. The company secretarial department assisted in conducting the relevant due diligence processes and gave advice around governance requirements for candidates under consideration. All Directors were involved in meeting and approving the principal candidates emerging from the search process. The Committee regularly discussed Board succession and skills planning over the year and monitored the diversity of the Board members. The appointments of Paul Gregory, Linda Ventresca, Nathalie Rachou, and Robert Cox, as Directors were reviewed and approved during the year. See pages 68 and 69 for details of these appointments. Philip Broadley was appointed as a member and Chair of the Nomination Corporate Governance and Sustainability Committee, and as a member of the Investment Committee and the Remuneration Committee. The Committee reviewed the composition of the Board at its November 2024 meeting, and it considered that the balance of skills, knowledge, independence, experience and diversity continues to be appropriate for the Group's business to meet its strategic objectives. The Committee noted in its discussions that the Board had met its Parker review objective for the Board of having at least one director from a minority ethnic background. The Committee has also noted that, due to the appointment of two female Non-Executive Directors during 2024, the gender balance of the Board has improved. The Committee and Board remain committed to an objective of having at least 40% female membership of the Board and intends to maintain this as part of its succession planning over the next couple of years. The process for the year-end review of the effectiveness of the Board, the Committees and each of the Directors, was overseen by the Committee. See pages 69 and 70 for a summary of the process and conclusions, including the decision not to use external facilitation. In accordance with the provisions of the Code, all of the Directors are subject to annual (re)election by shareholders. See pages 68 and 69 for a summary of the Committee's work regarding the independence and (re)election of Directors. The Group's fit and proper policy for Board appointments was reviewed and approved.
UK Corporate Governance Code compliance	The Committee keeps under review the Company's corporate governance arrangements, particularly the Company's compliance with the Code. The Committee reviewed the company secretariat's checklist record of the Company's compliance with the Code on a quarterly basis.
Governance documentation	Each Committee considered its Terms of Reference as part of the 2023 year-end evaluation process and has recently completed a similar exercise as part of the 2024 evaluation. The Committee recommended to the Board changes to the Terms of Reference for the Underwriting and Underwriting Risk Committee, which were tabled in the light of changes to the Group's underwriting management structure and underwriting processes and approved in August 2024. The Committee also concluded that all other Terms of Reference for the Committees were fit for purpose. In August 2024, the Committee reviewed and recommended to the Board minor revisions to both the Board's Schedule of Reserved Matters and to the document describing the division of responsibilities between the Group CEO and the Chair.
Management and staff appointments and succession planning	In November 2024, the Committee reviewed and recommended the approval and adoption by the Board of the Group's management succession plan and talent management and development programme for the senior management population. The business has the objective of fostering a skilled and diverse workforce to meet the needs of the business. The Committee engaged with Nicola Nairn, the newly appointed Group Head of HR and discussed with her plans for the enhancement of data collection and reporting for employees. The Committee reviewed training and development proposals for a number of key employees across the Group as part of the succession planning process.

Committee reports *continued*

Committee responsibility	Committee activities
Workforce engagement	With regard to its arrangements for workforce engagement the Board does not use the suggested methods set out in the Code, but an alternative arrangement involving the designation of Non-Executive Directors on a rotating basis. During 2024, the Group CEO held 'town hall' meetings with employees following the announcement of the Group's quarterly results. To best promote arrangements for Non-Executive Directors to engage constructively with members of the workforce, the Committee oversaw for these town hall meetings to be attended by the Chair of the Board or another Non-Executive Director. The Non-Executive Director participants in the town hall meetings held during 2024 were Michael Dawson, Irene McDermott Brown, Sally Williams and Robert Lusardi. The Directors continue to have the opportunity to meet with employees less formally at lunches and other social gatherings throughout the year as well as those specifically organised around the time of the Board's regular meetings in Bermuda. Following his appointment as Chair of the Board at the 2024 AGM, Philip Broadley introduced himself in a session open to all staff members and welcomed questions. Philip Broadley also convened a question-and-answer session for all employees in June 2024, which was framed as a discussion between Philip and Alex Maloney, and afforded staff the opportunity to ask questions. A similar question-and-answer session for staff was conducted with Natalie Kershaw, the Group CFO and an Executive Director, in May 2024. The Committee considered these and other tools for workforce engagement at its November 2024 meeting and discussed arrangements for workforce engagement during 2025. The Committee, and the Board, consider that the mechanisms for workforce engagement and feedback have an appropriately high profile and, in turn, inform debate within the relevant Committees, the Board and the wider Group.
Legal, regulatory and governance developments reform	Developments in the areas of law, regulation and guidance relevant to the Group and its operation were reported and discussed. Topics covered included proposals for reform to the UK Code and related corporate reporting requirements for UK listed entities, changes to the UK Listing Rules during 2024, developments in audit market reform and guidance, UK guidance with regard to ethnicity pay data and developments in ESG regulation and practice.
Subsidiary boards	The Committee and Board monitored the composition of the Group's subsidiary boards, including appointments and other alterations.
Sustainability	
Sustainability and ESG strategy and reporting	Regular reports were received from Jelena Bjelanovic as Chair of the management ESG Committee regarding the current and developing ESG regulatory landscape as well as the Group's progress in these areas. The Committee has continued to monitor developments in the area of the Group's ESG responsibilities, including climate change risk management, data collection and reporting within the business. The Committee received feedback on the Group's engagement with the Lloyd's market pilot concerning proposals for accounting for insured carbon emissions. The Committee noted the developments in wider regulatory requirements and market initiatives. At its November 2024 meeting, the Committee recommended to the Board for approval changes to the Group's ESG strategy and framework.
Environment	
Climate change risk and opportunity and nature-related risk	Developments in the areas of environmental sustainability and climate change, and the management of related risks and opportunities, were periodically reviewed. The Committee and Board reviewed and ratified the Group's 2024 ClimateWise submission. For more information on these matters, please see the 2024 TCFD report starting on page 46.

Committee responsibility	Committee activities
Social responsibility	
Diversity, equity and inclusion	For data regarding the gender and ethnicity of the Board and executive management, please refer to page 37. The Committee recommended approval of an updated Board diversity policy, which is posted on the Company's website, and covers the Board and each of its committees. The Committee was pleased that during 2024, the Board continued to meet its Board-level Parker review objective for minority ethnic representation. At its November 2024 meeting, the Committee discussed with the Group Head of HR progress towards the Group's option of the adoption of a Parker Review ethnicity target for the executive management group and its reports. The Committee and Board will continue to keep under review pending enhancements to the Group's data collation and reporting capabilities which are expected to help inform the process for considering an appropriate ethnicity target at some future date. The Committee noted the improvement in gender diversity on the Board. At the 2024 year end the percentage of female membership of the Board was 41.7%. On 1 January 2025, the percentage fell to 38.5% when the appointment of Bob Cox became effective. Female Board membership is expected to increase to 45.5% following the 2025 AGM. The Board intends to continue to maintain this focus on the balance of the Board as part of future succession planning. The Committee received an update from management on the Group's gender pay gap data and discussed areas for focus and action, including continued workforce communication.
The Lancashire Foundation	The Committee is responsible for monitoring and making recommendations to the Board in relation to the Company's charitable giving policy and the operation of, and reporting requirements for, the Lancashire Foundation. During 2024, the Committee received a report from the Foundation, including its objectives, governance and approach to funding for 2025 and beyond, alongside its investment strategy, donations policy and charitable activities, as well as the ways in which the Foundation engages employees throughout the Group with its work and initiatives. The Committee made a recommendation to the Board that the Company donate to the Foundation 0.75% of full-year Group profits (subject to a cap of $750,000 and a $250,000 collar), conditional on the determination of financial performance for the full year. For more information regarding the work of the Lancashire Foundation, please see pages 42 to 45.
UK Modern Slavery Act 2015 and human rights	During 2024, the Committee recommended the approval by the Board of an updated Group anti-slavery and human trafficking statement which was amended to include reference to the Group Human Rights Statement. Both statements are posted on the Company's website.

Priorities for 2025

- To continue to ensure that the Company is able to effectively discharge its governance responsibilities and to appropriately adapt, monitor and report its compliance with the 2024 UK Corporate Governance Code;
- To support management in the further development of the talent pipeline and training and retention tools within the business;
- To review developments with regards to the Company's sustainability and ESG activities, including management of climate change risk and opportunity; and
- To monitor the Company's progress on diversity and to consider appropriate objectives as part of its oversight of succession planning.

Investment Committee

"The Investment Committee has focussed on the increasing investment opportunities arising from the diversification and growth of the Group's insurance business over recent years. The larger pool of insurance and reinsurance reserves held by the Group linked to organic growth initiatives including the establishment of a new US-based underwriting platform in 2024 and the growth of the Group's longer tail casualty portfolio has increased the size of the Group's managed investment portfolio. This exceeded $3 billion for the first time during 2024. The larger portfolio provides the opportunity for investment returns to generate a larger contribution to overall Group profit. However, the Group's investment portfolio has continued to be managed with the same relatively conservative approach, as in previous years. In the current higher interest rate environment, the portfolio investment returns have made a material contribution to the Group's profitability. We expect investment returns to continue to enhance the Group's overall returns in future years."

Robert Lusardi
Chair of the Investment Committee

Committee membership

The Terms of Reference of the Investment Committee provide that the Committee shall comprise at least two Non-Executive Directors (one of whom may be the Chair of the Board) and the Group CFO and/or the Group CIO. Any Executive Director may also serve on the Committee.

The Investment Committee comprises one independent Non-Executive Director, the Chair of the Board, one Executive Director (the Group CFO) and the Group CIO (who is not a Director).

Committee members	Meetings attended
Robert Lusardi (Chair)	4/4
Peter Clarke[1]	1/2
Philip Broadley[2]	3/3
Natalie Kershaw	4/4
Denise O'Donoghue	4/4
Linda Ventresca[3]	0/0

1. Peter Clarke left the Investment Committee when he stepped down as a Director and the Company Chair on 1 May 2024.
2. Philip Broadley was appointed to the Committee on 5 March 2024.
3. Linda Ventresca was appointed to the Committee on 5 November 2024.

Principal responsibilities of the Committee

- Reviews investment strategies, guidelines and policies proposed by management and recommends such to the Board and other Group entities to approve;
- Recommends and sets risk asset definitions and investment risk tolerance levels as proposed by management;
- Recommends to the relevant subsidiary boards the appointment of investment managers proposed by management to manage the Group's investments;
- Monitors the performance of investment strategies within the risk framework; and
- Establishes and monitors compliance with investment operating guidelines.

How the Committee discharged its responsibilities

During 2024 the Group's investment portfolio generated $162.2 million, representing a positive return of 5.0%. The strong return was driven by a higher-yielding environment, diversification and a strong contribution from our alternative assets. The Committee received regular comprehensive reports from management regarding investment performance, strategy and risk monitoring. The Committee continued to work constructively with management to articulate, support and implement the Board's investment philosophy and discussed and agreed the resourcing requirements for the Group's investment department.

The Committee carried out its biennial strategic asset allocation review, assisted by analysis from the Group's investment advisers, and recommended to the Board for approval resultant changes to the Group's investment strategy and portfolio guidelines. This regular strategic review work is designed to optimise the risk and return profile of the Group's investment portfolio.

Regular reports from the professional investment portfolio managers concerning their forward-looking view of the macroeconomic environment and implications for investment asset classes and strategy were discussed. The Committee received a presentation from one manager regarding the opportunity and performance associated with certain credit-focused investment portfolios.

The Committee considered regular reports on the performance of the Group's investment portfolios, including asset allocation and compliance with pre-defined guidelines and tolerances; and recommended amendments to portfolio investment guidelines to the Board. During the year, the Committee approved two new private credit fund investments and received management reports on other investments which further diversified the Group's investment portfolio. The due diligence for all new managers and funds is under the remit of the internal Investment Return and Risk Committee and outcomes are reported to the Investment Committee.

A suite of investment portfolio risk analytics were monitored throughout the year by the Committee, including a 1 in 100 VaR measure, realistic disaster scenarios and realistic loss scenarios, credit risk and credit quality, liquidity risk and other market risks. The Committee also tracked foreign exchange exposure and its management.

A number of tools were monitored to measure the ESG profile, climate change risk exposure and carbon intensity of the Group's investment portfolio, with due regard to stakeholder expectations in these areas. The Committee intends to continue to monitor the available ESG and carbon management tools in consultation with the Group's external advisors and portfolio managers in order to remain informed of the evolving market and regulatory standards and expectations for the measuring and reporting in these areas.

Of the Group's externally managed investment portfolio, 96.7% is assigned to managers which are signatories to the UNPRI. Performance against carbon intensity guidelines for investment managers in the fixed maturity portfolio is regularly reviewed. The Committee monitored the ESG profile of the Group's fixed maturity portfolio by reference to the MSCI ESG rating tool, noting that the MSCI covered assets within the Lancashire portfolio is broadly aligned with the MSCI ESG category rating for a benchmark portfolio, being the Bloomberg Barclay's US Corporate Bond 1 to 5 year Index.

The proportion of the fixed maturity portfolio covered by the available rating methodology was approximately 45% of the public fixed maturity portfolio at the year-end, due to the high number of US treasuries and structured products that are not covered by the available methodology.

The MSCI rating for the proportion of portfolio assets covered under the available MSCI carbon intensity rating methodology was rated as "A". The carbon intensity score for the fixed maturity portfolio continued to reduce during 2024 following recent changes to the investment guidelines.

The Committee continues to operate a framework for the measurement of climate sensitivity for corporate bonds within the fixed maturity portfolio through the use of a Climate VaR, which is aligned with the Paris Accord goal of limiting global temperature increases to a maximum of 1.5°C, for the Group's investment risk tolerance statements. The Committee and Board have a preference for the financial impact of this scenario on the Group's fixed maturity portfolio, covered by MSCI, to have a less detrimental impact than the MSCI benchmark model. Due to limited coverage of the available MSCI measurement tool, the portfolio performance is grossed up by reference to covered assets. The Committee noted that the fixed maturity portfolio continues to outperform the benchmark portfolio on the Climate VaR measure.

ESG and carbon management investment guidelines are approved by the Committee and the Board and implemented by the Group's investment managers across the Group's fixed maturity investment portfolios. The Committee agreed further changes in the Group's investment guidelines during 2024 so that, from 1 January 2025, investment managers will be required to divest from companies that generate more than 2% of their power from thermal coal or derive more than 2% of their revenues from oil sands or Arctic oil and gas.

Priorities for 2025

- To maintain a diversified investment portfolio which generates attractive risk-adjusted returns, supports Group underwriting activities, contributes to growth in DBVS and is balanced with the preservation of capital and the maintenance of liquidity to pay claims;
- To have the portfolio duration align with the reserve duration of the Group's inwards insurance and reinsurance portfolios, which has increased in recent years;
- To monitor macroeconomic trends, in particular the anticipated changes in the yield curve, and to assess associated investment risk within a framework of prudent investment risk management;
- To monitor the climate change risk sensitivity, ESG profile and carbon intensity profile of the Group's investment portfolio with due regard to developing expectations and methodologies; and
- To monitor the implementation of recommendations from the biennial strategic asset allocation study, and to evaluate the developing investment environment relative to the original assumptions and recommendations.

Underwriting Committee

"For the first time in the Group's history, our annual gross premiums underwritten exceeded $2 billion. Over several years, the Group has taken advantage of a favourable trend in (re)insurance pricing in most classes of business. This attractive environment helped us once again to achieve profitable growth in 2024, ahead of the market rate increases. We were able to grow our client base, build out both newer and existing lines of business and establish a more diversified book. In what was another active year for large risk losses and catastrophe losses, our strong underwriting result helps demonstrate the greater resilience of our portfolio. The Group's newly established Lancashire US platform, which commenced underwriting in early 2024 was an exciting development and an area of close focus for the Committee."

Alex Maloney
Group CEO and Chair of the Underwriting and Underwriting Risk Committee

Committee membership

During 2024, the Underwriting and Underwriting Risk Committee comprised two Executive Directors (the Group CEO and the Group CUO) and three Non-Executive Directors, together with other senior members of the Group's underwriting and actuarial management teams (who are not Directors).

Committee members	Meetings attended
Alex Maloney (Chair)	4/4
Jon Barnes	4/4
Michael Dawson	4/4
James Flude	4/4
Paul Gregory	4/4
Jack Gressier	4/4
James Irvine[1]	4/4
Hayley Johnston	4/4
Bryan Joseph	4/4
Ben Readdy	4/4

1. James Irvine resigned from the Committee on 4 December 2024.

Principal responsibilities of the Committee

- Reviews Group underwriting strategy, including consideration of new lines of business;
- Oversees the development of, and adherence to, underwriting criteria, limits, guidelines and authorities across the Group;
- Reviews underwriting performance;
- Reviews significant changes in underwriting rules and policies; and
- Monitors underwriting risk and its consistency with the Group's risk profile and risk appetite.

How the Committee discharged its responsibilities

Strategic oversight

During 2024, the Committee continued to monitor the development and delivery of the Group's underwriting strategy. The management team remained focused on the strategic priority of maximising the underwriting opportunity during another year in which the (re)insurance pricing environment continued to improve in most classes.

The Committee actively monitored underwriting performance during the year and continued to monitor and approve the Group's underwriting risk tolerances and preferences and related performance.

Management reporting to the Committee included the clear presentation of underwriting information, aligned with the Group's insurance and reinsurance reporting segments, including dashboard summaries. Improvements to the Group's data warehouse and data management capabilities over recent years have afforded enhancements to the collation and presentation of underwriting, outwards reinsurance and claims data relevant to the Committee's activities.

The Committee received regular updates on the Group's strategic underwriting plans and the Lloyd's business plans, including related capital requirements.

It also regularly reviewed progress in the development of the Group's Lancashire US underwriting platform.

Reports were received on a number of new business initiatives, including several which were explored but not pursued.

Underwriting performance

Regular reports were received on the Group's underwriting activities, including quarterly updates on gross premium written, insurance and reinsurance pricing trends, and combined ratio developments as well as changes in underwriting appetites and the Group's client base. The strong improvement in the pricing environment over recent years had contributed to the Group's ability to grow its premium income materially. Within this context, the Committee discussed with management the implications for increasing competition in the current strong pricing environment.

A management presentation was received on developing the Group's casualty reinsurance portfolio, performance and strategy. Since the Group's entry into this class in 2021, Lancashire has become a respected casualty market participant with increasing access to interesting market opportunities. The Committee also noted the longer tail claims duration within the casualty class and that the resultant casualty reserves held by the Group will tend to enhance overall returns within the Group's investment portfolio. Throughout 2024, the Committee monitored the progress made in building a more diversified underwriting portfolio, within which catastrophe risk is more broadly balanced against other non-correlating risks.

The Committee received regular reports from management following the commencement of the Group's US underwriting operations in April 2024. The Committee discussed progress in operational areas, recruitment and other arrangements for the US office as well as reports on broker submissions and business bound during the year.

In August 2024, the Committee received an update of the Group's mid-year Florida property reinsurance renewals including pricing, underwriting appetite, and positioning.

Underwriting controls

The Committee's Terms of Reference were reviewed to ensure that they have appropriate focus. In the light of changes to the Group's underwriting management structures the Committee discussed and recommended to the Board certain changes to its Terms of Reference, which were agreed by the Board in August 2024.

The Committee kept the Group's underwriting controls policy and procedures under review and approved changes. The Committee also reviewed and recommended to the Board changes to the underwriting authorities, aggregate exposures and normal maximum lines by class of business.

Risk appetites and monitoring including climate risk exposure

The Committee reviewed and recommended to the Board the Group's underwriting PML and RDS risk tolerances and preferences. The Committee reviewed at each of its meetings a summary of the Group's top PML and RDS exposures, including quarterly movements.

Through the review and monitoring of underwriting PMLs, the Committee continued to monitor exposures to a range of natural catastrophe risks, including regional windstorm and hurricane exposures. The Committee and the Board articulated and agreed an appropriate underwriting and risk management strategy and management preferences for these and other risk exposures linked to climate change factors.

The Committee and the Board are satisfied that the Group's underwriting strategy and reinsurance and risk management programmes are appropriate for the management of underwriting risk and natural catastrophe and climate linked exposures relating to these risks. For more detail, please see the ERM report starting on page 24 and the Group's TCFD report starting on page 46.

The potential for conflicts and their related management within the business was also monitored.

Oversight of reinsurance structures

One of the Committee's roles is to monitor the Group's reinsurance planning, which is an important tool in managing the Group's exposures from the inwards (re)insurance portfolio.

The Group's programme of outwards reinsurance protections is a core risk and exposure management tool. The Committee reviewed the structure, pricing and operation of the outwards reinsurance programme and regularly discussed management reports covering outwards reinsurance developments. The Committee's work included a forward-looking presentation by management regarding opportunities for the Group's reinsurance structure for 2025. The Committee also monitored the Group's intra-group reinsurances.

Claims reporting

The Committee monitored the status of key claims, including reserve developments during the course of the year. Additionally, other topics discussed included COVID-19 related market litigation and claims relating to the conflict in Ukraine. Significant loss events during the year included the March 2024 Baltimore bridge marine collision and collapse, the August 2024 Calgary hailstorms, the European windstorm Boris in September 2024, and US hurricanes Debby, Helene and Milton.

Board engagement

During 2024, the Committee meetings were ordinarily attended by all Board members. The Committee and Board seek to match the Company's capital to the underwriting requirements of the business in all parts of the underwriting cycle. A more detailed analysis of the Group's underwriting performance appears in the underwriting and business review starting on page 16.

Priorities for 2025

- To continue to monitor and understand opportunities and risks within the context of the evolving underwriting pricing cycle;
- To oversee implementation by management of a profitable, forward-looking and disciplined underwriting strategy with a focus on disciplined growth appropriate to the current market opportunities and nimble use of the Group's underwriting platforms, within a framework of appropriate risk tolerances;
- To work to identify new underwriting opportunities, in particular new lines of business available through the Group's Lancashire US underwriting platform; and
- To continue to foster a nimble, sustainable and responsive underwriting culture, capable of responding to the needs of clients, investors, employees and other stakeholders.

Remuneration Committee

"The Committee and Board have been pleased with the resilience of the Group's underwriting portfolio to market losses, and the contribution of both underwriting, and investments, to exceptional profitability for 2024. Strong performance during the year enabled the Board to deliver enhanced returns to shareholders by both an increase in the Company's ordinary dividend payments and by further special dividends during the year. These results are reflected in the 2024 remuneration outcomes for our Executive Directors."

Irene McDermott Brown
Chair of the Remuneration Committee

Committee membership

At the 2024 year end the Remuneration Committee comprised four independent Non-Executive Directors and the Chair of the Board. Philip Broadley was appointed as a member of the Committee on 5 March 2024. Peter Clarke stepped down from the Committee and the Board at the 2024 AGM.

Committee members	Meetings attended
Irene McDermott Brown (Chair)	4/4
Philip Broadley	3/3
Peter Clarke	2/2
Michael Dawson	4/4
Jack Gressier	4/4
Robert Lusardi	4/4

Principal responsibilities of the Committee

- Sets the Remuneration Policy for all Directors and determines the total individual remuneration packages of the Company's Chair, the Executive Directors, Company Secretary and other designated senior executives;
- Recommends to the Board the financial and personal objectives for each Executive Director and monitors the performance against these objectives for the annual bonus;
- Determines each year whether awards will be made under the Group's RSS and, if so, the overall amount of such awards, the individual awards to Executive Directors and other designated senior executives, and the performance targets to be used;
- Ensures that contractual terms on termination or retirement, and any payments subsequently made, are fair to the individual and the Company; and
- Oversees any major changes in employee reward and benefit structures throughout the Group.

How the Committee discharged its responsibilities

Throughout the year, the Committee kept under review the Group's performance and remuneration structures, giving due consideration to investor and stakeholder interests and guidance.

The Chair of the Remuneration Committee led a shareholder advisory exercise with the Group's largest shareholders regarding the Board's remuneration plans during early 2024. Constructive feedback from shareholders was taken into account when finalising these remuneration plans, and the Remuneration Report received a vote in favour of 91.2% at the 2024 AGM.

Given the strong shareholder support for the pre-existing Remuneration Policy and the due consideration given to it during the year with support from PwC as the Group's external remuneration advisor, the Committee concluded the existing Policy continues to remain suitable and no changes are currently proposed at the 2025 AGM. The Committee will be reviewing the Policy during 2025 ahead of the triennial Policy review at the 2026 AGM.

Details of the metrics for the annual bonus for Executive Directors and for the longer-term RSS equity-linked awards for Executive Directors are set out in the Directors' Remuneration report on page 93. The Committee monitored the financial performance of the business throughout the year.

The Committee received remuneration advisory services from PwC who were appointed in 2023 as the Group's independent remuneration advisers. PwC attended the Committee's meetings during 2024.

During 2024, the Committee reviewed the Group's incentive packages for Executive Directors, including for Paul Gregory, who was appointed to the Board as an Executive Director from 1 May 2024, and for other designated senior executives within the agreed remuneration framework and more generally for the staff population, to ensure that remuneration is structured appropriately to promote the long-term success of the Company. The Committee reviewed industry benchmarking data for the Group's most senior executive roles. In considering the salary and bonus awards for the Executive Directors, as well as other designated senior executives, the Committee had regard to remuneration levels and practices across the workforce. The Committee and the Board noted and discussed the outcomes of the Group's gender pay gap data analysis and developments in succession planning.

The Committee also approved the grant of long-term incentive awards under the Company's RSS, considering a range of factors, including the Company's share price movement. The Committee reviewed Executive Directors' shareholdings in the context of the Company's share ownership guidelines for executives. Share ownership targets have either been met, or acceptable progress made, in accordance with guideline requirements.

In considering remuneration outcomes, the Committee made enquiries with respect to the effective operation of the Group's risk and control framework and sought input from the Audit Committee Chair and the Group's Chief Risk Officer. The Committee was satisfied that there were no circumstances which required the application of risk adjustment, malus or clawback to remuneration.

At the November 2024 meeting, the Committee and all Directors received a presentation from PwC on developments in remuneration practice. Discussion covered developments in law, regulation, best practice and reporting obligations, as well as the remuneration guidance from leading shareholder advisory groups. Following the election of a new UK Government during 2024 the Directors considered the impact of potential changes to the UK legislative, regulatory and tax environment and associated implications for the workforce and the operation of the business. The Committee also noted the remuneration practice changes that will arise from the publication of the 2024 Code, which will take effect from 2025.

The Committee reviewed and recommended to the Board for approval the Group's Solvency II remuneration policy relevant to the management population of staff within the Group's UK regulated entities.

For detail of the Committee' s discussion of the linkage between performance and remuneration outcomes, please see Irene McDermott Brown's introduction to the Directors' Remuneration Report on pages 92 to 93. The Report also sets out in greater detail 2024 remuneration for Executive Directors and the Committee's work in reviewing performance and outcomes and in determining appropriate implementation of the Policy for 2025 (see pages 98 to 108 for the full report).

Priorities for 2025

- To ensure the appropriateness and relevance of the Group's remuneration structures and alignment with the Board's business strategy and objectives, effective risk management and the interests of stakeholders;
- To ensure that remuneration across the wider Group is appropriate to retain and reward employees and remains competitive and appropriate to meet the skills and resourcing needs of the business;
- To work with the Group's independent remuneration advisers to review the Directors' Remuneration Policy in anticipation of a shareholder Remuneration Policy vote at the Group's 2026 AGM;
- To keep abreast of compensation levels amongst the Group's London, Bermudian and other international peers, and appropriately reflect good market practices; and
- To adopt requirements in line with the 2024 UK Corporate Governance Code.

Annual Statement

Dear Shareholder,

On behalf of the Remuneration Committee, I am pleased to present the 2024 Directors' Remuneration Report to shareholders.

Business performance for 2024

2024 has been another extremely strong year where excellent operational and financial results have been delivered. For the third year in succession, the business has achieved growth in excess of the rates of growth in premium pricing, generating comprehensive income of $321.3 million, the second highest since 2010. The growth and diversification in the Group's underwriting has shown that the strategy of the past five years has been effective. Whilst 2024 was an active year in terms of the loss environment, it has been demonstrated that our underwriting capabilities mean that Lancashire can absorb losses such as the MV Dali Baltimore Bridge collision, and weather-related events, and still generate excellent returns for shareholders. In addition, our investment portfolio has also delivered strong returns, and investment performance has made a significant contribution to Group returns during 2024.

The Board has been pleased with the strong result in the annual Change in DBVS of 23.4%, and with an undiscounted combined ratio of 89.1%. The Group's Simple RoE has been similarly strong at 21.4% (see Glossary for further details).

The business has reinforced its long-standing commitment to active capital management during 2024 and, in light of the strong returns generated in the year, the Board was able to declare a special dividend of $0.75 per share in November 2024 (paid in December 2024). Overall, as we enter 2025, the Group is in a position to continue to maximise attractive underwriting opportunities in what we expect will be a positive pricing environment (see page 7 for further details in the CEO's Review). The Board is confident that the business has the required capital and resilience to support its underwriting and growth plan for 2025 and the foreseeable future.

Against this background, total remuneration for our Executive Directors has increased in comparison to 2023. The principal driver for this change is the strong performance delivery on the financial metrics of the RSS and on the outturn of both the financial and personal elements of the annual bonus. The financial element of the annual bonus has exceeded maximum target levels in 2023 and 2024 (see the comparison table for single figure remuneration on page 98).

During 2024, Paul Gregory, who has led the underwriting operations of the Group since May 2014, was appointed to the Board as an Executive Director from 1 May 2024. No changes were made to Paul's salary of £700,000 on appointment to the Board. The rest of the remuneration package is in line with the Policy - in particular, his maximum bonus and RSS opportunities being 300% of salary respectively.

In 2024, the Directors' Remuneration Policy operated in line with the intentions set out in the 2023 Annual Report on Remuneration.

2024 AGM voting outcomes

Shareholders will recall that in early 2024, I led an advisory exercise with major shareholders and agencies, regarding a proposed adjustment to Performance RSS award levels and an increase to salary for the Group CEO (both adjustments being within Policy) to address concerns related to international competitive pressure. These were productive conversations and as is noted in the Remuneration Committee Report (see page 90), the Committee was very pleased with the levels of shareholder support at the 2024 AGM for the report on remuneration, which received 91.2% of votes cast.

The Board and management continue to believe that there is a strong link between the Remuneration Policy and business strategy. The Policy is geared towards providing a level of remuneration which attracts, retains and motivates Executive Directors of the highest calibre to further the Company's interests and optimise long-term shareholder value creation, within appropriate risk parameters.

The Committee keeps the Remuneration Policy and performance metrics under regular review to ensure appropriate focus and alignment of our management team with the interests of our stakeholders. During 2024, it was again considered whether any element of the Remuneration Policy could conceivably encourage Executive Directors to take inappropriate risks, and the Committee has concluded that this is not the case, given the following:

- there is an appropriate balance between fixed and variable pay, and therefore Executive Directors are not required to earn performance-related pay to meet their day-to-day living expenses;
- there is a blend of short-term and long-term performance metrics with an appropriate mix of performance conditions: meaning that there is no undue focus on any one particular metric;
- in the case of Alex Maloney, the Group CEO, and Paul Gregory, the Group CUO, there is a high level of share ownership, and in the case of Natalie Kershaw, who assumed the role of Group CFO and Executive Director during 2020, there is an appropriate opportunity to acquire a longer-term equity holding on a measured basis, meaning that there is a strong focus on sustainable long-term shareholder value; and
- the Company has the power to claw back bonuses (including the deferred element of the annual bonus) and long-term incentive payments made to Executive Directors in the event of material misstatements in the Group's consolidated financial statements, errors in the calculation of any performance condition, corporate failure and material damage to the Group's business or reputation; or the Executive Director ceasing to be a Director and/or employee due to gross misconduct (see pages 94 to 96 for a summary of the Policy).

The Committee and Board consider that the three-year Directors' Remuneration Policy, which was set out in full in the 2022 Annual Report and approved at the 2023 AGM, remains fit for purpose, and no changes to the Policy are proposed at the 2025 AGM. The Committee will be reviewing the Policy ahead of the triennial Policy review at the 2026 AGM.

Remuneration outcomes for 2024

The Executive Directors' 2024 annual bonus performance targets for both financial and personal elements, were stretching. The financial element made up 75% of the annual bonus opportunity and was linked to the Company's Simple RoE. The 2024 Simple RoE performance of 21.4% (equivalent to the risk-free rate plus 16.3%) exceeded the maximum level set by the Committee at the start of the year (the risk-free rate plus 14%, being 19.1%), resulting in a 2024 annual bonus payout for the financial performance element at the maximum level. This was considered by the Committee and Board to be an appropriate outcome for 2024 and therefore no discretion was exercised by the Committee.

The Committee noted the exceptional personal performance of the Executive Directors during the year, commensurate with strong financial performance. Performance against the personal objectives was assessed at 94% of maximum for the Group CEO, Group CFO and Group CUO (see pages 100 and 101 for further details of personal performance). The overall 2024 bonus outcome was 98.6% of maximum for each Executive Director.

In relation to long-term incentives, the 2022 Performance RSS awards were 85% based on annual Change in DBVS targets and 15% on compound annual growth TSR targets over the three-year period to 31 December 2024. The Change in DBVS performance over the three-year performance period was assessed based on the result for each of the three separate financial years as disclosed on page 102, resulting in nil vesting in respect of the 2022 year for this element, and maximum vesting in respect of the 2023 and 2024 years, resulting in 66.7% vesting for this element of the 2022 Performance RSS awards. The Company's TSR (calculated in US dollars) for the three-year performance period resulted in a compound annual rate of 15.1%, resulting in 100% vesting for the TSR component. Therefore overall, the 2022 Performance RSS awards will vest at 71.7% of maximum.

The Committee noted, the outcome of the 2022 Performance RSS award is high, and reflects strong performance in 2023 and 2024 and the challenging loss environment faced by insurance markets in 2022. The Committee is satisfied that there has been sufficient linkage between longer-term performance and reward for Executive Directors. The Committee also considers that the Executive Directors will not benefit from any windfall gains and, as a result, no discretion was applied to the formulaic outcome. The Committee will continue to ensure that there is appropriate alignment between executive remuneration and Company performance in line with the Group's cross-cycle return expectations and is satisfied that the Policy operated as intended for 2024.

Wider workforce pay considerations and engagement

The Remuneration Committee takes into account levels of pay elsewhere in the Group when determining the pay levels for Executive Directors.

The remuneration policy for all staff is, in principle, broadly the same as that for Executive Directors in that any of the Group's employees may be offered similarly structured packages, with participation in annual bonus and long-term incentive plans, although award types (restricted cash, restricted stock or performance shares) and size may vary between different categories of staff. For Executive Directors, with higher remuneration levels, a higher proportion of the compensation package is subject to performance, share-based remuneration and deferral. This ensures that there is a strong link between remuneration, Company performance and the interests of shareholders.

Reflecting good practice in this area, Executive Directors' pension provision is the same as the standard pension contributions made to employees in the Group (in percentage of salary terms). Whilst the Company does not expressly consult with employees on Executive Directors' remuneration, the Board and the Committee, through the structured arrangements for regular workforce engagement, do receive employee feedback, including where relevant on matters of remuneration. During the year, the Committee also engaged with management on matters of broader employee engagement and remuneration. As a Committee, we value the opportunity to hear the views of employees and to support management in gathering and considering feedback and implementing changes. The Board and Committee received feedback during the year by taking part in town hall sessions and operated various forums to discuss opportunities and challenges with the input of senior leaders.

As in previous years, one of our Non-Executive Directors routinely joins Alex in the Group CEO's quarterly staff town hall meetings. These are a forum for the presentation and discussion with staff of the performance and operation of the business and the activities and operation of the Board. They also afford Alex and the Board the opportunity to address employee questions and receive feedback. The Committee also reviews and approves the size of any annual bonus pot to be distributed to employees and the allocation of RSS awards or other LTI structures, and its practice in this regard is well aligned with the expectations introduced within the Code.

The percentage change in remuneration table on page 107 shows that wider employee pay outcomes are broadly aligned to those of senior executives, albeit with a less dramatic impact from financial performance due to active management decisions in previous years to soften the effect of more challenging years and the larger proportion of variable components in senior executive pay.

Application of Remuneration Policy for 2025

The Committee has reviewed Executive Directors salaries for 2025 and determined that an increase of 3.6% is appropriate with effect from 1 January 2025. This is below the average uplift for the workforce for 2025, which is 4.1%.

No changes to the opportunity levels, performance metrics or weighting are proposed for the 2025 annual bonus and Performance RSS awards. Further details of the implementation of the Policy for 2025 can be found on pages 103 and 104.

The full Policy can be reviewed in the 2022 Annual Report, which can be found in the Results, Reports & Presentations section on the Group's web site www.lancashiregroup.com.

The disclosures provide our shareholders with the information necessary to form a judgement as to the link between Company performance and how the Executive Directors are paid. This Annual Statement, together with the Annual Report on Remuneration, will be subject to an advisory vote, and I hope that you will be able to support this resolution at the forthcoming 2025 AGM. The Committee is dedicated to maintaining an open and constructive dialogue with our shareholders on remuneration matters and I welcome any feedback you may have.

Irene McDermott Brown
Chair of the Remuneration Committee

5 March 2025

Directors' Remuneration Policy

As a Company incorporated in Bermuda, LHL is not bound by UK law or regulation in the area of Directors' remuneration to the same extent that it applies to UK incorporated companies. However, by virtue of the Company's listing on the LSE in the Equity Shares (Commercial Companies) category, and for the purposes of explaining its compliance against the requirements of the Code, the Board is committed to providing full information on Directors' remuneration to shareholders.

The Company's current Remuneration Policy was approved by shareholders at the 2023 AGM on 26 April 2023 and came into effect on that date with 92.9% of votes cast in favour.

The Remuneration Policy addresses the following principles as set out in the Code:

Clarity	• The Committee regularly engages with shareholders to take into account shareholder feedback (as it did when developing the current Policy) and with the workforce, as described in the Annual Statement on pages 92 and 93, to ensure there is transparency on the Remuneration Policy and its implementation. The Remuneration Policy has a clear objective: to enable the Group to attract, retain and motivate Executive Directors of the highest calibre to further the Company's interests and to optimise long-term shareholder value creation, within appropriate risk parameters.
Simplicity	• The Remuneration Policy is designed such that the arrangements are considered easy to communicate to all stakeholders. This includes variable pay, which operates as an annual bonus plan and a single LTIP. The Committee reviews the appropriateness of targets annually, being mindful of alignment with strategy. The objective and rationale for each element of the Remuneration Policy is clearly explained in the Policy table.
Risk	• The Committee considers that the structure of remuneration does not encourage inappropriate risk-taking. The performance metrics used ensure remuneration aligns to the Board's strategic objective, which is to achieve attractive returns appropriate to overall risk levels across the (re)insurance market cycle. There is a mixture of short-term and long-term performance metrics with an appropriate mix of performance conditions. Malus and clawback provisions are in place across all incentive plans, and the Committee has the ability to use its discretion to override formulaic outcomes. The Committee receives a report from the Group Chief Risk Officer with regard to risk management developments which may be relevant to remuneration outcomes, and also makes inquiry with the Group Head of Internal Audit.
Predictability	• The range of possible reward outcomes is shown in the 'Illustrations of annual application of Remuneration Policy' (see page 105 for full details), which demonstrates the potential threshold, on-target and maximum scenarios of performance and the resulting pay outcomes which could be expected. The 2024 bonus and LTIP award opportunities were in line with the maximum opportunity in the Policy.
Proportionality	• A significant proportion of pay is delivered through variable remuneration. No variable remuneration will be delivered for below-threshold performance, with incentives only paying out if strong performance has been delivered by the Executive Directors. The Committee has the discretion to override outcomes if they are deemed inappropriate to ensure a robust link between reward and performance.
Alignment to culture	• The Policy has been designed to support the delivery of the Group's long-term strategy and the interests of its shareholders and employees. Annual bonus performance metrics include an assessment of whether each Executive Director's contribution aligns to the Group values. The Policy seeks to appropriately motivate Executive Directors to deliver long-term, sustainable performance which benefits all stakeholders.

Remuneration Policy Summary

The following table summarises Lancashire's Remuneration Policy

Component	Operation/Key Features	Maximum Potential Opportunity	Applicable Performance Measures
Salary	• Typically reviewed annually with regard to market conditions, role, experience and peer group • Percentage increases aligned with workforce other than in exceptional circumstances	• No maximum	• None
Pension and other benefits	• Money purchase pension arrangement or cash alternative • Benefits offered in line with wider workforce • Additional benefits can be offered to support relocation or local practice • Reasonable business-related expenses	• Maximum employer pension contribution of 10% in line with wider workforce	• None
Annual Bonus	• One third of annual bonus deferred into Lancashire shares vesting in three equal tranches over three years • Dividend equivalent is earned on deferred portion • Cash and deferred elements are subject to malus and clawback	• Target: Up to 200% of salary • Maximum: Up to 400% of salary (2x target) • The current implementation is 300% of salary (2x target)	• At least 75% based on Financial Performance, for example growth in DBVS, profit, comprehensive income, combined ratio, investment return, Simple RoE or any other financial KPI • No more than 25% based on strategic/personal objectives
Long Term Incentives (LTI)	• Normally awarded annually as nil-cost options or conditional awards • Vesting after three years with a two-year holding period • Dividend equivalent accrues in cash or shares • All awards are subject to malus and clawback	• Up to 350% of salary	• Performance measures that reflect the long-term strategy of the business at the time of grant • May include TSR, growth in DBVS, Company profitability or any other relevant financial or strategic measure

Component	Operation/Key Features
Shareholding requirements	• Executive Directors are expected to maintain an interest equivalent in value to no less than two times salary • To be achieved within five years of appointment, with 50% of the shares (net of tax) from vesting RSS to be retained until the required level is achieved • Requirement to retain minimum shareholding level for two years post termination
Chair and Non-Executive Director fees	• Chair receives a single fee for all responsibilities which is reviewed periodically by the Committee and Group CEO • Non-Executive Directors receive a single fee for all responsibilities with the option to pay supplemental fees where additional responsibilities are undertaken • Any reasonable business expenses can be reimbursed
Committee discretion	• The Committee has discretion within the Policy over a number of areas of bonus and LTI operation including, but not limited to, participants, award timing, award size and vesting proportion, change of control arrangements, leaver treatment, special circumstances including rights issues, corporate restructuring, special dividends and adjustments to performance metrics, outcomes and deferral • Any use of exceptional discretion to override formulaic outcomes would, where relevant, be explained in the Annual Report on Remuneration, as appropriate
Approach to recruitment	• Remuneration packages for new Executive Directors would be set in accordance with the terms of the Company's prevailing approved Remuneration Policy at the time of appointment, taking into account the skills and experience of the individual • The Committee may offer to compensate a new Executive Director for deferred or incentive pay deemed forfeit on leaving a previous employer, ensuring, where possible, that value, timing and performance requirements are consistent with the forfeit awards • The Committee may also agree that the Company should meet appropriate relocation and expatriate expenses
Service contracts and loss of office payments	• Notice periods for Executive Directors will normally be limited to six months and will not exceed 12 months • Base salary and benefits will continue for the notice period, in the event that a proportion of the notice period is not worked, the Executive Director would have no contractual right to bonus for this proportion • Depending on the leaver classification, an Executive Director may be eligible for certain payments or benefits to continue after cessation of employment
Leaver arrangements	• If an Executive Director leaves on agreed terms, there may be payments after cessation of employment, and, subject to performance, the Committee has discretion to approve a bonus payment for the portion of the year worked with or without a deferral requirement. The Committee also has discretion to treat unvested RSS awards in line with the Good Leaver provisions contained within the plan rules • If an Executive Director resigns or is summarily dismissed, all payments will cease on the last day of employment
Non-Executive Director terms of appointment	• Non-Executive Directors are appointed subject to re-election at the AGM, and are terminable in accordance with the Bye-laws • Non-Executive Directors typically serve for up to six years, but can be invited to serve for an additional period
Legacy arrangements	• Authority is given to the Company to honour commitments paid, promised to be paid, or awarded prior to commencement of this Policy, either under a previous Policy or made prior to appointment as a Director
Unexpired terms	• The Executive Directors are employed under service contracts with no fixed duration • Non-Executive Directors have letters of appointment rather than service contracts

Remuneration at a glance

Remuneration in the Group

Group CEO pay ratio to the median colleagues

48:1

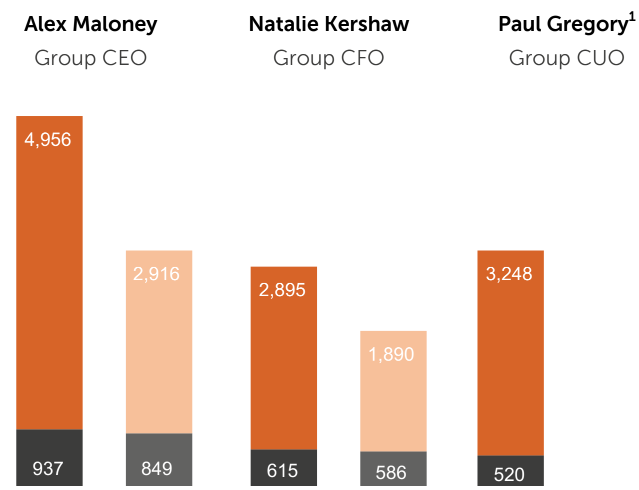
2023 31:1

Total spend on pay

$150.7m

2023 $135.1m

2024 Total single figure remuneration



	2024 (£'000)	2023 (£'000)	2024 (£'000)	2023 (£'000)	2024 (£'000)	2023 (£'000)
Salary	**840**	764	**551**	525	**467**	—
Benefits	**13**	9	**9**	8	**6**	—
Pension	**84**	76	**55**	53	**47**	—
Bonus paid in cash	**1,657**	1,503	**1,087**	1,034	**920**	—
Bonus deferred in shares	**828**	751	**543**	517	**460**	—
Long-term Incentive Plan (LTIP)	**2,471**	662	**1,265**	339	**1,868**	—
Total	**5,893**	3,765	**3,510**	2,476	**3,768**	—

Fixed Pay Variable Pay 2023 Fixed Pay 2023 Variable Pay

1. Paul Gregory was appointed to the Board on 1 May 2024. In accordance with the UK remuneration reporting regulations, the fixed pay and annual bonus amounts for Paul Gregory relate to his services as a Director from 1 May 2024 onwards, but the amount in relation to the RSS reflects the full award (without pro-rating for time on the Board).

2024 Performance RSS awards granted

On 13 March 2024, RSS nil cost option awards were granted to the Executive Directors. Details are set out below:

Director	Basis of award % salary	Number of options granted
Alex Maloney	350	454,967
Natalie Kershaw	275	234,592
Paul Gregory	300	324,976

Annual Report on Remuneration

This Annual Report on Remuneration, together with the Chair's statement, as detailed on pages 92 and 93 and 98 to 108, will be subject to an advisory vote at the 2025 AGM. The following sections in respect of Directors' emoluments have been audited by KPMG LLP:

- Single figure of remuneration;
- Non-Executive Director fees;
- Annual bonus payments in respect of 2024 performance;
- Long-term share awards with performance periods ending in the year – 2022 Performance RSS awards;
- Scheme interests awarded during the year;
    - Long-term Performance RSS;
    - Deferred bonus RSS awards; and
- Directors' shareholdings and share interests.

Single figure of remuneration

The following table presents the Executive Directors' emoluments in GBP in respect of the years ended 31 December 2024 and 31 December 2023 for time served as an Executive Director:

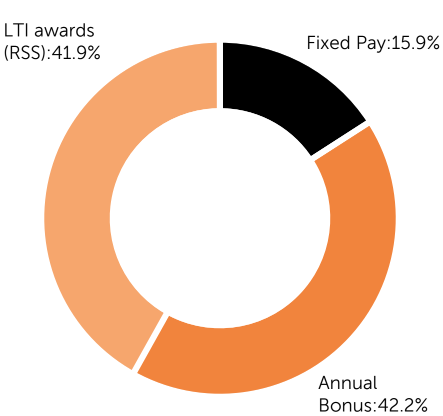
Executive Director		Salary £'000	Pension £'000	Taxable benefits[5] £'000	Total fixed pay £'000	Annual bonus[2] £'000	Long-term incentives (RSS)[3,4] £'000	Total variable pay £'000	Total £'000
Alex Maloney, Group CEO	**2024**	**840**	**84**	**13**	**937**	**2,485**	**2,471**	**4,956**	**5,893**
	2023	764	76	9	849	2,254	662	2,916	3,765
Natalie Kershaw, Group CFO	**2024**	**551**	**55**	**9**	**615**	**1,630**	**1,265**	**2,895**	**3,510**
	2023	525	53	8	586	1,551	339	1,890	2,476
Paul Gregory, Group CUO[1]	**2024**	**467**	**47**	**6**	**520**	**1,380**	**1,868**	**3,248**	**3,768**
	2023	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

1. Paul Gregory was appointed to the Board on 1 May 2024. In accordance with the UK remuneration reporting regulations, the fixed pay and annual bonus amounts for Paul Gregory relate to his services as a Director from 1 May 2024 onwards, but the amount in relation to the RSS reflects the full award (without pro-rating for time on the Board).
2. The 2024 bonus earned by Executive Directors is 98.6% of the maximum for the Executive Directors, further details are set out on pages 99 to 101. One-third of the Executive Directors' annual bonus is deferred into RSS awards without performance conditions, vesting at 33.3% per year over a three-year period.
3. For 2024, the long-term incentive values are based on the 2022 Performance RSS awards which will vest at 71.7% and are based on a three-year performance period that ended on 31 December 2024. The values above are based on the average share price for the final quarter of 2024, being £6.49, and include the value of dividend equivalents accrued up to 31 December 2024.
4. For 2023, the long-term incentive values are based on the 2021 Performance RSS awards which vested at 28.3%, and have been restated using the share price as at the date of vesting (6 March 2024) which was £6.70. The figures reflect the final number of shares that vested on 6 March 2024.
5. The benefits value shown reflects taxable benefits provided (private medical, travel insurance, critical illness, dental and gym reimbursement).

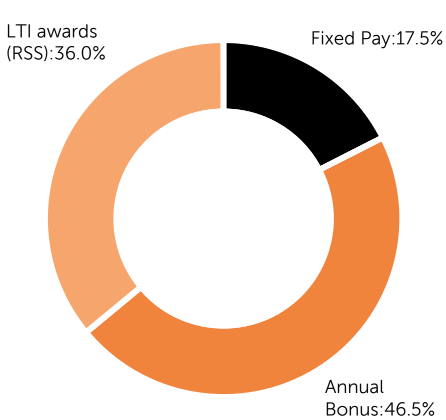
Each Executive Director has confirmed they have not received any other form of remuneration, other than that already disclosed in the single figure table.

The following charts set out the above disclosed 2024 total remuneration received by serving Executive Directors as a percentage of their total 2024 remuneration:

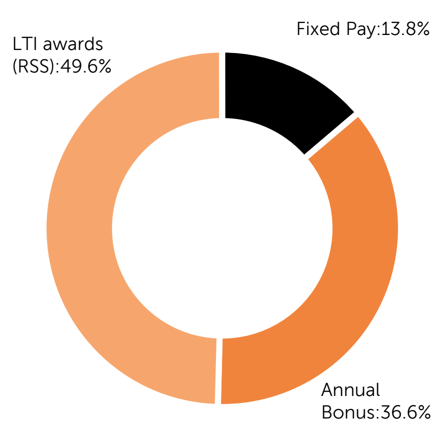
Alex Maloney



Natalie Kershaw



Paul Gregory



Non-Executive Director fees

The following table presents the Non-Executive Directors' fees in respect of the years ended 31 December 2024 and 31 December 2023 for time served as a Non-Executive Director:

Current Non-Executive Directors		Fee $'000	Other $'000[7]	Total $'000
Philip Broadley[1]	**2024**	**292**	**-**	**292**
	2023	26	–	26
Peter Clarke[2]	**2024**	**117**	**–**	**117**
	2023	350	–	350
Michael Dawson	**2024**	**175**	**–**	**175**
	2023	175	–	175
Jack Gressier	**2024**	**175**	**–**	**175**
	2023	175	–	175
Bryan Joseph[3]	**2024**	**175**	**100**	**275**
	2023	119	41	161
Robert Lusardi	**2024**	**175**	**–**	**175**
	2023	175	–	175
Irene McDermott Brown	**2024**	**175**	**–**	**175**
	2023	175	–	175
Natalie Rachou[4]	**2024**	**27**	**–**	**27**
	2023	–	–	–
Linda Ventresca[5]	**2024**	**70**	**–**	**70**
	2023	–	–	–
Sally Williams[6]	**2024**	**175**	**70**	**245**
	2023	175	67	242

1. Philip Broadley was appointed to the Board on 8 November 2023, and assumed the role of Chair on 1 May 2024. His fees for 2023 represent his time as a Director. His fees for 2024 represent his time as a Director and Chair.
2. Peter Clarke stepped down from the Board on 1 May 2024 and his fees represent his 2024 tenure.
3. Bryan Joseph was appointed to the Board on 26 April 2023 and to the LSL Board on 1 August 2023. His fees for 2023 represent his time as a Director.
4. Nathalie Rachou was appointed to the Board on 5 November 2024 and her fees represent her time as a Director.
5. Linda Ventresca was appointed to the Board on 7 August 2024 and her fees represent her time as a Director.
6. Sally Williams is also a member of the LUK Board.
7. LSL and LUK fees are paid in GBP at the average exchange rate for the month of payment.

Annual bonus payments in respect of 2024 performance

As detailed in the Remuneration Policy, each Executive Director participates in the annual bonus plan, under which performance is measured over a single financial year.

Bonus targets were set at the beginning of 2024 and based on a clear split between Company financial performance and personal performance on a 75:25 basis. The target value of bonus was 150% of salary for the Group CEO, Group CFO and Group CUO respectively, and the maximum payable was two times the target value.

Financial performance

75% of the 2024 bonus was based on Company performance conditions and the extent to which these were achieved, is as follows:

Performance measure	Financial performance weighting (of total bonus) %	Threshold %	Target %	Max %	Actual performance %
Simple RoE	75	RFR +5% (10.1%)	RFR +8% (13.1%)	RFR +14% (19.1%)	RFR +16.3% (21.4%)
Payout	% of Target	25%	100%	200%	200%

2024 is the second year in which financial performance has been measured using Simple RoE. The RoE outturn was calculated using profit after tax divided by average shareholders' equity. Average equity was calculated as the average of the opening and closing shareholders' equity position. The RFR was 5.1%, calculated with reference to the average 13 week UST rates for the year.

Personal performance

25% of the 2024 bonus was based on performance against clearly defined personal objectives set at the start of the year.

The table below sets out a summary of the 2024 personal objectives for each Executive Director and some of the factors the Board has considered to determine whether the objectives have been met:

Executive Director	Personal strategic objectives	Factors relevant to the Board's determination for the 2024 performance year
Alex Maloney	• Business management and leadership, including executive talent and succession and oversight of the Lloyd's relationship	• Led by example and maintained strong relationships with shareholders and regulators, employee satisfaction remains high. • The value of the COO structure has been demonstrated and succession planning and management has been shown to be robust. • Strategy of diversification executed and delivering strong financial returns.
	• Growth strategy including identification of sustainable opportunities to diversify, oversight of capital management to support growth and external engagement	• Growth has come principally from the US business with the commencement of underwriting activity. • Capital management and the diversification strategy have been shown to be effective and have facilitated capital returns despite claims activity. • Positive communication with shareholders and employees continues.
	• ESG, providing leadership and direction supporting an inclusive culture, ensuring the business maintains appropriate focus on environmental considerations and support the Chair with Board development	• Lancashire continues to address environmental considerations. • Succession planning has evolved and continued to recruit talent, being an employer of choice, demonstrating support of management actions. Evidenced via an open and meritocratic culture. • Launched The Lancashire Way during 2024, being a set of core behaviours and expectations to capture how to operate. • Board succession has been managed effectively, actively supported by Management.
Natalie Kershaw	• Business management and leadership, including financial reporting and internal and external stakeholders	• A powerful advocate of The Lancashire Way, a strong communicator able to convey complex concepts to a wide audience whilst maintaining commercial focus. • Strong oversight and delivery, including high-quality financial reporting in a changing regulatory environment (including IFRS 17 implementation), targeted data and MI, effective communications that convey the Lancashire culture and a commercially focused HR team. • Continual emphasis on developing relationships with external stakeholders, in particular rating agencies and investors, including active engagement where required.
	• Strategic finance, including capital management, business planning, expenditure management and oversight of investment portfolio	• Diligent oversight of the capital management process has resulted in the ability to pay special dividends during the year while ensuring sufficient capital to support continued growth in 2025. Strong returns generated by investment portfolio. • Excellent management of the rating agency process and focus on effective capital management have resulted in an upgrade to positive watch by S&P. • Business plan and expenses management have further evolved throughout the year to support the Group's strategic objectives and provide improved data and monitoring.
	• ESG, with a focus on environmental considerations in the investment portfolio, strategic talent development and succession and financial governance	• Leading financial governance and oversight is exemplary, resulting in high-quality reporting delivering clarity and transparency to ensure confidence from internal and external audiences. • The investment portfolio continues to perform strongly, delivering attractive returns, whilst maintaining a responsible approach to carbon intensity via prudent management and oversight. • With HR function and senior leaders, executed a high performance/high potential identification and training strategy for the business, allowing it to attract and retain the best talent in the sector. This initiative was a strong driver in identifying the key priority employees.

Paul Gregory	• Business management and leadership, including the development of the underwriting strategy and function	• Growth was delivered at the right point in the cycle, as a result of an effective underwriting strategy. Emphasis on quality and disciplined underwriting, demonstrating a resilient underwriting portfolio. • Championing the talent identification and development process, taking the lead in organisational decision and succession management to invest in talent, and broaden the underwriting bench. • A confident leader and a strong player and actively lives and reinforces The Lancashire Way, where challenge is welcomed and encouraged.
	• Delivery and progression of Group underwriting in line with the strategy and risk tolerance framework	• Delivered an underwriting platform to withstand volatility, as a result of the strategy of diversification and appropriate growth which allowed Lancashire to grow ahead of rate increases during the hard market and set up a US operation that commenced underwriting in 2024. • This has been delivered whilst ensuring risk levels remain within preference and tolerance. • Strong hiring decisions, and finding opportunities to advance talent, have added to the resilience and skills base of the underwriting function.
	• ESG, with a focus on underwriting talent development, environmental considerations in underwriting, and risk management and controls	• Fostered an entrepreneurial, collaborative culture being a driving force behind articulating and continually embedding The Lancashire Way. • Environmental and broader ESG considerations, as contained within the insurance underwriting guidelines have been fully adhered to. • Managed succession planning, including senior appointments to the US business.

The personal targets were tailored to each of the Executive Directors, according to their respective roles and areas of personal development.

During the 2024 annual performance reviews of each Executive Director, a performance rating, determined following an evaluation process and discussion and agreement of the outcomes with the Chair and members of the Board, was assigned to determine the level of bonus earned for delivery versus personal strategic objectives. The bonus earned by the Executive Directors in relation to 2024 personal strategic objectives assessment is 71% of salary (being 94% of the maximum available for this element) for each of the Executive Directors.

A table of performance measures and total 2024 bonus achievement is set out below:

Executive Director	Financial performance (max % of total bonus)	Personal performance (max % of total bonus)	Bonus % of maximum awarded	Total bonus value £'000	Value of bonus paid in cash (2/3 of total bonus) £'000	Value of bonus deferred into RSS awards (1/3 of total bonus)[1] £'000
Alex Maloney[1]	75% (of 75%)	23.6% (of 25%)	98.6 %	2,485	1,657	828
Natalie Kershaw[1]	75% (of 75%)	23.6% (of 25%)	98.6 %	1,630	1,087	543
Paul Gregory[1,2]	75% (of 75%)	23.6% (of 25%)	98.6 %	1,380	920	460

1. In line with the Remuneration Policy, one-third of total bonus award will be deferred into RSS awards with one-third of the award vesting annually over a three-year period with the first third becoming exercisable in March 2026, subject to the Company not being in a closed period. No additional performance conditions apply. Vesting is subject to continued employment.
2. The 2024 bonus achievement for Paul Gregory is based on the period from 1 May 2024, when he was appointed to the Board. His bonus has been pro-rated accordingly for this period. Paul's full bonus for 2024, including the element prior to his appointment to the Board, is subject to the deferral approach set out above.

Long-term share awards with performance periods ending in the year – 2022 Performance RSS awards

The 2022 Performance RSS awards were based on a three-year performance period ending on 31 December 2024 and vest following the determination of performance outcomes by the Committee. The tables below set out the achievement against the performance conditions attached to the award and the resulting vesting:

	Absolute compound annual growth in TSR (relevant to 15% of the 2022 RSS awards)		Annual Change in DBVS (within the three year performance period) (relevant to 85% of the 2022 RSS awards)[1]	
Performance level	**Performance required (%)**	**% vesting**	**Performance required (%)**	**% vesting**
Below threshold	Below 8	–	Below 6	–
Threshold	8	25	6	25
Stretch or above	12 or above	100	13 or above	100
Actual achieved	**15.1**	**100**	**see note 1**	**66.7**

Note 1.	2022	2023	2024
Annual Change in DBVS	(6.7%)	24.7%	**23.4%**
Vesting % of one third by performance year	0.0%	100%	**100%**
Vesting % of Annual Change in DBVS element	0.0%	33.3%	**33.3%**

The overall vesting outcome for the 2022 Performance RSS awards is therefore 71.7%. The detailed vesting for each Executive Director is shown below:

Executive Director	Number of shares at grant	Number of shares to vest	Dividend accrual on vested shares value[1] £	Value of shares including dividend accrual[2] £
Alex Maloney	415,078	297,485	539,374	2,471,260
Natalie Kershaw	212,434	152,251	276,048	1,264,776
Paul Gregory	313,748	224,862	407,700	1,867,968

1. Dividend equivalents accrue on awards at the record date of a dividend payment, and upon exercise, the cash value of the accrued dividend equivalent is paid to the employee on the number of vested awards net of tax required.
2. The value of vested shares is based on the 2022 RSS awards which will vest at 71.7% and is based on a three-year performance period that ended on 31 December 2024. The average share price rate for the final quarter of 2024 (£6.49) is used for this calculation.

There is a two-year post-vesting holding requirement for the 2022 RSS Performance awards for the Group CEO and Group CFO.

Scheme interests awarded during the year

Long-term performance RSS awards granted during the year

The table below sets out the Performance RSS awards that were granted to the serving Executive Directors as nil-cost options on 13 March 2024:

Executive Director	Grant date[3]	Number of awards granted during the year	Face value of awards granted during the year[1] £	% vesting at threshold performance
Alex Maloney	13-Mar-24	454,967	2,940,000	25
Natalie Kershaw	13-Mar-24	234,592	1,515,938	25
Paul Gregory[2]	13-Mar-24	324,976	2,100,000	25

1. The awards were based on the five-day average closing share price following announcement of the 2023 results, being £6.46 and the awards were granted as nil-cost options.
2. The RSS award granted to Paul Gregory was made before he was an Executive Director.
3. These awards are due to vest subject to performance conditions being met at the end of the performance period ending 31 December 2026. There is a two-year post vesting holding requirement and they will become exercisable in the first open period following the release of the Company's 2028 year-end results.

The table below sets out the performance conditions attached to 2024 RSS Awards:

	Weighting	Below threshold (0% vesting)	Threshold (25% vesting)	Maximum (100% vesting)
Annual internal rate of return of the Change in DBVS targets[1]	85%	<6%	6%	13%
Absolute compound annual growth in TSR targets[2]	15%	<8%	8%	12%

1. Within the three-year performance period, each of the separate financial years will be treated as a separate element, each one contributing one-third to the overall outcome of the vesting of this element of the Performance RSS awards.
2. Absolute TSR will be measured for compound annual growth over the full three-year performance period rather than looking at each year separately.

Deferred bonus RSS awards granted during the year

The table below sets out the deferred bonus RSS awards in respect of 33.3% of the 2023 bonus that were granted to the serving Executive Directors as nil-cost options on 13 March 2024. Awards will vest in three equal tranches over three years.

Executive Director	Award type	Grant date	Number of awards granted during the year	Face value of awards granted during the year[1] £	% vesting annually (without specific performance conditions)
Alex Maloney	Deferred bonus	13-Mar-24	116,290	751,466	33.3
Natalie Kershaw	Deferred bonus	13-Mar-24	80,025	517,122	33.3
Paul Gregory[2]	Deferred bonus	13-Mar-24	97,493	630,000	33.3

1. The awards were based on the five-day average closing share price following the announcement of the 2023 results, being £6.46, and the awards were granted as nil-cost options.
2. The deferred bonus RSS award made to Paul Gregory was made before he was an Executive Director.

Implementation of Remuneration Policy for 2025

Base salary and fees

Executive Directors

Salaries effective from 1 January 2025 are set out below:

- Group CEO – £870,000, a 3.6% increase;
- Group CFO – £571,000, a 3.6% increase; and
- Group CUO – £725,000, a 3.6% increase.

Salary uplifts for Group employees varied across the workforce skewed towards the lowest paid cohort, with an average of 5.1%, and an overall average uplift for Group employees of 4.1% for 2024.

Non-Executive Directors

The Chair's and Non-Executive Directors' fees are as follows for 2025:

- the fee for the Board Chair will remain at $350,000 per annum; and
- the Non-Executive Director fee will remain at $175,000 per annum.

Other fees

- Sally Williams is a Non-Executive Director of LUK in which capacity she will receive a fee of $70,000 per annum.
- Bryan Joseph is a Non-Executive Director of LSL in which capacity he will receive a fee of $100,000 per annum.

Annual bonus

For 2025, the Group CEO, the Group CFO and Group CUO will have a target bonus of 150% of salary and a maximum opportunity of 300% of salary. This is within the approved Policy limit and is in line with last year's opportunity, and represents a maximum bonus opportunity which is 100% of salary less than the maximum Policy limit. The financial and personal portions of the annual bonus will remain unchanged, with 75% on financial performance and 25% on personal performance.

Financial performance (75%)

Financial performance for bonus purposes will be measured on the basis of Simple RoE (being profit after tax, divided by average equity). The Committee considers that the specific performance targets are commercially sensitive and will therefore be disclosed retrospectively in the 2025 report.

Personal performance (25%)

This element of the bonus plan is based upon the individual achievement of clearly articulated objectives created at the beginning of each year. The 2025 personal objectives for each Executive Director are set under the following three headings:

- Business management, including oversight of change, relationship management and values;
- Business development, implementation of the long-term business strategy; and
- Leadership & Culture, with specific objectives related to leadership, talent and succession, and governance

Due to their close link to business strategy detail, personal objectives for Executive Directors are considered commercially sensitive at the present time. Detailed objectives have been presented to and approved by the Committee, and will be described in the 2025 Annual Report.

Restricted Share Scheme

Award levels

2025 Performance RSS award levels are as follows:

- Group CEO – RSS awards in respect of shares to the value of £3,045,000 (being 350% of salary);
- Group CFO – RSS awards in respect of shares to the value of £1,570,250 (being 275% of salary); and
- Group CUO - RSS awards in respect to the value of £2,175,000 (being 300% of salary).

The number of shares subject to the awards shall be determined based on the closing average share price for a period of five trading days immediately prior to the date of the award.

Weighting

For 2025, the weighting is 85% on annual Change in DBVS and 15% on absolute compound annual growth in TSR.

Target ranges

The annual Change in DBVS target range for 2025 awards is:

- threshold – 6%; and
- maximum – 13%.

Within the three-year performance period, each of the separate financial years will be treated as a separate element, each one contributing one-third to the overall outcome of the vesting of this element of the Performance RSS award. In each year, performance will be measured against the target range to determine the ultimate level of vesting in respect of one-third of the Performance RSS award. Vesting will only occur after completion of the full three-year performance period, and continued employment of the Executive Director at the time of vesting.

The relevant elements of the RSS award will not vest if the annual Change in DBVS is below threshold, 25% of the relevant element of the Performance RSS award will vest at threshold, and 100% of the relevant element of the RSS award will vest at maximum. Performance between threshold and maximum is determined on a straight-line basis.

The TSR target range for 2025 awards is:

- threshold – 8% compound annual growth; and
- maximum – 12% compound annual growth.

Absolute TSR will be measured for compound annual growth over the full three-year performance period rather than looking at each year separately.

None of the relevant elements of the award will vest if compound annual growth in TSR is below threshold, 25% of the award will vest at threshold, and 100% of the award will vest at maximum. Performance between threshold and maximum is determined on a straight-line basis.

Post-vesting holding period

It is a requirement that Executive Directors hold vested Performance RSS awards (or the resultant net of tax shares) for a two-year period after vesting.

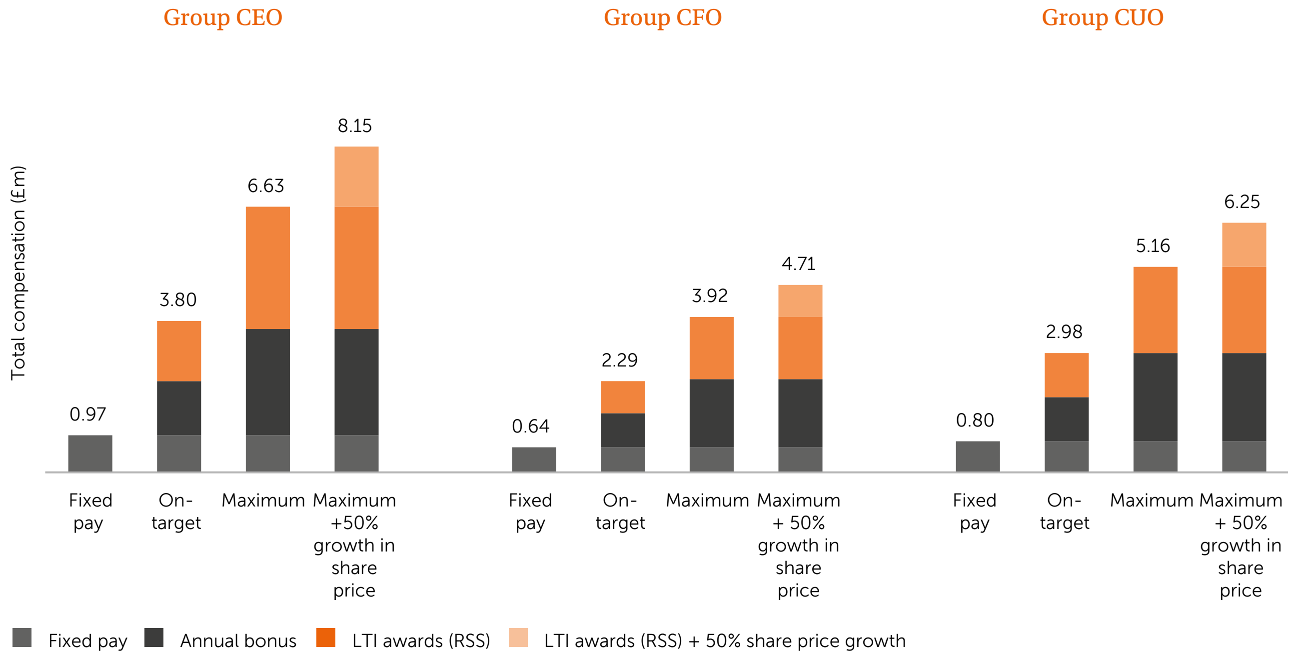
Shareholding requirements

In respect of RSS awards made after 1 January 2020, Executive Directors are subject to a shareholding requirement equal to 200% of salary. Until this requirement is met, following exercise of an award, a Director is required to retain at least 50% of the net of tax shares.

In addition, Executive Directors must continue to maintain a shareholding of 200% of salary for a period of two years following cessation of employment.

Illustrations of annual application of Remuneration Policy

The charts below show the potential total remuneration opportunities for the Executive Directors in 2025 at different levels of performance under the Directors' Remuneration Policy:



- Fixed pay = 2025 Salary + Actual Value of 2024 Benefits + 2025 Pension Contribution.
- On-target = Fixed Pay + Target Bonus (being half the Maximum Bonus Opportunity) + Target Value of 2025 RSS grant (assuming 50% vesting with the face values of grant).
- Maximum = Fixed Pay + Maximum Bonus Opportunity + Maximum Value of 2025 RSS grant (assuming 100% vesting with the face values of grant).
- Maximum + 50% growth over performance period = Fixed Pay + Maximum Bonus Opportunity + Maximum Value of 2025 RSS grant + 50% share price appreciation (assuming 100% vesting with the face values of grant).

Directors' shareholdings and share interests

The guidelines require the Group Executive Directors to build and maintain a shareholding in the Company worth two times annual salary as set out in the Policy Report. Details of the Directors' interests in shares are shown in the table below:

	Number of common shares and nil cost option share interests							
	Total as at 1 January 2024	As at 31 December 2024						
As at		Legally owned	Subject to deferral under the RSS	Subject to performance conditions under the RSS	Unvested and not subject to performance conditions under the RSS	Vested but unexercised awards under other share-based plans	Total[2]	Shareholding guideline achieved
Alex Maloney	1,959,963	869,961	135,696	1,243,944	N/A	N/A	2,249,601	Yes
Natalie Kershaw	530,543	104,841	92,520	682,549	N/A	N/A	879,910	No
Paul Gregory[1]	N/A	513,548	113,486	921,351	N/A	N/A	1,548,385	Yes
Philip Broadley	-	51,615	N/A	N/A	N/A	N/A	51,615	N/A
Michael Dawson	20,000	35,000	N/A	N/A	N/A	N/A	35,000	N/A
Jack Gressier	-	-	N/A	N/A	N/A	N/A	-	N/A
Robert Lusardi	48,000	48,000	N/A	N/A	N/A	N/A	48,000	N/A
Irene McDermott Brown	8,663	8,663	N/A	N/A	N/A	N/A	8,663	N/A
Sally Williams	11,082	11,082	N/A	N/A	N/A	N/A	11,082	N/A
Bryan Joseph	4,076	12,246	N/A	N/A	N/A	N/A	12,246	N/A
Nathalie Rachou[1]	N/A	-	N/A	N/A	N/A	N/A	-	N/A
Linda Ventresca[1]	N/A	-	N/A	N/A	N/A	N/A	-	N/A

1. For Paul Gregory, Nathalie Rachou and Linda Ventresca, who were appointed to the Board during the year, there is no comparison to prior year.
2. Share ownership interest equivalent is defined as wholly owned shares or the net of taxes value of Performance RSS awards which have vested, but are unexercised, and the net of tax value of deferred bonus and/or non-performance RSS awards. Shares include those owned by persons closely associated with the relevant Executive Director.

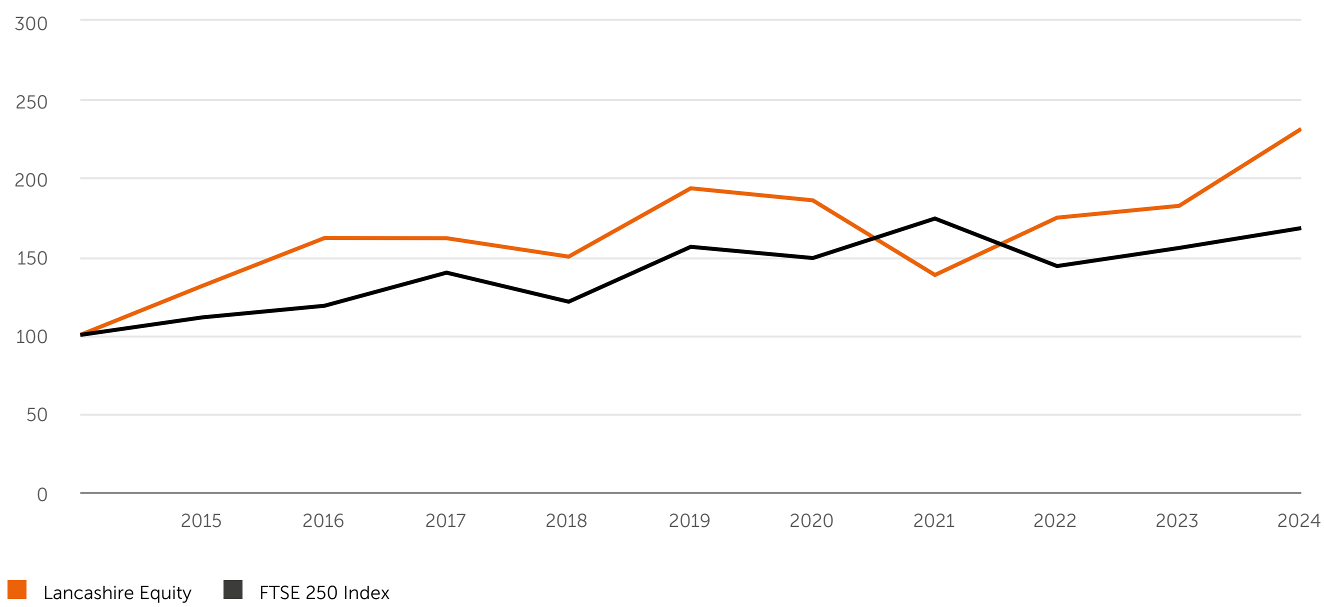
On 8 March 2024, Alex Maloney, Group CEO, exercised 116,126 RSS nil-cost options with an exercise price of £6.28. The total gain on exercise of the awards was £729,620, of which shares to the value of £358,533 were sold to cover applicable taxes and fees. The balance of the amount was held.

On 8 March 2024 Natalie Kershaw, Group CFO, exercised 102,244 RSS nil-cost options with an exercise price of £6.29. The total gain on exercise of the awards was £643,410, of which shares to the value of £316,174 were sold to cover applicable taxes and fees. The balance of the amount was held.

On 7 March 2024, prior to his appointment to the Board, Paul Gregory, Group CUO, exercised 89,530 RSS nil-cost options with an exercise price of £6.51. The total gain on exercise of the awards was £582,561, of which shares to the value of £286,270 were sold to cover applicable taxes and fees. The balance of the amount was held.

Performance graph and total remuneration history for Group CEO

The following graph shows the Company's performance, measured by TSR, compared with the performance of the FTSE 250 Index. The Company's common shares commenced trading on the main market of the LSE on 16 March 2009. The Company joined the FTSE 250 Index on 22 June 2009, and is currently a constituent of this:



This graph shows the value, by 31 December 2024, of £100 invested in LHL on 31 December 2014 compared with the value of £100 invested in the FTSE 250 Index. The other points plotted are the values at intervening financial year-ends.

The table below sets out the total single figure of remuneration for the Group CEOs over the last 10 years, with the annual bonus paid as a percentage of the maximum and the percentage of long-term share awards vesting in each year:

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total remuneration (£000s[1])	2,511	2,758	1,517	1,067	2,398	3,193	2,033	1,628	3,709	**5,893**
Annual bonus (% of maximum)	72	76	17	19	80	60	19	22	98	**99**
LTI vesting (% of maximum)	75	67	22.5	–	–	48.2	48.2	19.8	28.3	**71.7**

1. For the years 2015 – 2020 these figures were converted to GBP using the average exchange rate for the relevant year.

Group Chief Executive Pay Ratio

	Method	25th percentile Total Pay Ratio	Median Total Pay Ratio	75th percentile Total Pay Ratio
2024	**A**	**78:1**	**48:1**	**26:1**
2023	A	54:1	31:1	18:1
2022	A	24:1	15:1	8:1

Financial performance in 2024 is similar to that of 2023, so the impact on short-term incentive outcomes for the CEO is also similar. The principal driver for the change in CEO pay ratio from 2023 to 2024, is the improvement in long-term incentive outcomes. Only Executive Directors and a small number of other very senior employees have performance conditions attached to long-term incentive outcomes. All other permanent employees are eligible to participate in the long-term incentive, but receive awards that are only conditional on continuous service. The table above sets out how the single total figure of remuneration (STFR) for the Group Chief Executive compares to the STFR of the UK employees at the 25th percentile, median and 75th percentile in 2024, 2023 and 2022. The table below sets out the split between total remuneration (fixed and variable pay and benefits) and the salary component of that total for the relevant 2024 employees. Lancashire has chosen to use methodology A (as defined in the applicable regulations) to calculate the figures in the tables above and below.

	25th percentile pay ratio		Median pay ratio		75th percentile pay ratio	
	Total remuneration (£)	Base salary (£)	Total remuneration (£)	Base salary (£)	Total remuneration (£)	Base salary (£)
2024	75,598	51,125	121,799	85,500	225,016	139,500
	78:1	16:1	48:1	10:1	26:1	6:1

Percentage change in Directors' remuneration[1]

The following table sets out the percentage change in the aggregate value of salary, benefits and bonus for the Directors from the preceding year, and the average percentage change in respect of the employees of the Group taken as a whole:

As at	2024			2023			2022			2021			2020		
	Base salary/ fees	Benefits[2]	Bonus	Base salary/ fees	Benefits[2]	Bonus	Base salary/ fees	Benefits[2]	Bonus	Base salary/ fees	Benefits[2]	Bonus	Base salary/ fees	Benefits[2]	Bonus
Executive Directors															
Alex Maloney	**10.0**	**13.6**	**10.2**	5	5	365.5	4.0	4.3	23.1	(0.2)	(0.5)	(223.1)	3.1	–	(27.9)
Natalie Kershaw[3]	**5.0**	**6.1**	**5.1**	15.9	16	407.2	16.0	13.4	16.0	16.2	11.1	(197.0)	N/A	N/A	N/A
Paul Gregory[4]	**N/A**	**N/A**	**N/A**												
Non-Executive Directors[5]															
Philip Broadley[6]	**1026.5**	**N/A**	**N/A**	N/A	N/A	N/A									
Peter Clarke[7]	**(67.7)**	**-**	**N/A**	-	-	N/A	-	-	N/A	-	-	N/A	-	-	N/A
Michael Dawson	**-**	**-**	**N/A**	-	-	N/A	-	-	N/A	-	-	N/A	-	-	N/A
Jack Gressier[8]	**-**	**-**	**N/A**	134	-	N/A	N/A	N/A	N/A						
Bryan Joseph[9]	**70.1**	**N/A**	**N/A**	N/A	N/A	N/A									
Robert Lusardi	**-**	**-**	**N/A**	-	-	N/A	-	-	N/A	-	-	N/A	-	-	N/A
Irene McDermott Brown	**-**	**-**	**N/A**	-	-	N/A	-	-	N/A	N/A	N/A	N/A	-	-	N/A
Nathalie Rachou[4]	**N/A**	**N/A**	**N/A**												
Linda Ventresca[4]	**N/A**	**N/A**	**N/A**												
Sally Williams	**0.3**	**N/A**	**N/A**	13.5	N/A	N/A	34.1	N/A	N/A	-	N/A	N/A	-	N/A	N/A
Employees of the parent company[10]															
Employees of the Group	**8.3**	**11.8**	**5.6**	10.4	14.1	168.5	7.5	7.9	105.0	15.2	27.5	(57.9)	8.7	17.5	4.3

1. The change in remuneration is based on employees employed in the year ended 31 December 2024 and the year ended 31 December 2023.
2. Benefits include pension and all taxable benefits as reported on page 98 in the Single Figure on Remuneration table. For Executive Directors and employees, there were no changes in benefits provision between 2023 and 2024.
3. For Natalie Kershaw, there was no change in her salary from 2020 to 2021. The apparent increase has arisen due to her 2020 salary shown being pro-rata following her appointment as Group CFO on 1 March 2020. The change in salary in 2022 and 2023 reflects a mid-year adjustment during 2022.
4. For Paul Gregory, Nathalie Rachou and Linda Ventresca, who were appointed to the Board during the year, there is no comparison to prior year.
5. Non-Executive Director fee levels were unchanged between 2023 and 2024.
6. Philip Broadley was appointed to the Board on 8 November 2023. His fees for 2023 represent his time as a Director. He assumed the role of Chair on 1 May 2024. His fees for 2024 represent his time as a Director and Chair.
7. Peter Clarke stepped down from the Board on 1 May 2024, and his fees represent his 2024 tenure.
8. Jack Gressier was appointed to the Board on 26 July 2022, and his 2022 fees represent his time as a Director.
9. Bryan Joseph was appointed to the Board on 26 April 2023, and to the LSL Board on 1 August 2023. His fees for 2023 represent his time as a Director.
10. As the parent company does not have any employees, it is not possible to provide a percentage change in their pay and therefore the comparison is to the Group as a whole.

Relative importance of the spend on pay

The following table sets out the percentage change in dividends and overall spend on pay in the year ended 31 December 2024, compared with the year ended 31 December 2023:

	2024 $m	2023 $m	Percentage change %
Total employee benefits	150.7	135.1	11.5%
Dividends	354.2	155.3	128.1%

Committee members, attendees and advice

For Remuneration Committee membership and attendance at meetings through 2024, please refer to page 90 of this Annual Report & Accounts. The Group CEO and other senior executives may attend Remuneration Committee meetings where appropriate, noting that no one is involved in decisions regarding their own remuneration.

The Remuneration Committee's responsibilities are contained in its Terms of Reference, a copy of which is available on the Company's web site.

These responsibilities include determining the framework for the remuneration, including pension arrangements, for all Executive Directors, the Chair and senior executives. The Committee is also responsible for approving employment contracts for senior executives.

Remuneration Committee adviser

The Remuneration Committee is advised by the Executive Compensation practice at PwC since their appointment in July 2023. Advisers hold discussions with the Remuneration Committee Chair regularly on Committee processes and topics which are of particular relevance to the Company.

The primary role of the Committee adviser is to provide independent and objective advice and support to the Committee's Chair and members. The Committee is satisfied that the advice that it receives is objective and independent, noting that PwC is a signatory to the Remuneration Consultants Group ('RCG') Code of Conduct which sets out guidelines for managing conflicts of interest, and has confirmed to the Committee their compliance with the RCG Code.

The total fees paid to PwC in respect of its services to the Committee for the year ended 31 December 2024 were $126,277. Fees are predominantly charged on a fixed feed basis for a core scope of activities, with additional fees for items outside of this scope charged on a 'time spent' basis.

Engagement with shareholders

Details of votes cast for and against the resolution to approve last year's Remuneration Report, are shown below, along with the votes to approve the 2023 Remuneration Policy, any matters discussed with shareholders during the year, are provided in the Annual Statement for 2023, starting on page 101. Details on the 2023 AGM vote are also outlined in the statement.

	Vote to approve 2023 Annual Report on Remuneration (at the 2024 AGM)		Vote to approve 2023-2025 Remuneration Policy (at the 2023 AGM)	
	Total number of votes	**% of votes cast**	**Total number of votes**	**% of votes cast**
For	157,786,939	91.2	166,150,636	92.9
Against	15,202,624	8.8	12,769,776	7.1
Total	172,989,563	100.0	178,920,412	100.0
Abstentions	13,885,168		1,213,622	

Please see page 92 for the Chair's discussion of the 2024 AGM Remuneration vote outcomes.

Approved by the Board of Directors and signed on behalf of the Board.

Irene McDermott Brown
Chair of the Remuneration Committee

5 March 2025

Directors' Report

Overview of the Group

LHL is a Bermuda incorporated company (Registered Company No. 37415) with operating subsidiaries in Bermuda, London, the US, and Australia, and two syndicates at Lloyd's.

The Company's common shares were admitted to trading on AIM in December 2005 and were subsequently moved up to the Official List and to trading on the main market of the LSE on 16 March 2009. The shares have been included in the FTSE 250 Index since 22 June 2009, and are categorised as Equity Shares (Commercial Companies).

Principal activities

The Company's principal activity, through its wholly-owned subsidiaries, is the provision of global specialty, catastrophe and casualty insurance and reinsurance products. An analysis of the Group's business performance can be found in the underwriting and business review starting on page 16.

Dividends

During the year ended 31 December 2024, the following dividends were declared:

- a special dividend of $0.50 per common share was declared on 6 March 2024 and paid on 12 April 2024 in pounds sterling at the pound/US dollar exchange rate of 1.2755 or £0.3920 per common share.
- a final dividend of $0.15 per common share was declared on 6 March 2024 subject to shareholder approval, which was received at the 2024 AGM. The final dividend was paid on 7 June 2024 in pounds sterling at the pound/US dollar exchange rate of 1.2531 or £0.1197 per common share;
- an interim dividend of $0.075 per common share was declared on 8 August 2024 and paid on 13 September 2024 in pounds sterling at the pound/US dollar exchange rate of 1.29075 or £0.0581 per common share; and
- a special dividend of $0.75 per common share was declared on 6 November 2024 and paid on 13 December 2024 in pounds sterling at the pound/US dollar exchange rate of 1.26880 or £1.5911 per common share.

Dividend policy

On 6 March 2024, the Company announced a 50% increase to its dividend policy which reflects the benefits of a more diversified business model and the resultant improvement on the resilience of returns. The final ordinary dividend increased from $0.10 per common share to $0.15 per common share, whilst the interim ordinary dividend increased from $0.05 per common share to $0.075 per common share.

The Group intends to maintain a strong balance sheet at all times, while generating an attractive risk-adjusted total return for shareholders. We actively manage capital to achieve those aims. Capital management is expected to include the payment of a sustainable annual (interim and final) ordinary dividend, supplemented by special dividends from time to time. Dividends will be linked to past performance and future prospects.

Under most scenarios, the annual ordinary dividend is not expected to reduce from one year to the next. Special dividends are expected to vary substantially in size and in timing. The Board may cancel the payment of any dividend between declaration and payment for purposes of compliance with regulatory requirements or for exceptional business reasons.

Current Directors

- Philip Broadley (Non-Executive Chair)
- Alex Maloney (Group Chief Executive Officer)
- Natalie Kershaw (Group Chief Financial Officer)
- Paul Gregory (Group Chief Underwriting Officer)
- Bob Cox (Non-Executive Director)
- Michael Dawson (Non-Executive Director)
- Jack Gressier (Non-Executive Director)
- Bryan Joseph (Non-Executive Director)
- Robert Lusardi (Senior Independent Non-Executive Director)
- Irene McDermott Brown (Non-Executive Director)
- Nathalie Rachou (Non-Executive Director)
- Linda Ventresca (Non-Executive Director)
- Sally Williams (Non-Executive Director)

Directors' interests

The Directors' beneficial interests in the Company's common shares as at 31 December 2024 and 2023, including interests held by family members, (but excluding any interests of Bob Cox, who was not a Non-Executive Director until 1 January 2025) were as follows (share prices rounded to two decimal places):

Directors	Common shares held as at 31 December 2024	Common shares held as at 31 December 2023
Philip Broadley[1]	**51,615**	—
Peter Clarke[2]	**—**	82,500
Michael Dawson[3]	**35,000**	20,000
Paul Gregory[4]	**513,548**	—
Jack Gressier	**—**	—
Bryan Joseph[5]	**12,246**	4,076
Natalie Kershaw[6]	**104,841**	52,840
Robert Lusardi	**48,000**	48,000
Alex Maloney[7]	**869,961**	810,899
Irene McDermott Brown	**8,663**	8,663
Nathalie Rachou[8]	**—**	—
Linda Ventresca[9]	**—**	—
Sally Williams	**11,082**	11,082

1. Philip Broadley conducted the following transactions in the Company's shares during 2024:
   - 15 May 2024 - purchase of 47,200 shares at a price of £6.33 per share, costing £298,776.00.
   - 13 December 2024 – purchased 4,415 shares at a price of £6.79 per share, costing £30,004.83.
2. Peter Clarke ceased being a Director on 1 May 2024. Mr Clarke held 82,500 shares in the Company as at 1 May 2024
3. Michael Dawson conducted the following transactions in the Company's shares during 2024:
   - 15 March 2024 - purchase of 5,000 shares at a price of £6.10 per share, costing £30,500.00.
   - 8 August 2024 - purchase of 10,000 shares at a price of £6.10 per share, costing £61,000.00.
4. Paul Gregory was appointed to the Board with effect from 1 May 2024. Mr Gregory held the 513,548 shares in the Company at the time of his appointment. Includes 458,575 owned by his spouse Helen Gregory.
5. Bryan Joseph conducted the following transactions in the Company's shares during 2024:
   - 20 March 2024 - purchase of 800 shares at a price of £6.50 per share, costing £5,196.17.
   - 29 August 2024 - purchase of 7,370 shares at a price of £6.78 per share, costing £49.998.08.
6. Natalie Kershaw conducted the following transactions in the Company's shares during 2024:
   - 8 March 2024 – exercise of 102,244 RSS awards and related sale of 50,243 shares at a price of £6.29 per share, realising £316,173.79.
7. Includes 181,819 shares owned by his spouse, Amanda Maloney. Alex Maloney conducted the following transactions in the Company's shares during 2024:
   - 8 March 2024 – exercise of 116,126 RSS awards and related sale of 57,064 shares at a price of £6.28 per share, realising £358,533.17.
8. Nathalie Rachou was appointed to the Board with effect from 5 November 2024.
9. Linda Ventresca was appointed to the Board with effect from 7 August 2024.

Share capital and transactions in own shares

Details of the Company's share capital and other reserves are set out in note 19 on page 171. The Company did not repurchase any of its own common shares during 2024. Pursuant to the authority granted at the AGM held on 26 April 2023, the Company announced on 22 November 2023 that it would commence a share repurchase programme that expired on 29 February 2024. No shares were repurchased under the programme due to market conditions.

The authority to repurchase shares, for an amount of up to 10% of the then issued common share capital, was renewed at the 2024 AGM, and it is expected that the Company will seek approval for that same authority to be renewed at the 2025 AGM.

Directors' remuneration and loss of office

The Directors have decided to prepare voluntarily a Directors' Remuneration Report in accordance with Schedule 8 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 made under the Companies Act 2006, as if those requirements applied to the Company. Details of the Directors' remuneration, including arrangements relating to loss of office, are set out in the Directors' Remuneration Report starting on page 92.

Substantial shareholders

The Company was aware of the following interests of 5% or more in the Company's issued share capital:

Shareholders	Holding as at 31 Jan 2025	% of ISC as at 31 Jan 2025
Man GLG	**17,118,151**	7.02 %
Baillie Gifford	**15,983,716**	6.55 %
Polar Capital	**15,600,000**	6.39 %
Blackrock	**14,923,127**	6.12 %
Setanta Asset Management	**14,798,444**	6.06 %
Vanguard Group	**13,140,051**	5.39 %

As at 5 March 2025, no further material changes have been notified to the Company.

Corporate governance – compliance statement

The Company's compliance with the Code is detailed in the Chair's introduction to the ESG report on page 39. The Company's own annual report and the Group's consolidated annual report are presented as a single report.

The Board considers, and the Company confirms, in accordance with the principle of 'comply or explain', that the Company has applied the principles and complied with the provisions and guidance set out in the Code throughout the year ended 31 December 2024. This is subject to the exceptions that the Board has decided to defer an externally facilitated evaluation of the Board and its Committees beyond three years to the end of 2025 (provision 21) and that Peter Clarke, as the outgoing Chair, stepped down at the 2024 AGM during his 10th year of service on the Board (provision 19). See the Corporate Governance report on page 69 for further discussion.

The Company's internal control and risk management systems in relation to the financial reporting process, and, more widely, are summarised in the Enterprise Risk Management report starting on page 24, in the Corporate Governance report on page 71, and in the Audit Committee report on page 80.

Political and charitable donations

The Group made no political donations during the year. For information concerning the Group's charitable contributions and activities, please see pages 42 to 45.

Health and safety

The Group considers the health and safety of its employees to be a management responsibility equal to that of any other function. The Group operates in compliance with health and safety legislative requirements.

Greenhouse gas emissions and TCFD reporting

The Group's greenhouse gas emissions are detailed on page 62. The Group's TCFD Report is included in this Annual Report and Accounts, starting on page 46.

Employees

The Group is an equal opportunities employer and does not tolerate discrimination of any kind in any area of employment or corporate life. The Group believes that education and training for employees is a continuous process, and employees are encouraged to discuss training needs with their managers. The Group's health and safety, equal opportunities, training and other employment policies are available to all employees in the staff handbook, which is located on the Group's Employee HR portal. See pages 58 to 60.

Creditor payment policy

The Group aims to pay all creditors promptly and in accordance with contractual and legal obligations.

Financial instruments and risk exposures

Information regarding the Group's risk exposures is included in the ERM report starting on page 24, and in the risk disclosures section starting on page 136 of the consolidated financial statements. The Group's use of derivative financial instruments can be found on page 132.

Listing rule disclosures

Details of required disclosures under LR 6.6.1R(9) regarding contracts of significance are detailed in note 22 "Related party disclosures" on page 174.

Accounting standards

The consolidated financial statements of the Group have been prepared on a going concern basis in compliance with the IFRS accounting standards, as adopted by the EU.

Annual General Meeting

The Notice of the 2025 AGM, to be held on 30 April 2025 at the Company's head office, Power House, 7 Par-la-Ville Road, Hamilton HM 11, Bermuda, is contained in a separate circular to shareholders which is made available to shareholders at the same time as this Annual Report and Accounts. The Notice of the AGM is also available on the Company's website.

Electronic and website communications

Provisions of the Bermuda Companies Act 1981 enable companies to communicate with shareholders by electronic and/or website communications.

The Company will notify shareholders (either in writing or by other permitted means) when a relevant document or other information is placed on the website and a shareholder may request a hard copy version of the document or information.

Going concern and viability statement

The performance review section starting on page 14 sets out details of the Group's financial performance, capital management, business environment and outlook. In addition, further discussion of the principal risks and material uncertainties affecting the Group can be found on pages 29 to 32. Starting on page 136, the risk disclosures section of the consolidated financial statements sets out the principal risks to which the Group is exposed, including insurance, market, liquidity, credit, operational and strategic, together with the Group's policies for monitoring, managing and mitigating its exposures to these risks. Where relevant, the above principal risks make reference to the risk in respect of climate change. Further details of the Group's scenario testing and resilience to climate change risk can be found in the TCFD Report starting on page 46.

The Board considers annually and on a rolling basis, a strategic plan for the business which the Group implements. The strategic plan approved by the Board at its meeting on 7 August 2024 covers the period to the year 2030. The Board also approved at its meeting on 5 November 2024 a detailed three-year business forecast covering 2025 to 2027, which will be revised and reviewed by the Board at each of its quarterly meetings throughout 2025. The three-year business plan period aligns to the predominantly short-tail nature of the Group's liabilities and the Group's ability to re-price and reposition its risk exposures within its business model, allowing the Group to both hold and utilise capital and solvency effectively and efficiently in response to market cycles, events and opportunities. This is consistent with the outlook period in the Group's ORSA report. The Board receives quarterly reports from the Group CRO and sets, approves, and monitors risk tolerances for the business.

During 2024, the Board carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. As part of this assessment, the business plan was stressed for a number of severe but plausible scenarios and the impact on capital evaluated. As we note in the Audit Committee report on page 77 and throughout this Annual Report and Accounts, the Board continues to monitor Group reserves for a number of loss events including various natural catastrophe and specialty market loss events, including those related to various evolving geopolitical conflicts. The Board also continued to monitor the conditions within the global investment markets. The Audit Committee also considered a formal and thorough 'going concern' analysis from management at both its August 2024 and March 2025 meetings, including appropriate stress and sensitivity analysis in respect of capital, climate change and financial results (for further details see page 77 in the Audit Committee report). The Directors believe that the Group is well placed to manage its business risks successfully, having considered the current economic outlook. Accordingly, the Board has a reasonable expectation that, taking into account the Group's current position, and subject to the principal risks faced by the business, the Group will be able to continue in operation and to meet its liabilities as they fall due for the period up to 31 December 2027, being the period considered under the Group's current three-year business plan.

Going concern

Based on the going concern assessment performed as at 31 December 2024, the Directors consider there to be no material uncertainties that may cast significant doubt over the Group's ability to continue to operate as a going concern and to adopt the going concern basis of accounting. The Directors have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence as a going concern in the foreseeable future, for a period of at least 12 months from the date of signing the Group's consolidated financial statements.

Auditors

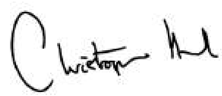
Resolutions will be proposed at the Company's 2025 AGM to re-appoint KPMG LLP as the Company's auditors and to authorise the Directors to set the auditors' remuneration. As detailed in the Audit Committee report on page 79, the Board intends to initiate an audit tender process during the course of 2025.

Disclosure of information to the auditors

Each of the persons who is a Director at the date of approval of this Annual Report and Accounts confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Approved by the Board of Directors and signed on behalf of the Board.



Christopher Head
Company Secretary

5 March 2025

Statement of Directors' responsibilities

The directors are responsible for preparing the Annual Report and Accounts and the Group's consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare consolidated financial statements for each financial year. Under that law they are required to prepare the consolidated financial statements in accordance with IFRS accounting standards, adopted by the EU.

In preparing each of the consolidated financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with the IFRS standards;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Group's consolidated financial statements;
- provide additional disclosures where compliance with the specific requirements of IFRS standards are considered to be insufficient to enable users to understand the impact of particular transactions, events and conditions on the financial position and performance;
- assess the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that its consolidated financial statements comply with applicable laws and regulations. They are responsible for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Directors' responsibility statement

The Directors confirm that to the best of their knowledge:

- the consolidated financial statements, prepared in accordance with the IFRS accounting standards as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group;
- the Board considers the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy; and
- the strategy report including the business review section of this Annual Report and Accounts includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that the Group faces.

Legislation in Bermuda governing the preparation and dissemination of the consolidated financial statements may differ from legislation in other jurisdictions. In addition, the rights of shareholders under Bermuda law may differ from those for shareholders of companies incorporated in other jurisdictions.

By order of the Board
5 March 2025