

DRIVEN

Board of Directors

The right balance of skills

B N I R



Philip Broadley
Non-Executive Chair

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

Skills, experience and qualifications:

Philip 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 was a director of Legal & General Group plc from 2016 until 2025, chairing the Audit Committee for six years and serving for a time as Senior Independent Director. 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. He 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.

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 joined Lancashire in December 2005 and was appointed Group Chief Executive Officer in April 2014. On joining, he was responsible for establishing and building the energy underwriting team and account, and in May 2009, Alex 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. He has over 30 years' underwriting experience and has also worked in the New York and Bermuda markets.



Board of Directors *continued*

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 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. She was appointed to the Board of Lancashire Holdings Limited as an Executive Director on 1 March 2020.

U



Paul Gregory
Group Chief Underwriting Officer

Date of appointment to the Board: 1 May 2024
Board meeting attendance: 3/4¹

Skills, experience and qualifications:

Paul has led the underwriting operations of the Lancashire Group since May 2014 as Group Chief Underwriting Officer. He 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.

1. Paul was absent due to a sabbatical break for the August 2025 meeting.

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*

U



Bob Cox
Non-Executive Director

Date of appointment to the Board: 1 January 2025
Board meeting attendance: 4/4

Skills, experience and qualifications:

Bob is an experienced insurance underwriter and senior manager with experience of US and international insurance markets. He 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, he 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.

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 has over 30 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:

Currently serving as Chief Executive Officer of strategic intelligence firm, Herminius Holdings Ltd, Jack previously served as the Non-Executive Chairman of Herminius from 2016 until 2025. Other 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.

Key



Chair



Board of Directors



Audit Committee



Investment Committee



Nomination Corporate Governance and Sustainability Committee



Remuneration Committee



Underwriting and Underwriting Risk Committee

Board of Directors *continued*

A U N



Bryan Joseph
Non-Executive Director

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

Skills, experience and qualifications:

Bryan 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 at 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 Company and Syndicate 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.

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. Bryan was appointed to the Board of CFC in July 2024, where he chairs the Risk Committee.

N R



Irene McDermott Brown
Senior Independent Non-Executive Director

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

Skills, experience and qualifications:

Irene 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 for IntegraFin Holdings plc effective 1 January 2025 and is Chair of the IntegraFin Remuneration Committee.

Irene is Lancashire’s Senior Independent Director.

Key



Chair



Board of Directors



Audit Committee



Investment Committee



Nomination Corporate Governance and Sustainability Committee



Remuneration Committee



Underwriting and Underwriting Risk Committee

Board of Directors *continued*



Nathalie Rachou
Non-Executive Director

Date of appointment to the Board: 5 November 2024
Board meeting attendance: 4/4

Skills, experience and qualifications:

Nathalie has strong asset management and capital markets experience, with commercial and financial expertise across several sectors including as a senior manager and entrepreneur. She has previously served as a Non-Executive Director of UBS Group AG in Switzerland (2020 to 2025) where she served on the Risk Committee, the Audit Committee and the Governance and Nominations committee, Veolia Environnement (2012 to 2024) where she also served as Audit Committee Chair, Laird Group plc (2015 to 2018), Altran SA (2012 to 2020) where she also served as Audit Committee Chair, and Société Générale (2008 to 2020) where she also served as the Risk Committee Chair. Nathalie worked at Banque Indosuez and Crédit Agricole Indosuez from 1978 until 1999, in a series of roles based in London and Paris, where she gained experience in capital markets. She was Company Secretary, from 1991 to 1996, and, from 1996 to 1999, served as Global head of foreign exchange and foreign exchange options, based in the UK. In 1999, she founded Topiary Finance Ltd, an asset management company based in London, 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. She has a Masters in Management at Ecole des Hautes Etudes Commerciales (HEC) and completed an executive programme at INSEAD.

External appointments/Other roles:

Since 2019, Nathalie has served as a member of the supervisory board of Euronext NV, where she chairs the Audit Committee after serving as Remuneration Committee Chair, and is a member of the Nomination and Governance Committee and the Risk Committee. Since 2023 she has served on the board of Fondation Leopold Bellan, a French NGO.



Linda Ventresca
Non-Executive Director

Date of appointment to the Board: 7 August 2024
Board meeting attendance: 4/4

Skills, experience and qualifications:

Linda is an experienced senior leader in the insurance industry, having served in a number of leadership roles at AXIS Capital including Head of Digital, Chief Strategy Officer, Chief Transformation Officer and Head of Corporate Development and Investor Relations. She also served as a Director of AXIS Reinsurance Company in the U.S. Linda 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 in the insurance sector. Linda holds an M.B.A. from Columbia Business School, as well as a B.S.E. in bioengineering from the University of Pennsylvania.

External appointments/Other roles:

Linda is a member of the board of Ambac Assurance Corporation, an insurance company that manages portfolios of financial guarantees and other complex liabilities, and Vivere Partners, a US specialty insurance managing agency platform. She is also a Trustee of the Village Community School in New York.

Key



Chair



Board of Directors



Audit Committee



Investment Committee



Nomination Corporate Governance and Sustainability Committee



Remuneration Committee



Underwriting and Underwriting Risk Committee

Board of Directors *continued*

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 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 was a Non-Executive Director and Chair of the Audit Committee at Family Assurance Friendly Society Limited (OneFamily) from 2019 to 2025. Sally is also a Director of Lancashire Insurance Company (UK) Limited where she chairs the Audit Committee and is Senior Independent Director.

External appointments/Other roles:

Sally is 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 also a Non-Executive Director of National Farmers Union Mutual Insurance Society Limited, where she is a member of the Audit Committee. Sally is a Trustee of the charity Ovarian Cancer Action, where she chairs the Audit and Risk Committee.

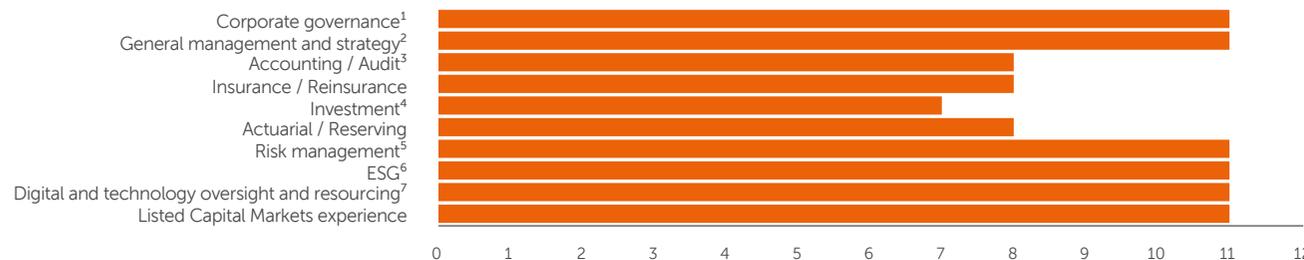


Christopher Head
Company Secretary

Skills, experience and qualifications:

Chris 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 leadership, development and M&A.
3. Including competence in accounting or auditing, and recent and relevant financial experience.
4. Including 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.



Corporate governance report

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 maintains 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, succession planning, development and training initiatives, business culture and staff engagement, investor relations, 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 2025 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 – changes during 2025

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. At the conclusion of the AGM held on 30 April 2025, as part of the Board's formal succession plans and in light of guidance on independence under the Code, Michael Dawson stepped down as a Non-Executive Director and Robert Lusardi as a Non-Executive Director and Senior Independent Director, each having completed over nine full years of service on the Board.

Senior Independent Director succession

Following Robert Lusardi's decision to stand down as the Senior Independent Director, Philip Broadley took soundings from all Directors regarding interest in and options for succession to the role of Senior Independent Director subject to the oversight of the Nomination Corporate Governance and Sustainability Committee. Further to this process, the Board approved the appointment of Irene McDermott Brown to the role of Senior Independent Director with effect from the end of the AGM on 30 April 2025.

Executive Directors

Alex Maloney, Natalie Kershaw, and Paul Gregory are the three Executive Directors on the Board. The Executive Directors are not counted as independent.

Non-Executive Directors – succession and independence

Further to the decision to appoint three Non-Executive Directors during the course of 2024, there were no further appointments to the Board during 2025.

The Board continued to review the range of skills and experience of the Directors with due regard to the evolving suite of skills and experience of the whole Board and its Committees. With effect from 5 March 2025, Bob Cox was appointed as a member of the Underwriting and Underwriting Risk Committee and Nathalie Rachou was appointed to the Audit Committee and Investment Committee. Nathalie Rachou assumed the role of Investment Committee Chair at the conclusion of the AGM on 30 April 2025.

Please see the Nomination Corporate Governance and Sustainability Committee Report on page 93 for more details of the Board's succession planning 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 71 to 76. Where Directors assumed other external appointments during the year, these were discussed with the Chair and approved following consideration of the management of any conflicts that may arise and the ability of Directors to continue to devote the necessary time for the performance of their duties for the Company's Board.

Corporate governance report *continued*

At the Board meeting held on 4 March 2026, further to a recommendation by the Nomination, Corporate Governance and Sustainability Committee, the Board affirmed its judgement that Bob Cox, Jack Gressier, Bryan Joseph, 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. Accordingly, all seven Non-Executive Directors of the eleven members of the Board (excluding the Chair and the Executive Directors) are 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 Byelaws and the Code, all the current Directors will be submitted for annual re-election at the 2026 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. Training is also provided to Directors with respect to financial, strategic and other matters relevant to the activities of the Board and Committees. In addition, 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.

Corporate governance report *continued*

Board performance – 2025 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 the oversight of performance and risk, strategic planning and delivery, stakeholder and employee engagement, composition, balance and skills, supporting processes, the management of the Group, and in monitoring a healthy business culture. 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 the Board.

In line with Provision 21 of the Code, each FTSE 350 board should consider commissioning an externally facilitated board evaluation at least once in every three years. Following the decision of the Board in 2024 to defer an externally facilitated evaluation process to the 2025 year-end, in the first quarter of 2025 the Chair conducted a series of meetings with three potential Board evaluation service providers. At the meeting held in April 2025, the Nomination Corporate Governance and Sustainability Committee and the Board upon a recommendation of Philip Broadley as the Chair, agreed to appoint the firm of Independent Audit Limited (IAL) to facilitate the 2025 Board performance evaluation. IAL is an independent firm and has no other connections with the Company or its individual Directors.

The 2025 evaluation process for the Board and each of its Committees was based on a series of questionnaires which were agreed between the external facilitator, the Board Chair and the Chairs of each of the Committees. The questionnaires were then made available to participants for completion using a web-based platform. The key themes from this process were then used to inform a series of one-to-one interviews with a representative of IAL.

The 2025 LHL Board and Committee evaluation process involved each Director as well as the Company Secretary, the Group CRO, the Group General Counsel, the Group COO, the Group Head of Internal Audit, the Group Head of HR, KPMG as the Group's external auditors and PwC as the Board's remuneration advisers. Each of these participated in one-to-one interviews with IAL. Further to this process, IAL prepared an evaluation report for the Board which collated feedback from the interview process and other responses.

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 IAL and the Board Chair, the Company Secretary, 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 Group's principal operating subsidiaries, LICL, LUK, LSL and LCM also carried out performance appraisals facilitated by IAL, and each of the subsidiary Chairs was invited to a one-to-one interview with IAL to discuss key themes.

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 performance evaluation reports were formally tabled and discussed at meetings of the Nomination Corporate Governance and Sustainability Committee and the Board held in March 2026, led by the Chair, and each of the other Committees discussed the report pertinent to its own operation and performance.

Findings of the evaluation

In summary, in its consideration of the 2025 performance evaluation reports, the Board concluded that the Board and its Committees continue to operate effectively. In particular the reports identified a number of key strengths of the Board and its Committees, including: dynamics and chairing; skills and expertise of Non-Executive Directors, Executive Directors and senior management; effective shareholder and stakeholder engagement; effective Committee structures, chairing and reporting; an open and collaborative Board culture; an effective Group structure and governance; and good company secretariat support.

A number of priorities for the Board in the upcoming year were identified including continued refinements to the Board's oversight of risk, people and culture, and increasing Board discussion on topical areas and focus on longer-term strategy.

A detailed review of the findings will be undertaken and the Board, assisted by the Company Secretary, will develop an action plan to build on and address the recommendations of the evaluation.

The Board will continue to review its procedures, training requirements, effectiveness and development during 2026.

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 August 2025. The Chair was considered to be effective in facilitating decision-making, the oversight of financial and business performance and strategy, Board risk oversight, 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 2025 and to set targets for 2026. 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 105.

Corporate governance report *continued*

Relations with shareholders

The Company actively seeks engagement with and feedback from its shareholders. During 2025, 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, Group CFO and Group Chief Investment Officer 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 2026 AGM.

The Chair of the Remuneration Committee led a shareholder engagement exercise with the Group's largest shareholders regarding the Board's plans for the Executive Directors' Remuneration Policy and plans to refresh the Group's Restricted Share Scheme Rules during the autumn of 2025. Please see page 110 for details.

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

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

Enterprise Risk Management

The Board is responsible for, and actively monitors, the Group's risk management and internal control systems. The Board considers a range of matters in relation to risk management and internal controls. The Board is responsible for setting the Group's risk appetites, defining its risk tolerances, and actively monitors the Group's risk management and internal control systems, including compliance with risk tolerances. The Group CRO attends all scheduled Board meetings to report to the Board on risk management activities across the Group.

During 2025, 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 28 and in the risk disclosures section starting on page 158. The Group's reporting of climate change risk and its management within the business can be found in the TCFD Report starting on page 50. During the year the Board considered and/or approved:

- the Group's principal and emerging risks;
- the Group Risk Appetite Statements;
- the Enterprise Risk Management Charter and Policy;
- the Group's ORSA;
- the Group's Financial Condition Report; and
- the annual risk management plan

Each of the Committees is responsible for various elements of risk (see the various Committee reports starting on page 86 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.

Corporate governance report *continued*

Effectiveness of risk management and internal control systems

The Board defines the level of risk the Group is willing to accept in achieving its strategic goals and is responsible for the effectiveness of risk management and control systems. These systems are designed to provide reasonable, not absolute, assurance against material misstatement, loss and fraud.

Controls aim to manage, not eliminate, risks to business objectives, support efficient operations and reporting integrity, and maintain regulatory compliance. Material controls are regularly reviewed for design and operational effectiveness and to seek to ensure compliance with applicable laws and regulations.

In its annual review, the Board considered the Group's key risks, the operation of the risk framework, and the evolving control culture. Following this review, the Board is satisfied that the Company's risk management and internal control systems are effective, with any identified weaknesses addressed through management oversight and action plans. This assessment is supported by the work of the Audit Committee, as detailed further in the Audit Committee report on page 91.

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 2025 and minor changes to the Terms of Reference for the Investment Committee and the Remuneration Committee were agreed during the course of the year. The Committees' Terms of Reference were again considered as part of the 2025 year-end performance evaluation process. The Committees' Terms of Reference are considered to have an appropriate focus and to be aligned with good governance 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 2025 Board meetings is set out on pages 71 to 76. Committee attendance is set out at the front of each of the Committee reports.

Corporate governance report *continued*

Section 172

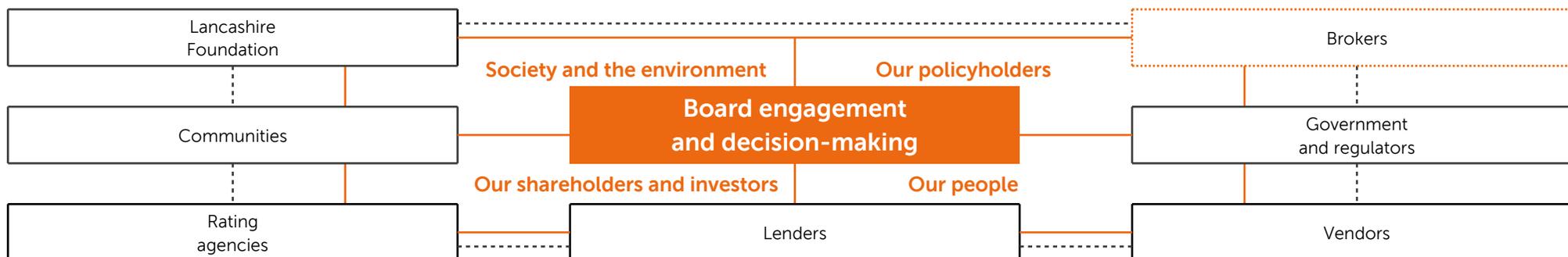
The Code requires formal disclosure around the interests of and engagement with stakeholders, and the duties falling upon boards under Section 172 of the UK Companies Act 2006. Although the Company is incorporated in Bermuda, and is therefore not subject to the UK Companies Act requirements, the Board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

In this 2025 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 11 The Group's business model – page 7 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 – page 16 Attracting and retaining talent – page 39 The Board's assessment of the Group's viability and prospects as set out in the going concern and viability statement – page 134
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 38 to 40
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 2025, gave close consideration to business development opportunities in particular in the US and within Lloyd's, as summarised in the Committee's report – page 100
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 50 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 85 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 92
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 85

Corporate governance report *continued*

Our engagement with stakeholders



Constructive engagement with our diverse stakeholders has been fundamental to delivering sustainable long-term value and meeting our responsibilities for 20 years.

Our approach to stakeholder engagement is guided by our commitment to transparency, accountability, and fostering mutually beneficial relationships. The Board is actively involved in overseeing stakeholder engagement activities and considers their interests in its decision-making processes.

Our shareholders and investors

Why we engage

Engaging with our shareholders and investors is key to building lasting trust as we meet our strategic goals.

By fostering open communication, we demonstrate our commitment to transparency, strong capital management, and sustainable business operations.

Our long-term vision is guided by responding effectively to market trends and challenges.

How we engage

Our management team hosts investor roadshows and attends industry conferences to provide updates and gather investor insights.

An Investor Event was held in our London office in December, including an update on the Company's strategy, underwriting priorities, and capital management.

Our dedicated investor section on our website offers easy access to performance data, and investors have regular opportunities to provide feedback through one-on-one engagement sessions.

We address feedback promptly and value shareholder perspectives.

Our people

Why we engage

With more than 440 employees across our Group, our people drive our performance and the culture that sets us apart.

Engagement is crucial to retaining and attracting top talent and fostering an environment in which everyone feels valued, empowered, and motivated.

We believe that listening to our team and supporting their wellbeing leads directly to better business outcomes.

How we engage

Our Group CEO holds quarterly town hall meetings, sharing updates on financial results, strategy, and organisational milestones.

Non-Executive Directors participate in these sessions to discuss governance and Board activities, encouraging transparency and a sense of shared purpose. Written communications from senior leadership seek to ensure all staff are informed about new developments, strategic activities, and achievements.

Corporate governance report *continued*

To commemorate the Company's 20th anniversary, a celebratory event was held for all employees with sessions on Group strategy, the work of the Lancashire Foundation, and networking opportunities that spanned departments and regions.

Throughout the year, informal gatherings, such as social evenings, further foster camaraderie and open dialogue.

The 2025 staff engagement survey covered a wide range of themes, including workplace culture, leadership effectiveness, and opportunities for career advancement.

Results were analysed and shared with employees. Each employee has an annual review with their manager, discussing performance, development goals, and any training plans.

To promote continuous learning, the Lancashire Employee Network curates events featuring guest speakers, skills workshops, and peer-led sessions to help staff broaden their expertise and embrace new perspectives.

Brokers

Why we engage

Brokers play a fundamental role in connecting us with customers, markets, and industry trends.

Their expertise helps us ensure our products meet clients' evolving needs and broaden our reach in competitive markets.

How we engage

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, a number of which are sponsored by Lancashire as part of our marketing activities, 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.

Broker engagement is led by our Executive Directors who regularly meet with our trading partners.

Society and the environment

Why we engage

We are committed to making a positive contribution to society as a responsible business.

Engaging with local communities helps us align our work with wider social goals and sustainability principles, helping to ensure our impact reflects our values.

How we engage

Community engagement is facilitated through the Lancashire Foundation, which supports charitable organisations and offers volunteering opportunities for employees.

We participate in local outreach programmes, sponsor events, and encourage staff to contribute time and expertise to causes they care about.

On the environmental front, we monitor our carbon emissions, embrace energy-efficient technologies, and work with partners to promote responsible sourcing and waste reduction.

Our annual sustainability reports – the Annual Report and Accounts and ClimateWise reporting – outline our progress and feedback from stakeholders guides future disclosures and improvements.

Corporate governance report *continued*

Section 172 responsibilities in focus

Dividend payments and capital requirements

Relevant stakeholders

Our shareholders	Our people
Our policyholders	Government and regulators

Criteria considered



In 2025, Lancashire continued to hold a strong capital position and, given the Group's strong returns during the year, paid a combination of ordinary and special dividends totaling \$1.225 per common share or \$296.5 million in aggregate.

The Board takes a proactive approach to capital management and, as had been announced in 2024, increased the Company's usual ordinary dividends by 50% paying interim and final dividends of \$0.075 and \$0.15, respectively. Additionally, the special dividends paid during 2025 amounted to another \$1.00 per share.

The Board actively debates how best to deploy the Company's capital and considers returning capital when there is excess for business purposes.

During 2025, the Board discussed the capital requirements of the business aligned to the current and expected future underwriting conditions and rating environment. The Board also considered the requirements for capital held in light of the Group's regulatory capital requirements and with regard to the market credit rating agency models.

Please see the Director's report on page 131 for information on dividends paid during 2025 and a summary of the Group's dividend policy.

Acquisition of underwriting capacity in Syndicate 2010

Relevant stakeholders

Our shareholders	Brokers
Our policyholders	Our people
	Government and regulators

Criteria considered



Following the 2024 Lloyd's Capacity Auctions, Lancashire (through Cathedral Capital (1998) Limited) held more than 75% of the allocated capacity for Syndicate 2010.

Under Lloyd's Byelaws, Lancashire was required to make a mandatory offer to the remaining members to acquire all of the unaligned capacity for 2026 and following years.

Following that offer, Lancashire owned 99.4% of the capacity and an application was made to Lloyd's for permission to effect a minority buy-out in respect of the remaining capacity.

The Lloyd's Capacity Transfer Panel approved the minority buy-out application on 26 September 2025.

The Board discussed and approved this strategic move, which enhances the Company's control and flexibility at Lloyd's and across all the Group's underwriting platforms. This successful project demonstrates the Group's ability to deploy capital opportunistically, without compromising near-term earnings or the ability to pay a dividend. The full ownership of both syndicates at Lloyd's is expected to afford future opportunities for the Group's Lloyd's and UK structures and governance both in the areas of underwriting and reinsurance purchasing. These potential changes are expected to afford greater capital efficiency and a range of other benefits.

2025 employee survey and engagement and culture

Relevant stakeholders

Our people	Society and the environment
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Criteria considered



The Lancashire Board values its engagement with the Group's employees and receives reports, through the Nomination Corporate Governance and Sustainability Committee, on various initiatives to maintain a strong and vibrant culture.

During 2025, all employees were invited to take part in a survey to offer their feedback and experiences of working at Lancashire. The Committee was provided with a summary of the employee engagement survey outcomes, including the high participation rate at 84%.

Based on Glint (the survey provider) standards for financial services, a participation level of 60% or above is considered good and above 75% is considered excellent.

Outcomes from the Lloyd's Culture Survey are also shared with the LSL and LHL Boards. Lancashire Syndicates employees participate in this survey, with positive results.

During the year, the Board received reports on succession planning across the Group and discussed the adequacy of related plans for development of key employees. The Board also discussed evolving UK disclosure requirements relating to culture and inclusion.

Committee reports

Audit Committee

"During 2025, the Committee has continued to maintain its focus on overseeing and challenging key areas of accounting judgement, the effectiveness of the Group's internal control framework and the accuracy and balance of the Group's financial reporting. We seek to provide a forum for discussion and challenge in which information can be presented and explained with the benefit of input from members of management, our auditors and other experts.

We also continued to respond to the changing regulatory and corporate governance landscape, building on our existing control frameworks and good practice. In addition, the running of the tender process for our external audit services was a significant work area for the Committee, the results of which are described more fully later in this report."

Sally Williams

Chair of the Audit Committee



Committee membership

The Audit Committee comprises five independent Non-Executive Directors and is chaired by Sally Williams. The qualifications for each of the Committee members are detailed on pages 71 to 76. The Committee members bring a diverse range of experience in accounting, 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 ¹	2/2
Nathalie Rachou ²	3/3
Linda Ventresca	4/4

1. Robert Lusardi stepped down as a Committee member following the AGM on 30 April 2025.
2. Nathalie Rachou became a Committee member on 5 March 2025.

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.

Committee reports *continued*

Summary of key areas of Audit Committee challenge

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 2025 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 2025 included the California wildfire loss events in January 2025. The Committee also considered developments in aviation (re)insurance reserves in respect of aircraft impacted by the Russia Ukraine conflict and developing case law with regard to issues of fact and policy coverage.

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 attritional loss reserves and an independent assessment of large and catastrophe losses 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.

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. The Committee oversaw the development of enhancements to the internal control framework to align with the new UK Corporate Governance Code provisions.

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 had previously considered this standard and received a report on how the Committee addresses the requirements within it. The Committee continues to monitor compliance with these standards and is satisfied that they have been met.

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 2025 and March 2026 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
<p>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.</p> <p>Reviews and reports to the Board on significant financial reporting issues and judgements contained in the consolidated financial statements.</p>	<p>At each meeting, the Committee reviewed the Group's financial 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 2025 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.</p> <p>During 2025, the Committee received, discussed and challenged regular and ad hoc reports and presentations from management in the following areas:</p> <ul style="list-style-type: none"> • Loss reserving, and developments to the Group's reserving process (see the Summary of key areas of Audit Committee challenge section above). • Developments in accounting and financial reporting requirements impacting the consolidated financial statements (including related party transactions). • The suitability and methodology for the Group's APMs. • The wider activities of the finance team. • The 2025 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 2025 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. • 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. <p>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.</p>
<p>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.</p>	<p>The Committee reviewed drafts of the 2025 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 2025 Annual Report and Accounts at the March 2026 Audit Committee meeting, together with the external auditor's report. The Committee advised the Board that, in its view, the 2025 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.</p>

Committee reports *continued*

External audit oversight

Committee responsibility

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 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.

Committee activities

The Committee considered the scope, focus and delivery of the annual external audit plan, and whether KPMG applied appropriate professional scepticism 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 2025, 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 2024 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 2025 Audit Committee meeting. The process identified a number of potential areas for enhancement that were factored into the audit planning process for 2025. 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 2024 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.

Pursuant to its annual review process, the Committee received a recommendation from management and approved a revised non-audit services policy in April 2025. 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 2025, KPMG provided \$0.7 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.

Committee reports *continued***Committee responsibility**

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.

Committee activities

The 2025 financial year was the ninth 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 four full years as the designated KPMG lead audit partner. The Committee and the Board are recommending the re-appointment of KPMG as external auditor at the 2026 AGM for the 2026 financial year.

The external audit fee arrangements across the Group were agreed after discussion between the Committee, management, and KPMG.

The Committee monitored the developing regulatory landscape relating to the corporate governance, delivery and conduct of the external audit. The Committee received a report detailing the Company's compliance with the FRC's Audit Committees and External Audit: Minimum Standard.

External audit tender process

The Group observes the tendering and rotation requirements set out within The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014, as issued by the CMA. As proposed within the Group's 2024 Annual Report and Accounts, during 2025 the Group conducted a mandatory tender process for its external audit services for the 2027 financial year (ending 31 December 2027) since KPMG will have been the Group's external auditor for a period of ten years following the conclusion of the 2026 financial year's audit. The tender process was lead by the Committee, with support provided by senior management and the wider business as required, and was conducted in accordance with the requirements of Audit Committees and the External Audit: Minimum Standard, as issued by the FRC.

The key activities within the tender process were:

1 January 2025 to 31 March 2025: Six prospective audit firms were invited to participate in the tender process. Two of these firm's were 'challenger' firms, defined by the FRC in this context as audit firms other than the four largest audit firms. The two 'challenger' firms declined to participate in the process, and the reasoning for their decisions was understood and accepted by the Committee. A RFI document was shared with the remaining firms, with its requirements focused on relevant industry experience, audit quality (as evidenced primarily by the results of recent inspections from relevant audit regulatory bodies, including the FRC), independence (particularly for the non-incumbent firms), the assessment of audit risk, and the firms' proposed audit approach. The requirements of this RFI document, together with an overall approach and timetable for the tender process, had previously been agreed with the Committee at the meeting held on 4 November 2024.

1 April 2025 to 30 June 2025: Information and access to both management and those charged within governance was made available to all participating firms. RFI responses were received by the firms by the end of June. Members of the Committee, with support from the senior management team where required, reviewed the RFI submissions, and assessed these together with the firm's wider performance against the RFI requirements previously set. As a result of this assessment, one of the firms was stood down from the process.

1 July 2025 to 30 September 2025: A RFP document was shared with the remaining firms in August, with its requirements focused on understanding the Group's business and the associated risks, accounting treatment and audit approach case studies, the use of technology and artificial intelligence, and timetable and transition. Further information and access to management and those charged with governance was also provided.

1 October 2025 to 31 December 2025: RFP responses were submitted by the participating firms in early October, and final presentations were made to the Committee prior to the end of October. At the meeting on 3 November 2025, the Committee concluded the tender process by assessing and documenting the various firms' RFP response documents and presentations against the requirements previously set. This resulted in two possible firms and a recommendation by the Committee to the Board for the appointment of EY as the Group's external auditor for the year ending 31 December 2027. The key elements supporting the recommendation to appoint EY were a strong team, including specialists, which demonstrated knowledge of the Group's risks and operations, and their proposed audit approach throughout the process. This recommendation was accepted and approved by the Board at the meeting on 4 November 2025, subject to the approval of shareholders at the AGM to be held in 2027.

Committee reports *continued*

Internal audit oversight

Committee responsibility

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.

Committee activities

The Group's internal audit function reports directly to the Committee. At the beginning of 2025, the Committee reviewed and approved a 2025-2027 strategy for the internal audit function, tabled by the Group Head of Internal Audit, which supports the strategic objectives and success of the Group and aligns with the expectations of the Board, senior management, and other key stakeholders. Throughout 2025, the Committee reviewed the delivery of the strategic priorities agreed for the year.

In November 2025, the Group Head of Internal Audit presented the 2026 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 areas 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 Chair of the Committee undertook an annual review of the effectiveness of the internal audit function and its activities. At its March 2026 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

Committee responsibility

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.

Committee activities

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 CRO, 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 was presented with a report from the Group Head of Internal Audit, and reviewed findings relating to the control environment and management responses. The Committee received an annual report from the Group CRO concerning her assessment of the adequacy of risk management and internal controls and an update on control enhancements made during the year. 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. Whilst controls aim to manage risk, ensure reporting integrity, and maintain regulatory compliance, they cannot eliminate risk entirely. Notwithstanding, 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 134.

The Audit Committee considered the suitability of its Terms of Reference and the effectiveness of its operation and the suitability of its composition during 2025 facilitated by the firm of IAL (see page 79 for further details). The Audit Committee is considered to have operated effectively and to have appropriate membership and skills. The Audit Committee's Terms of Reference are considered to be aligned with good governance practice.

Committee reports *continued*

Compliance, speaking up and fraud

Committee responsibility

Reviews for adequacy and security the Group's compliance, speaking up and fraud controls.

Committee activities

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:

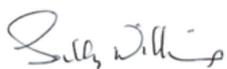
- anti-money laundering;
- the prevention of bribery and financial crime (including the detection of fraud);
- conflicts of interest;
- whistleblowing arrangements; and
- sanctions monitoring.

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, with the Chair of the Audit Committee serving as the Group-level champion. The champions have responsibility for overseeing the integrity, independence and effectiveness of the Group's policies and procedures on whistleblowing. During 2025, the Audit Committee appointed 'SafeCall' to receive whistleblowing reports on an anonymised basis, and procedural changes were made to facilitate this. The Group places a high priority on employees' awareness and understanding of this process to enable them to speak out with confidence when appropriate.

Priorities for 2026

- 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; and
- To oversee the period of transition in the Group's external audit services in advance of the 2027 year-end audit.



Sally Williams
Chair of the Audit Committee

4 March 2026

Committee reports *continued*

Nomination Corporate Governance and Sustainability Committee

"As Lancashire marked its 20th anniversary in 2025, the Committee focused closely on the implications of growth and change within the business on company culture. With fewer than 500 employees across the Group, the Committee is able to gain strong insights into the operation of the business and its people. The performance of the Group during 2025 is testament to the high levels of engagement and professionalism of its people, and the excellent sense of purpose which is part of the DNA of the business."

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 Chair of the Board.

Committee members	Meetings attended
Philip Broadley (Chair)	4/4
Michael Dawson ¹	2/2
Sally Williams	4/4
Bryan Joseph ²	2/2
Irene McDermott Brown	4/4

1. Michael Dawson resigned from the Committee on 30 April 2025.
2. Bryan Joseph joined the Committee on 30 April 2025.

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.



Committee reports *continued*

How the Committee discharged its responsibilities

Committee responsibility	Committee activities
Board and Committee succession, independence, composition and effectiveness	<p>The Committee continued to focus on Board succession and skills planning over the year and monitored the diversity of the Board members.</p> <p>Nathalie Rachou was appointed to the Audit and Investment Committees on 5 March 2025 and as Chair of the Investment Committee following Robert Lusardi's resignation from that role on 30 April 2025.</p> <p>Linda Ventresca was appointed to the Remuneration Committee on 5 March 2025.</p> <p>Bob Cox and Matthew Narbett were appointed to the Underwriting and Underwriting Risk Committee on 5 March 2025.</p> <p>Bryan Joseph was appointed to the Nomination Corporate Governance and Sustainability Committee on 30 April 2025.</p> <p>Irene McDermott Brown was appointed as the Board's Senior Independent Director with effect from 30 April 2025. Please see page 77 for more information regarding Board composition and appointments during 2025.</p> <p>The Committee reviewed the composition of the Board at its November 2025 meeting, and 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 also noted that the gender balance of the Board has improved, and at the year end female membership of the Board stands at slightly over 45%.</p> <p>The process for the externally facilitated year-end review of the effectiveness of the Board, the Committees and each of the Directors, was overseen by the Committee. See page 79 for a summary of the process and conclusions.</p> <p>In accordance with the provisions of the Code, all of the Directors are subject to annual (re)election by shareholders. See pages 77 and 78 for a summary of the Committee's work regarding the independence and (re)election of Directors.</p> <p>The Group's fit and proper policy for Board appointments was reviewed and approved.</p>
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 2024 year-end evaluation process and has recently completed a similar exercise as part of the 2025 evaluation. The Committee recommended to the Board during the year minor changes to the Terms of Reference for the Remuneration Committee and the Investment Committee. The Committee also concluded that all Terms of Reference for the Committees were fit for purpose. In August 2025, 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 2025, 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 senior management. The Committee engaged with Nicola Nairn, the Group Head of HR and discussed with her the training and development proposals for a number of key employees across the Group, as part of the succession planning process, with due regard to the skills, experience and benefits of a diverse pipeline of talent.
Workforce engagement	<p>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. The Committee discussed the outcomes of a detailed employee survey conducted in the Autumn.</p> <p>The Committee considered the methods and tools for workforce engagement at its November 2025 meeting and discussed arrangements for workforce engagement during 2026. 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. Please see page 85 for more information on workforce engagement.</p>
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 developments in UK corporate reporting requirements for UK-listed entities, developments in audit market practice and guidance, UK guidance with regard to ethnicity pay data and developments in ESG regulation and practice.

Committee reports *continued*

Committee responsibility	Committee activities
Subsidiary boards	The Committee and Board monitored the composition of the Group's subsidiary boards, including appointments and other changes. At its November 2025 meeting the Committee discussed succession plans for the role of Non-Executive Director and Chair of the LICL board, the Group's Bermuda-based operating subsidiary. Beverley Todd will retire from that role following the 2025 year end and upon the Committee's recommendation, the Board approved a proposal for Bob Cox to join the LICL board and to become its Chair in March 2026.
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. At its November 2025 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 2025 ClimateWise submission. For more information on these matters, please see the 2025 TCFD report starting on page 50.
Social responsibility	
Diversity, equity and inclusion	For data regarding the gender and ethnicity of the Board and executive management, please refer to page 41. 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 2025, the Board continued to meet its Board-level Parker review objective for minority ethnic representation. The Committee discussed with the Group Head of HR options for the adoption of a Parker Review ethnicity target for the executive management group and its reports and will revisit this matter depending on anticipated developments in UK reporting practice. At its November 2025 meeting the Committee received an update from management on the Group's gender pay gap data and discussed areas for focus and action, including ongoing 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 2025, the Committee received a report from the Foundation, including its objectives, governance and approach to funding for 2026 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 47 to 49.
UK Modern Slavery Act 2015 and human rights	During 2025, 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 2026

- To continue to ensure that the Company is able to effectively discharge its governance responsibilities and to 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.

Committee reports *continued*

Investment Committee

"The Committee continues to oversee the delivery by our management team of the Group's investment strategy. The growth and greater diversification of the Group's underwriting over recent years has led to a larger pool of insurance and reinsurance reserves, and a correspondingly larger investment portfolio, which exceeded \$3.0 billion during 2025. Although the Group's strategy remains relatively conservative, as in previous years, the recent higher yield environment has boosted the contribution of the Group's investments to returns and as a proportion of overall Group profitability."

Nathalie Rachou

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.

At the end of 2025, the Investment Committee comprises two independent Non-Executive Directors, the Chair of the Board, one Executive Director (the Group CFO) and the Group CIO (who is not a Director).

Committee members	Meetings attended
Nathalie Rachou (Chair) ¹	4/4
Robert Lusardi (former Chair) ²	2/2
Philip Broadley	4/4
Natalie Kershaw	4/4
Denise O'Donoghue	4/4
Linda Ventresca	4/4

1. Nathalie Rachou assumed the role of Chair of the Investment Committee at the conclusion of the AGM on 30 April 2025.

2. Robert Lusardi resigned from the Committee and as its Chair on 30 April 2025.

Principal responsibilities of the Committee

- Monitors the performance of investment strategies and investment managers with reference to the agreed guidelines and risk frameworks;
- 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; and
- Establishes and monitors compliance with investment operating guidelines, risk metrics and the sustainability profile of the portfolio.

Committee reports *continued*

How the Committee discharged its responsibilities

Committee responsibility	Committee activities
Investment performance	
Monitors the performance of investment strategies and investment managers	During 2025, the Group's investment portfolio generated \$218.0 million, representing a positive return of 7.0%. The strong return was driven by gains arising from the reduction to lower long-term US Treasury rates, diversification and a strong contribution from our alternative assets. The Committee received regular comprehensive reports from management regarding investment performance, strategy and risk monitoring.
Investment strategy	
Review and approval of investment strategies	<p>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 function.</p> <p>The Committee monitored developments in the delivery of the Group's strategic asset allocation following the detailed analytical work and Board approval of the extensive biennial strategic review conducted in 2024. This regular strategic review work is designed to optimise the risk and return profile of the Group's investment portfolio.</p> <p>During 2025 the portfolio developments included:</p> <ul style="list-style-type: none"> • a reduction in the allocations to US treasuries and cash; • an increase in high-quality credit-rated collateralised loan obligations and US agency mortgage-backed securities; • a reduction in the allocation to bank loans; • monitoring opportunities in specialty finance products; • a marginal increase in exposure to real estate debt; and • monitoring development in the emerging market debt markets.
Investment risk	
Monitoring investment risk and setting and tracking investment risk tolerance	<p>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 presentations regarding the opportunity and performance associated with the Group's fixed income investment portfolios, and investment strategy implications of US tariff policy, inflationary trends, US lending rates and related market expectations, and the resilience of the US dollar as the predominant global reserve currency.</p> <p>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 discussed risk scenarios including one associated with a rise in global trade protectionism and another based on political instability and a flight from US treasuries.</p> <p>The Committee tracked foreign exchange exposure and its management.</p> <p>The Committee monitored the Group's liquidity risk requirements in light of the Group's insurance operations and discussed strategies for ensuring resilience in liquidity.</p> <p>The Committee monitored developments in and the management of portfolio default risk during the year.</p> <p>The Committee discussed and tracked the use of leverage for assets held within the portfolio.</p> <p>The Committee tracked portfolio duration and discussed duration strategy.</p>

Committee reports *continued*

Committee responsibility

Committee activities

Governance and oversight

Investment governance	The Committee recommended modifications to its Terms of Reference, which were reviewed and approved by the Board. The Committee also discussed feedback arising from the externally facilitated Board and Committee performance evaluation.
Oversight of investment managers	The Committee considered regular reports on the performance of the Group's investment managers and portfolios, including asset allocation and compliance with and variations to pre-defined guidelines and tolerances; and recommended amendments to portfolio investment guidelines to the Board. During the year, the Committee approved investment in an absolute return global credit strategy fund with a flexible geographical and asset class profile. 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.

Sustainability

Monitoring of ESG risk and carbon sensitivities	<p>A number of tools were utilised 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 advisers 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.</p> <p>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.</p> <p>The proportion of the fixed maturity portfolio covered by the available rating methodology was approximately 58.6% of the public fixed maturity portfolio at the year end. This is higher than previous years as MSCI now covers US Agency MBS securities.</p> <p>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 remained steady during the year and below the Group's carbon intensity benchmark.</p> <p>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.</p> <p>ESG and carbon management investment guidelines are approved by the Committee and implemented by the Group's investment managers across the Group's fixed maturity investment portfolios.</p>
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Priorities for 2026

- 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 monitor portfolio duration to facilitate consideration of the benefits of alignment with the reserve duration of the Group's inwards insurance and reinsurance portfolios;
- To monitor macroeconomic trends, in particular changes in the yield curves, 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 commission the Committee's biennial strategic asset allocation study to seek to balance investment risk and to optimise returns.

Committee reports *continued*

Underwriting Committee

"During 2025, Lancashire delivered attractive underwriting results. This was helped by the increased diversification of our underwriting portfolio over recent years, which has strengthened our resilience and lowered the volatility of the Group's returns. The California wildfires in January 2025 showed our ability to both meet the needs of our insured clients and to deliver attractive underwriting returns to our shareholders. The Committee also considered the future development of our underwriting strategy including the ongoing build out of our US business and the rationalisation of the Group's presence in Lloyd's."

Alex Maloney

Group CEO and Chair of the Underwriting and Underwriting Risk Committee



Committee membership

At the end of 2025, 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
Bob Cox ¹	3/3
Michael Dawson ²	2/2
James Flude	4/4
Paul Gregory ³	3/4
Jack Gressier	4/4
Hayley Johnston	3/4
Bryan Joseph	4/4
Matt Narbett ⁴	3/3
Ben Readdy	4/4

1. Bob Cox joined the Committee on 30 April 2025.

2. Michael Dawson resigned from the Committee on 30 April 2025.

3. Paul Gregory was absent due to a sabbatical break for the August 2025 Committee meeting.

4. Matt Narbett joined the Committee on 30 April 2025.

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.

Committee reports *continued*

How the Committee discharged its responsibilities

Committee responsibility	Committee activities
Performance	
Underwriting performance review	<p>Management reporting to the Committee included the presentation of underwriting information, aligned with the Group's insurance and reinsurance reporting segments, including dashboard summaries. The Group's data management capabilities facilitated the collation and presentation of underwriting, outwards reinsurance and claims information relevant to the Committee's activities.</p> <p>Regular reports were received on the Group's underwriting activities, including 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. Premium rates during the year were a focus of discussion, and the Committee considered the Group's strategy for negotiating the increasingly competitive market and how best to maximise the relatively strong pricing environment.</p> <p>The Committee received management presentations on the Group's construction portfolio, developments in the LUS underwriting platform and the underwriting of insurance products which are exposed to terrorism and war risks in the light of the rapidly shifting geopolitical environment during 2025.</p> <p>Throughout the year, the Committee monitored the progress in the diversification of the Group's underwriting portfolio and the continued diversification of the Group's catastrophe risk exposures in light of premium growth in casualty classes and other non-correlating product classes.</p> <p>The Committee received periodic updates on the Group's participation, appetite, and positioning in the various reinsurance renewal seasons throughout the year, including those for Japan and Florida. The Committee actively monitored observance of underwriting guidelines and the Group's adherence to agreed underwriting risk tolerances and preferences and related performance.</p>
Strategy	
Underwriting strategy	<p>During 2025, 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 aligned to market conditions.</p> <p>The Committee received regular updates on the Group's strategic underwriting plans and the Lloyd's business plans, including related capital requirements. The Committee monitored progress in the Group's strategic plan to launch a mandatory offer for all of the remaining third part capacity in Syndicate 2010, which successfully completed in the Autumn of 2025, following Lloyd's approval. The Committee intends to keep under review the efficiencies which are expected in the areas of Group underwriting synergies and risk allocation, capital requirements and planning, Group reinsurance purchasing, and Lloyd's and Group governance arrangements.</p> <p>The Committee discussed management's strategic growth plans for the Lancashire US underwriting platform, which completed its first full year of underwriting in 2025. This included underwriting lines and resourcing plans. The LUS platform contributed \$82.8 million to the Group's gross premiums written for the full year.</p> <p>Reports were received on a number of new business initiatives, including several which were explored but not pursued.</p>
Reinsurance strategy	<p>One of the Committee's roles is to monitor the Group's reinsurance planning, which is an important strategic tool in managing the Group's exposures from the inwards (re)insurance portfolio and for operating within the management and Board-approved preferences and tolerances for underwriting risk. The Committee discussed the structure and resilience of the Group's reinsurance plans following the California wildfire losses in January 2025.</p> <p>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 2026. The Committee also monitored the Group's intra-group reinsurances.</p>

Committee reports *continued*

Committee responsibility	Committee activities
Governance and risks and controls	
Governance	The Committee's Terms of Reference were reviewed to ensure that they have appropriate focus.
Underwriting controls	The Committee kept the Group's underwriting controls policies and procedures under review and approved changes. The Committee also reviewed and approved changes to the underwriting authorities, aggregate exposures and normal maximum lines by class of business.
Risk appetites and monitoring including climate risk exposure	<p>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.</p> <p>Through the review and monitoring of underwriting PMLs, the Committee continued to monitor exposures to a range of natural catastrophe risks, including regional windstorm, hurricane and wildfire 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.</p> <p>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 28 and the Group's TCFD report starting on page 50.</p> <p>The potential for conflicts and their related management within the business was also monitored.</p>
Claims reporting	<p>The Committee monitored the status of key claims, including reserve developments during the course of the year. The Committee also received data for claims ratios both by class of business and across the portfolio.</p> <p>The Committee convened an early discussion with management of the exercise to identify exposures and to establish Group reserves for the January 2025 California wildfire loss events. The Committee also received periodic reports on developments relating to the Group's policy exposures to the conflict between Russia and Ukraine.</p>
Board strategic engagement	
LHL Board underwriting oversight	During 2025, the Committee meetings were attended by all available 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 reviews starting on page 19.

Priorities for 2026

- To continue to monitor 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;
- To oversee opportunities for growth, efficiencies and Group synergies in the areas of underwriting and reinsurance associated with the Group's acquisition of the underwriting capacity in Syndicate 2010; 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.

Committee reports *continued*

Remuneration Committee

"The Committee and Board have been pleased with another strong year for the Group's returns. This has been achieved against a challenging market environment including greater competition and significant losses arising from the California wildfires. The Group's diversified underwriting portfolio has remained resilient and our investments made a meaningful contribution to profitability for 2025, all while ensuring appropriate management of risk and controls across the business. This result allowed the Board to pay not only the Company's ordinary dividends but also further special dividends during the year.

The contributions of our staff (including the Executive Directors) during the year, to these strong results are reflected in the 2025 remuneration outcomes."

Irene McDermott Brown

Chair of the Remuneration Committee



Committee membership

At the 2025 year end, the Remuneration Committee comprised three independent Non-Executive Directors and the Chair of the Board.

Committee members	Meetings attended
Irene McDermott Brown (Chair)	4/4
Philip Bradley	4/4
Jack Gressier	4/4
Linda Ventresca ¹	2/2
Michael Dawson ²	2/2
Robert Lusardi ³	2/2

1. Linda Ventresca joined the Committee on 30 April 2025.

2. Michael Dawson resigned from the Committee on 30 April 2025.

3. Robert Lusardi resigned from the Committee on 30 April 2025.

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 performance measures and targets for the Executive Directors and monitors the performance against these objectives for the annual bonus;
- Determines each year whether awards will be made under the Group's Restricted Share Scheme (RSS) and, if so, the overall amount, of individual awards to Executive Directors and other designated senior executives, and the applicable performance measures and targets;
- Ensures that contractual terms on termination or retirement, and any payments subsequently made, are fair to both the individual and the Company; and
- Oversees any major changes in employee reward and benefit structures throughout the Group.

Committee reports *continued*

How the Committee discharged its responsibilities

Committee responsibility	Committee activities
Remuneration Policy and framework oversight	<p>The Committee reviewed and approved the Group's incentive packages and outcomes for the Executive Directors and for other designated senior executives within the agreed remuneration framework, as well as the broader overall workforce, to ensure that remuneration is structured appropriately to promote the long-term success of the Company.</p> <p>The shareholder vote on the 2024 Directors' Remuneration Report (which primarily related to the implementation of the Directors' Remuneration Policy in 2024) received 95% support at the 2025 AGM.</p> <p>The Committee conducted a review of the Directors' Remuneration Policy (Policy) during 2025 with support and input on market practice from PwC as the Group's external remuneration advisor. The proposed changes were subject to consultation with shareholders and advisory groups, and their feedback was reflected in the final Policy to be submitted to shareholders for approval at the 2026 AGM.</p> <p>Details of the process followed, the Policy and proposed changes are set out within the Directors' Remuneration Report.</p>
Strategic linkage of objectives and remuneration outcomes	<p>Details of the metrics for the annual bonus and RSS performance-based long-term incentive plan awards for the Executive Directors are set out on pages 120 to 123.</p> <p>This report sets out in detail the 2025 remuneration for the Executive Directors and the Committee's work in reviewing performance and outcomes. The Committee monitored the financial performance of the business throughout the year and was satisfied that remuneration outcomes appropriately reflect the Company's performance. In considering remuneration outcomes, the Committee made enquiries regarding 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.</p> <p>The Committee also considered the appropriate implementation of the proposed Policy for our Executive Directors in 2026 (see pages 106 and 124 to 125).</p>
Long term incentivisation structures and targets and shareholding requirements	<p>The Committee 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 the Executive Directors' shareholdings in the context of the Company's share ownership guidelines for executives. Share ownership targets have been met in accordance with guideline requirements.</p> <p>The Group's RSS Rules were last approved by shareholders in 2017 and have a ten-year term. Although not due for review until 2027, the Committee took the opportunity, in conjunction with the Policy review process, to review the RSS Rules in light of advice in areas of current best practice from Deloitte and PwC. Whilst the 2017 RSS Rules are considered fit for purpose, the Committee identified a few minor areas for change, with the aim of improving clarity and ensuring alignment with best practice and the updated UK Corporate Governance Code. The revised ten-year RSS rules will be put to the Company's shareholders for approval at the 2026 AGM.</p>
Oversight of changes in employment	<p>The Committee oversaw the determination of benefits under the Group's RSS and bonus schemes for members of management and the wider workforce affected by departures, retirements, or redundancies during the year.</p>

Committee reports *continued*

How the Committee discharged its responsibilities

<p>Consideration of wider employee remuneration and reward structures</p>	<p>In considering the salary and bonus awards for the Executive Directors, as well as other designated senior executives, the Committee had regard to the remuneration levels and practices across the wider workforce. The Committee considered and authorised the overall levels of bonus payment to the workforce and the allocation of rights over shares to employees under the Group's RSS scheme.</p> <p>The Committee reviewed and recommended to the Board for approval the Group's Solvency II remuneration policy relevant to the management population within the Group's UK regulated entities.</p> <p>The Committee and the Board noted and discussed the outcomes of the Group's gender pay gap data analysis and developments in succession planning.</p> <p>The Committee monitored the linkage between the Group's remuneration structures and wider staff incentivisation, retention, training, succession planning, and the wider culture of the business.</p>
<p>Remuneration advice, governance and training</p>	<p>The Committee received remuneration advisory services from PwC, who were appointed in 2023 as the Group's independent remuneration adviser. PwC attended the Committee's meetings during 2025.</p> <p>At the November 2025 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 revised remuneration guidance from leading shareholder advisory groups.</p> <p>The Committee received remuneration advice from Deloitte relevant to the review of, and amendments to, the Group's RSS rules.</p>

Priorities for 2026

- 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 monitor compensation levels amongst the Group's London, Bermudian and other international peers, and appropriately reflect good market practices; and
- To monitor governance requirements and shareholder expectations with regard to remuneration practices.

Directors' Remuneration Report

Annual Statement

Dear Shareholder,

On behalf of the Remuneration Committee, I am pleased to present the 2025 Directors' Remuneration Report. This report summarises the Committee's activities during the year and outlines how we determined the remuneration outcomes for our Executive Directors. In 2025, the Remuneration Policy continued to operate as set out in the 2024 Annual Report on Remuneration, supporting the delivery of our strategic priorities and ensuring strong alignment with shareholder interests. We also present the 2026 Directors' Remuneration Policy, and the Group's Restricted Share Scheme (RSS) rules, both of which will be subject to a binding vote at the AGM in 2026.

Business performance for 2025

2025 was another resilient and successful year for the Group, with excellent operational and financial performance. For the eighth successive year we have achieved our aim of growing premium ahead of rate whilst conditions remain favourable.

In 2025, the business has achieved organic growth in excess of the premium pricing trend, delivering an increase of \$109.7 million to Gross premiums written, to over \$2,259.3 million, a robust insurance service result of \$381.1 million, and a healthy profit after tax of \$293.4 million. The Group delivered strong Change in DBVS of 20.9% and a Simple RoE of 19.5% (see Glossary for further details). Investment performance was also strong, contributing significantly to Group return, and this enabled us to return \$296.5 million to shareholders through both regular and special dividends during the year, consistent with our approach of returning excess capital to shareholders whenever possible, while still retaining underwriting momentum.

The Group's performance in 2025, clearly shows the effectiveness of our strategy to become more diversified across product lines and geographies. Despite the devastating California wildfires, at the start of the year - the largest ever wildfire loss for the insurance industry - our undiscounted combined ratio of 93.1% represents a robust outcome.

As we enter 2026, the Group is well positioned to continue to capitalise on attractive underwriting opportunities in what is expected to be a competitive pricing environment (see pages 13 to 15 for further details in the Group CEO review). The business retains the capital strength and resilience needed to support its underwriting and growth plans for 2026 and beyond.

Remuneration outcomes for 2025

The Executive Directors' 2025 annual bonus performance targets were set at stretching levels, at the start of the year. The targets were set with no downward adjustments for the significant impact of the California wildfires, and no adjustments were made during the year. The financial element makes up 75% of the annual bonus opportunity, and was based on the Company's Simple RoE. The 2025 Simple RoE performance of 19.5% (equivalent to the risk-free rate plus 15.3%) exceeded the maximum threshold (the risk-free rate plus 14.0%), being 18.2%.

This resulted in a maximum payout for the financial element of the annual bonus. The Committee and the Board considered this outcome to be appropriate and reflective of the Company's exceptional underlying performance, particularly given the challenging start to the year driven by the California wildfires.

The Committee also reviewed the performance of the Executive Directors against their personal objectives. The Group CFO delivered exceptional performance during the year, with performance assessed at 96.3% of maximum. For the Group CEO and Group CUO, the Committee also noted strong performance in many areas, and assessed overall personal performance at 81.3% of maximum. Further details of the personal performance are set out on pages 121 and 122.

In aggregate, the overall 2025 bonus outcomes were 99.1% of maximum for the Group CFO and 95.3% for the Group CEO and Group CUO. The Committee considered that the overall outcomes appropriately reflect the Group's excellent performance and therefore no discretion was applied.

With respect to long-term incentives, the 2023 Performance RSS awards were based on achievement against Change in DBVS (85% weighting) and absolute TSR (15% weighting) targets over the three-year period to 31 December 2025. In line with prior vesting cycles, the Change in DBVS measure was assessed independently for each of the three financial years. The maximum performance level was exceeded in each year and therefore the Change in DBVS component will vest in full. In addition, the Company's TSR (calculated in US dollars) over the three-year period was an average of 22.6% per annum, above the maximum target level of 12% per annum, also resulting in full vesting for the TSR component. Overall, the 2023 Performance RSS awards will therefore vest in full.

The Committee notes that this result is the highest outcome achieved under the current long-term incentive structure, and since the 2011 awards vested (see page 127). It also reflects the strategic actions taken by our Executive Directors to refocus and diversify the business. The outturn reflects that our capital usage is more efficient, and that volatility in our earnings has been significantly reduced, which flows into the Group's current financial performance. This is despite the challenging loss environment faced by the (re)insurance industry over the three-year period.

Directors' Remuneration Report *continued*

The Committee is particularly mindful that over this period, significant value has been returned to shareholders through ordinary and special dividends. The aggregate special and ordinary dividends paid to shareholders was \$3.35 per share or \$806.0 million (see page 3) over the three-year period.

The Committee is therefore satisfied that the vesting outcome is consistent with the Company's sustained strong performance over the three-year period and did not exercise any discretion in determining the vesting outcome. The Committee also concluded that Executive Directors have not benefitted from any windfall gains in relation to the 2023 RSS awards.

The Committee recognises that the 'single total figure of remuneration' for our Executive Directors is higher this year, driven by the full vesting of the 2023 RSS and of the value of dividend equivalents accrued (see page 123) during this period of exceptional performance, as well as sustained financial performance under the annual bonus.

The Committee will continue to seek to ensure strong alignment between remuneration and Company performance, consistent with the Group's cross-cycle return expectations. We believe the executive pay outcomes, as set out in the sections that follow, appropriately reflect the level of performance and that the current Policy has operated as intended in this context.

2026 Directors' Remuneration Policy

The aim of our Policy has been to help to ensure that there is an appropriate focus on sustained long-term performance and that pay levels are competitive but not excessive against UK and international insurance peers. The current Policy was approved by 92.9% of our shareholders at the 2023 AGM and is therefore due to be put forward for shareholder approval at the 2026 AGM.

In advance of this, the Committee has undertaken a comprehensive review of the current Policy to ensure it remains fit for purpose, is aligned with evolving market practice, delivers market-competitive remuneration packages for our Executive Directors and provides appropriate flexibility over the next three-year cycle.

The Committee recognises that pay levels and practices in our sector are different from the broader UK listed market (in particular the FTSE 250 index of which the Company is a constituent) and therefore this is not an appropriate comparison. For this reason, the Committee primarily considers market remuneration data versus a peer group of listed UK, US and Bermudian insurance firms, with the FTSE 250 considered as a secondary reference point to take into account the broader UK market context.

The Committee noted that the insurance peer group operates a variety of different incentive structures, including companies (particularly those in the US) operating combinations of performance and time-based long-term incentive awards (commonly referred to in the UK as a "hybrid scheme"). Nevertheless, the Committee determined that the current incentive plan structure, based on an annual bonus and single performance-based long-term incentive plan, remains appropriate and aligned with Lancashire's profitable growth ambitions.

The Committee's review concluded that the current remuneration package for our Executive Directors remains competitive for a business of Lancashire's size (based on a regression analysis of the market data to account for size differences between the peers). As such, the Committee is not intending to make any changes to the base salary, bonus opportunity or RSS opportunity for 2026.

However, the Committee is mindful that the Policy should remain fit for purpose over the next three-year cycle especially as the remuneration landscape is continuing to evolve in both the UK and US markets. Although there is additional headroom of 100% of salary within the current Policy under the annual bonus for all of the Executive Directors, there is no additional headroom under the RSS for the CEO, as award levels are currently in line with the maximum level (350% of salary). With this in mind, we are proposing to increase the maximum RSS opportunity level under the new Policy to 400% of salary. The Committee would consult with shareholders before implementing any increase in the RSS opportunity for any director.

In addition, the Committee is also proposing the following minor changes to the Policy and its implementation:

- In-employment shareholding requirement: Increase the CEO's in-employment shareholding requirement from 200% to 350% of salary to reflect the higher RSS opportunity level compared to the other Executive Directors. The Committee will retain the flexibility to review this further if the RSS grant level is increased over the life of the Policy.
- Annual bonus deferral: In line with the updated guidance published by the Investment Association in October 2024, introduce the flexibility for the Committee to reduce the level of annual bonus deferral once an Executive Director's shareholding requirement has been met. For 2026, the Committee expects to continue deferring one third of the bonus pro-rata for three years irrespective of the shareholding level.
- Annual bonus performance measures: Although permissible under the current Policy, the Committee is proposing to change the implementation of the Policy by simplifying the non-financial element of the bonus, replacing individual personal objectives with a set of shared objectives for the Executive Directors. The Committee retains the ability to adjust annual bonus outcomes (upwards or downwards) where the Committee determines that the formulaic outcome is not an accurate reflection of overall performance or to reflect individual performance.

Directors' Remuneration Report *continued*

The Committee wrote to approximately 70% of our shareholder register, as well as the major advisory bodies, to outline the proposed changes. We received responses from around two thirds of those contacted (either in the form of a written response or a meeting), and we are grateful to all those who engaged with us in this process. This valuable dialogue provided an opportunity for us as a Committee to further explain the rationale for retaining a largely unchanged Policy framework and to share our thinking behind the updates proposed. We welcomed the constructive feedback received, and I was pleased that our shareholders responded positively to our transparent and proactive approach.

We originally proposed to introduce the flexibility to reduce or remove the level of bonus deferral when the shareholding requirement is met – however, in response to feedback from some shareholders, the Committee decided to amend the proposal to simply provide the flexibility to reduce the deferral level in this scenario. Overall, shareholders were supportive of the proposed changes, recognising the flexibility that this affords the Committee, and no other changes to the proposals were made.

Overall, we are firmly of the view that the proposed Remuneration Policy is appropriate for the Group, is closely aligned with the Company's strategy and is designed to provide a level of remuneration that attracts, retains and motivates high-calibre Executive Directors, whilst also supporting the long-term success of the Group and promoting sustainable value creation for shareholders.

Further details of the changes can be found on pages 110 to 118. The final Policy will be submitted for a binding vote at the 2026 AGM.

RSS rules

The Group's RSS Rules were last approved by shareholders in 2017 and have a ten-year term. Although not due for review until 2027, the Committee took the opportunity, in conjunction with the Policy review process, to review the RSS Rules. Whilst the 2017 RSS Rules are considered fit for purpose, the Committee identified a few minor areas for change, with the aim of improving clarity and ensuring alignment with best practice and the updated UK Corporate Governance Code. A summary of these changes will be outlined in the Notice of AGM. The new RSS rules will be put to the Company's shareholders for approval at the 2026 AGM.

Implementation of Remuneration Policy for 2026

The Committee has reviewed Executive Directors' salaries for 2026 and determined that an increase of 2.7% is appropriate with effect from 1 January 2026. This is below the average workforce increase of 3.6%. No changes will be made to the fees for the Chair of the Board, and Non-Executive Directors.

As noted on the previous pages, the Committee is not proposing any changes to the opportunity levels, for the 2026 annual bonus or the Performance RSS awards. Similarly, the performance measures and weightings will remain unchanged, with the exception of the personal objectives under the annual bonus which will be replaced by a set of shared objectives for the Executive Directors (25% weighting unchanged) as outlined on the previous page.

The Committee considers that the performance targets under the annual bonus remain commercially sensitive but will disclose them retrospectively in the following year's reports. The targets for the 2026 Performance RSS awards are set out on pages 124 to 125 and remain unchanged from 2025, which the Committee notes represents a stretching level given the expectation of a softening market over the coming period.

Wider workforce pay considerations and engagement

The Remuneration Committee takes into account pay decisions and outcomes across the wider workforce when determining Executive Directors' remuneration. In principle, the remuneration framework for all employees follows a similar structure to that of Executive Directors, with participation in annual bonus and long-term incentive arrangements. However, the award types (restricted cash, restricted stock or performance shares) and scale of opportunities appropriately vary across different employee groups. For the Executive Directors, a greater proportion of their total remuneration is performance-related, share-based and subject to deferral. This reinforces the alignment between remuneration, Company performance and the longer-term interests of shareholders.

In line with good practice, pension provision for Executive Directors is the same as available to all employees as a percentage of salary. Whilst the Company does not formally consult employees on Executive Director remuneration, the Board and the Committee receive employee insights through established workforce engagement channels. During the year, the Committee also engaged with management on matters of broader employee engagement and remuneration. We value this engagement and support management in gathering views and implementing improvements. Employees provided feedback through town hall sessions, senior leader forums as well as the bi-annual engagement survey and other structured engagement opportunities.

Directors' Remuneration Report *continued*

As in prior years, one of our Non-Executive Directors routinely joins Alex in the Group CEO's quarterly staff town hall meetings. These sessions allow for open discussion of business performance, and operation of the Board and wider organisational matters. They also provide a regular opportunity for employees to ask questions and to share feedback directly with senior leadership. In addition, the Committee reviews and approves the size of the annual bonus pool and the allocation of RSS or other long-term incentives to employees, in line with expectations under the UK Corporate Governance Code.

Conclusion

The Committee believes that the 2025 remuneration outcomes are appropriate in the context of the Group's strong performance during the year and over the last three years. The proposed Directors' Remuneration Policy supports the Board's objective of attracting, retaining and motivating high-calibre Executive Directors to deliver the long-term success of the Company.

The disclosures in this report are intended to provide shareholders with a clear understanding of the link between Company performance and the Executive Directors' remuneration.

This Annual Statement, together with the Annual Report on Remuneration, will be subject to an advisory vote at the 2026 AGM, and I hope shareholders will feel able to support this resolution. Shareholders will also be asked to approve the proposed 2026 Directors' Remuneration Policy, set out in this report and the Group's shareholder-approved 2026 Restricted Share Scheme Rules both of which will be subject to a binding vote at the 2026 AGM. I would like to thank my fellow Committee members for their work and support during the year, and our shareholders for their valuable feedback throughout a productive engagement process. The Committee continues to prioritise maintaining open and constructive dialogue with shareholders on remuneration matters, and I welcome any further feedback.



Irene McDermott Brown

Chair of the Remuneration Committee

4 March 2026

Directors' Remuneration Report *continued*

Remuneration at a Glance

2025 Fixed Pay

(£'000)

2025 Annual Bonus outturn

(as % of maximum bonus)

- Financial Performance
- Personal Performance

2023 LTI awards vesting (RSS)¹

(£'000)

- Shares under award
- Share appreciation
- Dividend Equivalents

1. 2023 RSS vested in full (see page 123 for details)

2025 Total Remuneration

(as % of Total Remuneration)

(£'000)

- Fixed Pay
- Annual Bonus
- LTI awards (RSS)

Alex Maloney

Group CEO

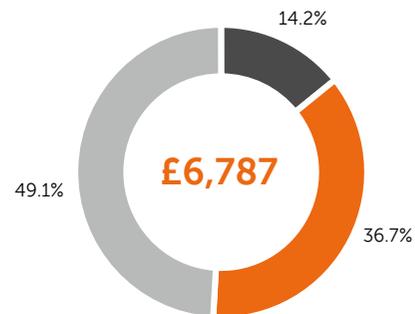
£966



95.3%
(as % of maximum bonus)
£2,488



£3,333



Natalie Kershaw

Group CFO

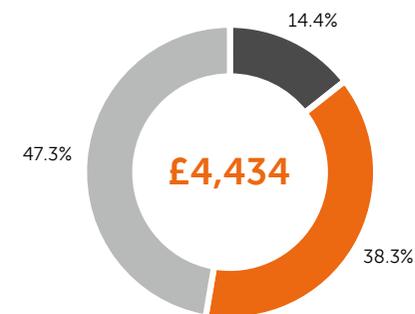
£637



99.1%
(as % of maximum bonus)
£1,697



£2,100



Paul Gregory

Group CUO

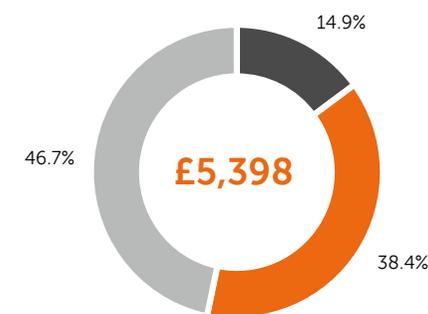
£805



95.3%
(as % of maximum bonus)
£2,073



£2,520



Directors' Remuneration Policy

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 Combined Code, the Board is committed to providing full information on Directors' remuneration to shareholders.

This section sets out the terms of the proposed Directors' Remuneration Policy in full, which will be put forward to shareholders for a binding vote at the AGM on 29 April 2026. If approved, it will apply from that date. For reference the current Policy was approved with 92.9% of votes in favour at the AGM held on 26 April 2023 and can be found on pages 98 to 106 of the 2022 Annual Report, available on our website.

The Committee has undertaken a comprehensive review of the current Policy to provide it remains fit for purpose, is aligned with evolving market practice, delivers market competitive remuneration packages for our Executive Directors and provides appropriate flexibility over the next three-year cycle. As outlined further in the Annual Statement (pages 104 to 107), the Committee determined that the current remuneration structure, which includes a base salary, pension and benefits, annual bonus and single performance-based long-term incentive plan, remains appropriate and aligned with Lancashire's ambitions. The Committee's review concluded that the current remuneration package for our Executive Directors remains competitive for a business of Lancashire's size (based on a regression analysis of the market data to account for size differences between the peers). However, the Committee is cognisant that the Policy should remain fit for purpose over the next three year cycle and that the remuneration landscape is continuing to evolve in both the UK and US markets.

The Committee is therefore proposing the following changes to the Policy:

- **RSS maximum opportunity:** Increase the maximum opportunity from 350% to 400% of salary. No changes are proposed to the current grant levels for 2026 (CEO: 350%, CUO: 300%, CFO: 275%) but the increase provides additional headroom for the CEO should this be required during the Policy term. The Committee would consult with shareholders before implementing any increase in the RSS opportunity.
- **In-employment shareholding requirement:** Increase the CEO's in-employment shareholding requirement from 200% to 350% of salary to reflect the higher RSS opportunity level compared to the other Executive Directors. The Committee will retain the flexibility to review this further if the RSS grant level is increased over the life of the Policy (within the revised headroom).
- **Annual bonus deferral:** In line with the updated guidance published by the Investment Association in October 2024, introduce the flexibility for the Committee to reduce the level of annual bonus deferral once an Executive Director's shareholding requirement has been met.

In addition, although permissible under the current Policy, the Committee is proposing to change the implementation of the Policy by simplifying the non-financial element of the bonus, replacing individual personal objectives with a set of shared objectives for the Executive Directors. Minor amendments to the Policy wording have been made to reflect this change.

Directors' Remuneration Report *continued*

Governance and approach

The Company's Remuneration 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 to optimise long-term shareholder value creation, within appropriate risk parameters. The Remuneration Policy also seeks to ensure that Executive Directors are provided with appropriate incentives to drive Company and individual performance and to reward them fairly for their contribution to the successful performance of the Company. The Remuneration Committee and the Board have again considered whether any element of the Remuneration Policy could conceivably encourage Executive Directors to take inappropriate risks and have 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, the required level of share ownership is exceeded, 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 page 115 for the full Policy details).

How the views of shareholders are taken into account

The Committee Chair and, where appropriate, the Company Chair consult with major investors and representative bodies on any significant remuneration proposal relating to Executive Directors. Views of shareholders at the AGM, and feedback received at other times, will be considered by the Committee.

As part of the Policy review, the Committee wrote to approximately 70% of our shareholder register, as well as the major advisory bodies, to outline the proposed changes to the Policy. We received responses from around two thirds of those contacted (either in the form of a written response or a meeting).

The Committee reflected on the constructive feedback received and considered whether any changes to the proposals were required. We originally proposed to introduce the flexibility to reduce or remove the level of bonus deferral when the shareholding requirement is met - however, in response to feedback from a minority of shareholders, the Committee decided to amend the proposal to simply provide the flexibility to reduce the deferral level in this scenario.

Overall, shareholders were supportive of the proposed changes, recognising the flexibility that this affords the Committee, and no other changes to the proposal were made.

How the views of employees are taken into account

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 pay, share-based remuneration and deferral.

This seeks to ensure 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 Committee, through the structured arrangements for regular workforce engagement, do receive employee feedback, including where relevant to matters of remuneration. As noted above, the Committee is made aware of pay structures across the wider Group when setting the Remuneration Policy for Executive Directors. The Committee also reviews and approves the size of any annual bonus pot to be distributed amongst the staff population and the allocation of RSS awards or other LTI structures, and its practice in this regard is well aligned with the expectations of the Code.

Directors' Remuneration Report *continued***Fixed Pay**

Component	Purpose and link to strategy	Operation	Opportunity
Salary	<ul style="list-style-type: none"> Helps recruit, motivate and retain high-calibre Executive Directors by offering salaries at market-competitive levels. Reflects individual experience and role. 	<ul style="list-style-type: none"> Normally reviewed annually and fixed for 12 months, typically effective from 1 January. Positioning would be assessed with due regard to market conditions at the time, taking into account role, experience and performance. Percentage increases would normally be aligned with the rates for the wider workforce, other than by exception, such as: <ul style="list-style-type: none"> changes to the size and complexity of the business; and changes in responsibility, workload or position. Where new appointees (whether external or internal) have been given a starting salary below mid-market level, increases above those granted to the wider workforce (in percentage terms) may be awarded, subject to individual performance and development in the role. Salaries are benchmarked periodically against comparable company peers in the UK, US and Bermuda as these are where we would normally expect to recruit from or lose talent to. 	<ul style="list-style-type: none"> No maximum.
Benefits	<ul style="list-style-type: none"> Market-competitive structure to support recruitment and retention. Medical cover aims to seek to ensure minimal business interruption as a result of illness. 	<ul style="list-style-type: none"> Executive Directors' benefits may include healthcare, dental, vision, gym membership and life insurance. Other additional benefits may be offered from time to time that the Committee considers appropriate based on the Executive Director's circumstances. Executive Directors who are expatriates or are required to relocate may be eligible for a housing allowance or other relocation-related expenses. Any reasonable business-related expense can be reimbursed, including any personal tax thereon if such expense is determined to be a taxable benefit. 	<ul style="list-style-type: none"> No maximum.
Pension	<ul style="list-style-type: none"> Contribution towards funding post-retirement lifestyle. 	<ul style="list-style-type: none"> The Company operates a defined contribution pension scheme (via outsourced pension providers) or cash-in-lieu of pension. There is a salary sacrifice structure in the UK. There is the opportunity for additional voluntary contributions to be made by individuals, if elected. 	<ul style="list-style-type: none"> Company contribution is currently 10% of base salary. The maximum pension payable to both existing and new Executive Directors will be at a rate not greater than that which is available to the majority of the Group workforce.

Directors' Remuneration Report *continued*

Variable Pay

Component	Annual Bonus ^{1,2}
Purpose and link to strategy	<ul style="list-style-type: none"> Incentivise performance linked to the Group's strategy and aligned to shareholder interests. Rewards the achievement of financial and strategic/personal targets.
Operation	<ul style="list-style-type: none"> The annual bonus is based on performance normally measured over a one-year period. The Committee will have the ability to override the formulaic bonus outcome by either increasing or decreasing the amount payable (subject to the cap) to ensure a robust link between reward and performance. Where an Executive Director has not yet met their 'share ownership guideline', at least one third of each Executive Directors' bonus is automatically deferred into shares as nil-cost options or conditional awards over three years, with one third vesting each subsequent year. Where the 'share ownership guideline' is met, the Remuneration Committee retains the flexibility to reduce (but not remove) annual bonus deferral. A dividend equivalent provision operates enabling dividends to be accrued (in cash or shares) on deferred bonus RSS shares in the form of nil-cost options up to the point of exercise. Malus and clawback provisions apply (see page 115).
Opportunity	<ul style="list-style-type: none"> The maximum bonus for Executive Directors for achieving the target level of performance as a percentage of salary is 200%. Maximum opportunity is two times target (that is, 400%).
<p><i>Note: The Committee may set bonus opportunities less than the amounts set out above – see Implementation of Remuneration Policy section of the Annual Report on Remuneration.</i></p>	
Performance metrics ³	<ul style="list-style-type: none"> The weightings that apply to the bonus measures and the degree of stretch in objectives may vary each year depending on the business aims and the broader economic or industry environment at the start of the relevant year. For Executive Directors, the financial component will be at least 75% of the overall opportunity, and no more than 25% will be based on strategic/personal objectives. <p>Financial performance</p> <ul style="list-style-type: none"> The financial component is based on the Company's key financial measures of performance. For any year, these may include (but are not limited to) the growth in DBVS, profit, comprehensive income, combined ratio, investment return, simple return on equity or any other financial KPI.³ Typically, a sliding scale of targets applies for financial performance targets. Bonus is earned on an incremental basis once a predetermined threshold level is achieved. Up to 25% of the target bonus opportunity is payable for achieving threshold performance, rising to maximum bonus for stretch performance. <p>Strategic performance</p> <ul style="list-style-type: none"> Strategic/personal performance is based upon achievement of clearly articulated objectives, which may include ESG measures that are aligned with the Company's overall purpose and strategy.

Directors' Remuneration Report *continued*

Component	Long Term Incentive (LTI) ^{1,2}
Purpose and link to strategy	<ul style="list-style-type: none"> • Rewards Executive Directors for achieving superior returns for shareholders over a longer time frame. • Enables Executive Directors to build a meaningful shareholding over time and align goals with shareholders.
Operation	<ul style="list-style-type: none"> • Performance-based long-term incentive awards are granted under the Company's Restricted Share Scheme ("RSS") plan. • RSS awards are normally made annually in the form of nil-cost options (or conditional awards) with vesting dependent on the achievement of performance conditions over at least three financial years. This three-year period is longer than the typical pattern of loss reserve development on the Group's insurance business, which is approximately two years. • Awards normally vest after three years and are typically subject to a two-year post-vesting holding period (see page 125). • The Committee has the discretion to adjust the final vesting outcomes (upwards or downwards) in exceptional circumstances or to impose additional vesting conditions where deemed appropriate. • The Committee considers carefully the quantum of awards each year to seek to ensure that they are competitive in light of peer practice and the targets set, within the maximum limit set out below. • A dividend equivalent provision operates, enabling dividends to be accrued (in cash or shares) on RSS awards up to the point of exercise. • The Committee has the discretion, in exceptional circumstances, to settle an award made to Executive Directors in cash. • Malus and clawback provisions apply (see page 115).
Opportunity	<ul style="list-style-type: none"> • The maximum RSS grant level for Executive Directors is 400% of salary. <p><i>Note: The Committee may set the normal level of award at less than the percentage set out above – see Implementation of Remuneration Policy section of the Annual Report on Remuneration.</i></p>
Performance metrics ³	<ul style="list-style-type: none"> • Awards vest subject to the achievement of performance conditions reflecting the long-term strategy of the business at the time of grant. These may include (but are not limited to) measures such as TSR, the growth in DBVS, Company profitability, or any other relevant financial or strategic measures. • If more than one measure is used, the Committee will review the weightings between the measures chosen and the target ranges prior to each grant to provide that the overall balance and level of stretch remain appropriate. • A sliding scale of targets applies for financial metrics with no more than 25% vesting for threshold performance.

Notes to Variable Pay

1. The Committee operates the annual bonus plan and RSS according to their respective rules and in accordance with the Listing Rules. The Committee, consistent with normal market practice, retains discretion over a number of areas relating to the operation and administration of these plans and this discretion forms part of this Policy. See page 116 for further details.
2. All historical awards that were granted under any current or previous Directors' Remuneration Policy or share scheme operated by the Company that remain outstanding remain eligible to vest based on their original award terms, and therefore the terms of the annual bonus and RSS awards under the current and previous Policies form part of this Policy, including associated terms such as leaver treatment.
3. Performance measures are aligned to the Company's strategic objectives and therefore the Committee may change the performance measures from year to year under the annual bonus and from grant to grant under the RSS awards. The performance measures may include the KPIs shown on page 1 or others described within the Annual Report and Accounts Glossary commencing on page 196, or any other measure that supports the achievement of the Company's short- to long-term objectives. Financial performance targets are set based on an appropriate range with reference to internal performance expectations, market guidance and/or analyst forecasts. Strategic objectives are set by the Committee, typically with input from the Chair of the Board and/or CEO, and may include quantitative or qualitative targets.

Directors' Remuneration Report *continued*

Component	Operation/Key Features
Chair and Non-Executive Director fees	<ul style="list-style-type: none"> • Purpose and link to strategy: To recruit, motivate and retain a Chair and Non-Executive Directors of a high calibre by offering a market-competitive fee level. • Operation: <ul style="list-style-type: none"> • The Chair is paid a single fee for their responsibilities as Chair. The level of these fees is reviewed periodically by the Committee and the Group CEO by reference to broadly comparable businesses in terms of size and operations. • In general, the Non-Executive Directors are paid a single fee for all responsibilities, although supplemental fees may be payable where additional responsibilities are undertaken, including a Non-Executive Director role on a subsidiary board. The level of these fees is reviewed periodically by the Board (excluding the Non-Executive Directors) by reference to broadly comparable business in terms of size and operations. • Any reasonable business-related expenses (including any personal tax payable) can be reimbursed. • Opportunity: there is no maximum.
Shareholding requirements	<ul style="list-style-type: none"> • The Group Chief Executive Officer is expected to develop and maintain a shareholding equivalent in value to the normal annual RSS award, but no less than 350% of salary. Other Executive Directors are expected to develop and maintain an interest equivalent in value to no less than two times salary. • The requirement is to be achieved normally within five years of appointment (or within five years of any change in the applicable requirement). Until such time as the guideline threshold is achieved, Executive Directors are required to retain no less than 50% of vested shares. • Post employment, the Executive Directors are expected to maintain a holding of 200% of salary for a period of two years (or such other period or amount as the Committee may in the future determine) following the date of termination of employment of the relevant Executive Director. • For the purpose of this requirement, the shareholding is defined as wholly-owned shares, the net of tax value of awards which have vested but are unexercised and the net of tax value of unvested awards not subject to performance conditions. Wholly-owned shares include those owned by persons closely associated with the relevant Executive Director. • A nominee account may be established into which shares acquired under RSS awards (that is, on exercise of (nil-cost) options) will ordinarily be directed for the purposes of enforcing the guidelines and requirements. The Remuneration Committee shall retain a discretion to waive the requirements, in whole or in part, in exceptional circumstances such as death, critical illness or personal financial hardship. • In the event of a change of control (takeover) of LHL the guidelines and requirements shall cease to apply on the date of such change of control.
Malus and clawback	<ul style="list-style-type: none"> • Annual bonus and RSS awards are subject to malus and clawback provisions. • Malus and clawback provisions apply to the operation of the variable incentive award in the following circumstances, including but not limited to: <ol style="list-style-type: none"> i. a material misstatement of any financial statements; ii. an error in the calculation of any performance condition applicable to the award or in the information or assumptions on which the award was granted, vests or is released; iii. where an Executive ceases to be a Director or employee due to gross misconduct or material error on the part of the participant or on the part of an individual for whom the participant is responsible or accountable; iv. an incident of corporate failure which has resulted in the appointment of a liquidator or administrator or resulted in reaching a compromise agreement with its creditors v. an instance of material failure of risk management or material reputational damage; and/or vi. any other circumstances that the Board considers to be similar in their nature or effect to the circumstances above. • Annual bonus and RSS awards that have been paid or vested shall be subject to clawback provisions for up to the second anniversary of the vesting date. A two-year period is aligned with the two-year post-vesting holding period (which supports the enforcement of clawback, if needed). It is also aligned with the typical pattern of loss reserve development on the Group's insurance business.

Directors' Remuneration Report *continued*

Committee discretion

The Committee will operate the annual bonus plan and the RSS according to the rules of each respective plan and consistent with normal market practice and the Listing Rules, where relevant. The Committee will retain flexibility in a number of areas regarding the operation and administration of these plans, including, but not limited to, the following:

- Who participates in the plans;
- When to make awards and payments;
- How to determine the size of an award, a payment, or when and how much of an award should vest;
- How to deal with a change of control or restructuring of the Group;
- In the case of stated good leaver reasons or otherwise, whether a Director is a good/bad leaver for incentive plan purposes and whether and what proportion of awards vest at the time of leaving or at the original vesting date(s) as relevant;
- How and whether an award may be adjusted in certain circumstances (for example, for a rights issue, a corporate restructuring or for special dividends); and
- In the event of a capital raise, whether a greater percentage of any annual bonus payable should be deferred, where performance metrics have been beneficially influenced by the capital actions taken; and whether the remuneration outcomes should be adjusted to limit the impact of such capital actions, where appropriate.

The Committee also has the discretion within the Policy to adjust targets and/or set different measures and alter weightings for annual bonus and the LTI if events happen that cause it to determine that the original targets or conditions are no longer appropriate and the amendment is required so that the targets or conditions achieve their original purpose and are not materially less difficult to satisfy. The Committee has the discretion to adjust the application of the minimum shareholding requirements, in role or post-cessation, to take account of exceptional circumstances. 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

The remuneration package for a new Executive Director would be set in accordance with the terms of the Company's prevailing approved Remuneration Policy at the time of appointment and would take into account the skills and experience of the individual, the market rate for a candidate of that experience and the importance of securing the relevant individual.

Salary would be provided at such a level as is required to attract the most appropriate candidate. The Committee retains the flexibility to set base salary for a newly appointed Executive Director below typical market levels and/or the level of their predecessor, and may apply higher increases in future years as they develop in role. This decision would take into account all relevant factors noted above.

Similarly, the Committee retains the flexibility to set the base salary for a newly appointed Executive Director at a higher level to secure an individual who is considered by the Committee to possess significant and relevant experience which is critical to the delivery of the Company's strategy.

The annual bonus and LTI potential would be in line with the Policy. Participation in the annual bonus will normally be pro-rated for the year of joining. Depending on the timing of the appointment, the Committee may deem it appropriate to set different bonus performance measures for the performance year during which they become an Executive Director. The Committee may grant an LTI award to an Executive Director shortly after joining, up to the plan limits set out in the Remuneration Policy table (assuming the Company is not in a closed period).

In addition, the Committee may offer additional cash and/or share-based elements to replace deferred or incentive pay forfeited by an Executive Director leaving a previous employer. It would normally seek to ensure, where possible, that these awards would be consistent with awards forfeited in terms of vesting periods (which may be less than three years), expected value and performance conditions.

For an internal Executive Director appointment, any variable pay element awarded in respect of the prior role may be allowed to pay out according to its terms, adjusted as relevant to take into account the appointment. In addition, any other ongoing remuneration obligations existing prior to appointment may continue.

The Committee may agree that the Company will meet certain relocation expenses as appropriate and is able to provide expatriate benefits including housing, a relocation allowance, assignment-related costs or tax equalisation.

Service contracts and loss of office payment policy for Executive Directors

Notice periods for Executive Directors will normally be limited to six months from either the Company or from the Executive Director. In the event of termination, an Executive Director will ordinarily receive payment up to a maximum of base salary plus the value of benefits to which the Executive Directors are contractually entitled for the unexpired portion of the notice period. The Company may pay statutory claims. No Executive Director has a contractual right in their employment terms to a bonus for any period of notice not worked.

The service contract for a new appointment will be on similar terms as existing Executive Directors, with the ability to include a notice period of no more than 12 months from either party.

Directors' Remuneration Report *continued*

The Company seeks to apply the principle of mitigation in the payment of compensation on the termination of the service contract of any Executive Director. There are no special provisions in the service contracts for payments to Executive Directors on a change of control of the Company.

In the event of an exit of an Executive Director, the overriding principle will be to honour contractual remuneration entitlements and determine, on an equitable basis, in accordance with the relevant plan rules, the appropriate treatment of deferred and performance-linked elements of the package, taking account of the circumstances. Failure will not be rewarded.

Depending on the leaver classification, an Executive Director may be eligible for certain payments or benefits continuation after cessation of employment.

If an Executive Director resigns or is summarily dismissed, salary, pension and benefits will cease on the last day of employment and there will be no further payments.

Leaver on arranged terms or good leaver

If an Executive Director leaves on agreed terms, including compassionate circumstances; or ceases to be a Director or employee of the Company for a "good leaver" reason, defined as:

- Death;
- Ill-health, injury or disability evidenced to the satisfaction of the Committee;
- Change of control; or
- For any other reason (other than gross misconduct) if the Committee at its discretion so decides there may be payments after cessation of employment.

In particular:

- Subject to performance, a bonus may be payable at the discretion of the Committee pro-rata for the portion of the financial year worked. The Committee has discretion to permit any bonus payable to be settled in cash with no deferral.
- Vested but unexercised deferred bonus RSS awards will remain exercisable. Unvested deferred bonus RSS awards will ordinarily vest in full on the normal vesting date. All such vested awards must be exercised within 12 months of the vesting date.
- Vested but unexercised RSS awards may remain exercisable for 12 months.
- Unvested RSS awards may vest on the normal vesting date unless the Committee determines that such awards shall instead vest earlier (but no sooner than the date of cessation). Unvested awards will only vest to the extent that the performance conditions have been satisfied (over the full or curtailed period as relevant). A pro-rata reduction in the size of awards may apply, based upon the period of time after the grant date and ending on the date of cessation of employment relative to the three-year or other relevant vesting period unless the Committee determined otherwise.

The Committee may, in its discretion, waive any post-vesting holding requirement for any good leaver.

Depending upon circumstances, the Committee may consider other payments in respect of any claims in connection with a termination of employment where deemed appropriate, including an unfair dismissal award, outplacement support and assistance with legal fees.

Cessation of employment in other circumstances

If an Executive Director ceases to be a Director or employee of the Company for any reason other than:

- Death;
- Ill-health, injury or disability evidenced to the satisfaction of the Committee;
- Change of control; or
- For any other reason (other than gross misconduct) if the Committee at its discretion so decides;

then they will not be eligible to receive a bonus for the relevant financial year (or any future financial year) and any unvested, or vested but unexercised, RSS awards shall lapse in full immediately on such cessation.

In the case of any vested but unexercised deferred bonus RSS awards, they will remain exercisable for a period of 12 months. Unvested deferred bonus RSS awards will ordinarily vest in full on the normal vesting date, and all such vested awards must be exercised within 12 months of the vesting date.

Terms of appointment for Non-Executive Directors

The Non-Executive Directors serve subject to the Company's Byelaws and under letters of appointment. They are appointed subject to re-election at the AGM and are also terminable by either party on six months' notice except in the event of earlier termination in accordance with the Byelaws. The Non-Executive Directors are typically expected to serve for up to six years, although the Board may invite a Non-Executive Director to serve for an additional period. Their letters of appointment are available for inspection at the Company's registered office and at each AGM.

In accordance with best practice under the Code, the Board ordinarily submits the Directors individually for re-election by the shareholders at each AGM.

Directors' Remuneration Report *continued*

Legacy arrangements

In approving the Policy, authority is given to the Company for the duration of the Policy to honour commitments paid, promised to be paid or awarded to: (i) current or former Directors prior to the date of this Policy being approved (provided that such payments or promises were consistent with any Remuneration Policy of the Company, which was approved by shareholders and was in effect at the time they were made); or (ii) an individual (who subsequently is appointed as a Director of the Company) at a time when the relevant individual was not a

Director of the Company and, in the opinion of the Committee, was not paid, promised to be paid or awarded as financial consideration of that individual becoming a Director of the Company, even where such commitments are inconsistent with the provisions of the revised Policy.

Outstanding deferred bonus RSS and RSS awards that remain unvested or unexercised at the date of this Annual Report and Accounts (including for current Executive Directors as detailed on page 126) remain eligible for vesting or exercise based on their original award terms.

Illustrations of annual application of Remuneration Policy

The charts below show the potential total remuneration opportunities for the Executive Directors in 2026 at different levels of performance under the Directors' Remuneration Policy:



- Fixed pay = 2026 Salary + Actual Value of 2025 Benefits + 2026 Pension Contribution.
- On-target = Fixed Pay + Target Bonus (being half the Maximum Bonus Opportunity) + Target Value of 2026 RSS grant (assuming 50% vesting with the face values of grant).
- Maximum = Fixed Pay + Maximum Bonus Opportunity + Maximum Value of 2026 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 2026 RSS grant + 50% share price appreciation (assuming 100% vesting with the face values of grant).

Annual Report on Remuneration

This Annual Report on Remuneration (pages 119 to 130), together with the Chair's Annual statement (pages 105 to 108), will be subject to an advisory vote at the 2026 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 2025 performance;
- Long-term share awards with performance periods ending in the year – 2023 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 pounds sterling in respect of the years ended 31 December 2025 and 31 December 2024 for time served as an Executive Director: 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 charts set out the disclosed 2025 total remuneration received by serving Executive Directors as a percentage of their total 2025 remuneration:

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	2025	870	87	9	966	2,488	3,333	5,821	6,787
	2024	840	84	13	937	2,485	2,286	4,771	5,708
Natalie Kershaw, Group CFO	2025	571	57	9	637	1,697	2,100	3,797	4,434
	2024	551	55	9	615	1,630	1,170	2,800	3,415
Paul Gregory, Group CUO ¹	2025	725	73	7	805	2,073	2,520	4,593	5,398
	2024	467	47	6	520	1,380	1,728	3,108	3,628

1. Paul Gregory was appointed to the Board on 1 May 2024. For 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 2025 bonus earned by Executive Directors is 95.3% to 99.1% of the maximum for the Executive Directors, further details are set out on pages 121 to 123. 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 2025, the long-term incentive values are based on the 2023 Performance RSS awards which will vest in full and are based on a three-year performance period that ended on 31 December 2025. The values above are based on the average share price for the final quarter of 2025, being £6.29, and include the value of dividend equivalents accrued on the vested shares up to 31 December 2025 being £980,384, £617,555 and £741,064 for the Group CEO, Group CFO and Group CUO respectively.
4. For 2024, the long-term incentive values are based on the 2022 Performance RSS awards which vested at 71.7%, and have been restated using the share price as at the date of vesting (6 March 2025) which was £5.87. The figures reflect the final number of shares that vested on 6 March 2025 and includes the value of dividend equivalents accrued on the vested shares up to 31 December 2024.
5. The benefits value shown reflects taxable benefits provided (private medical, travel insurance, critical illness, dental and gym reimbursement).

Directors' Remuneration Report *continued***Non-Executive Director fees**

The following table presents the Non-Executive Directors' fees in respect of the years ended 31 December 2025 and 31 December 2024 for time served as a Non-Executive Director:

Current Non-Executive Directors		Fee \$'000	Other \$'000	Total \$'000
Philip Broadley ¹	2025	350	–	350
	2024	292	–	292
Bob Cox ²	2025	175	–	175
	2024	–	–	–
Michael Dawson ³	2025	58	–	58
	2024	175	–	175
Jack Gressier	2025	175	–	175
	2024	175	–	175
Bryan Joseph ⁴	2025	175	100	275
	2024	175	100	275
Robert Lusardi ³	2025	58	–	58
	2024	175	–	175
Irene McDermott Brown	2025	175	–	175
	2024	175	–	175
Nathalie Rachou ⁵	2025	175	–	175
	2024	27	–	27
Linda Ventresca ⁶	2025	175	–	175
	2024	70	–	70
Sally Williams ⁴	2025	175	70	245
	2024	175	70	245

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 2024 represent his time as Director and Chair.

2. Bob Cox was appointed to the Board on 1 January 2025.

3. Michael Dawson and Rob Lusardi stepped down from the Board on 30 April 2025 and their fees represent their 2025 tenure.

4. Bryan Joseph and Sally Williams are also members of the LSL Board and LUK Board respectively. LSL and LUK fees are paid in GBP at the average exchange rate for the month of payment.

5. Nathalie Rachou was appointed to the Board on 5 November 2024 and her fees for 2024 represent her time as a Director.

6. Linda Ventresca was appointed to the Board on 7 August 2024 and her fees for 2024 represent her time as a Director.

Annual bonus payments in respect of 2025 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 2025 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 2025 bonus was based on financial 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% (9.2%)	RFR +8% (12.2%)	RFR +14% (18.2%)	RFR +15.3% (19.5%)
Payout	% of Target	25%	100%	200%	200%

For 2025 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 4.2%, calculated with reference to the average 13-week UST rates for the year.

Directors' Remuneration Report *continued*

Personal performance

25% of the 2025 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 2025 personal objectives for each Executive Director and some of the factors the Board has considered to determine whether the objectives have been met. The personal targets were tailored to each of the Executive Directors, according to their respective roles and areas of personal development:

Executive Director	Personal strategic objectives	Factors relevant to the Board's determination for the 2025 performance year	Executive Director	Personal strategic objectives	Factors relevant to the Board's determination for the 2025 performance year
Alex Maloney	<ul style="list-style-type: none"> Business management and leadership; including oversight of change, talent and succession and relationship to Lloyd's 	<ul style="list-style-type: none"> Maintained the inclusive and productive culture in the business through open and transparent dialogue and leadership. Delivered above-plan underwriting profitability and promoted underwriter confidence, particularly following the California wildfires so early in the year. Work has been undertaken to ensure a strong pipeline of underwriting and functional talent. Emissions reduction remains a key consideration with appropriate offsets in place. 	Natalie Kershaw	<ul style="list-style-type: none"> Business management and leadership, including oversight of change, relationship management and values 	<ul style="list-style-type: none"> Strong advocate and communicator of the culture and behaviours expected. Oversees high-performing business areas and continually pushes them to think differently, evolve and develop to deliver the best possible performance and outcomes for the Group.
	<ul style="list-style-type: none"> Business development; implementation of the long-term business strategy 	<ul style="list-style-type: none"> The underwriting portfolio has grown ahead of rate, particularly in the US. The US platform is developing and maturing with the appointment of a new divisional CEO reporting direct to the Group CEO, and the addition of a new product line during the year. 		<ul style="list-style-type: none"> Business development; implementation of the long-term business strategy 	<ul style="list-style-type: none"> Demonstrates a commercial focus and maintains excellent relationships with both internal and external stakeholders. Provides guidance and oversight across all areas within her purview and has assumed a leadership role in a number of key projects throughout the year, delivering positive outcomes. Investment returns continue to contribute strongly, and carbon intensity in the investment portfolio remains low.
	<ul style="list-style-type: none"> Leadership & Culture; with specific objectives related to leadership, talent and succession and governance 	<ul style="list-style-type: none"> The behaviours described within The Lancashire Way have been strongly embedded, evidenced by extremely positive outcomes from the Employee Engagement Survey. Talent development and succession is progressing well across the business. Alex also maintains positive relationships between Executive Directors and Independent Non-Executive Directors. 		<ul style="list-style-type: none"> Leadership & Culture; with specific objectives relating to leadership, talent and succession and governance 	<ul style="list-style-type: none"> Approachable and well respected across all business areas and geographies, Natalie has been pivotal in developing the talent identification and training strategy, in addition to supporting individual coaching and acting as a mentor. Delivered material projects throughout the year that have directly contributed to the positive culture in the business. Financial and management reporting remain clear, transparent and high quality.

Directors' Remuneration Report *continued*

Executive Director	Personal strategic objectives	Factors relevant to the Board's determination for the 2025 performance year
Paul Gregory	<ul style="list-style-type: none"> Business management and leadership, including the development of the underwriting strategy and function 	<ul style="list-style-type: none"> Delivered strong underwriting performance versus business plan. Changes to the senior underwriting team have been fully embedded and work has continued to develop talent across the function and ensure a sustainable pipeline for the future. Climate risk exposure has been managed in line with plan.
	<ul style="list-style-type: none"> Delivery and progression of Group underwriting in line with the strategy and risk tolerance framework 	<ul style="list-style-type: none"> The overall underwriting portfolio has continued to grow with the US platform developing well, expanding from the two founding classes of energy and property to a third in general casualty. Active additions to management in the US have provided a platform for continued growth and expansion of the underwriting portfolio in this region.
	<ul style="list-style-type: none"> Leadership & Culture; with specific objectives related to leadership, talent and succession, and governance 	<ul style="list-style-type: none"> Actively demonstrates the behaviours relating to The Lancashire Way and has been deliberate and thoughtful in managing underwriting talent to ensure we have the right people with the appropriate skills for now and for the future. The underwriting culture is collaborative and positively challenging.

During the 2025 annual performance reviews of each Executive Director, a performance rating was assigned to determine the level of bonus earned for delivery versus personal strategic objectives, determined following an evaluation process, and discussion and agreement of the outcomes with the Chair and members of the Board. This process determined that the bonus earned in relation to 2025 personal strategic objectives assessment was 61% of salary for the Group CEO and Group CUO (being 81% of the maximum available for this element) and, 72% of salary for the Group CFO (being 96% of the maximum available for this element) recognising her exceptional performance during 2025.

A table of performance measures and total 2025 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	75% (of 75%)	20.3% (of 25%)	95.3 %	2,488	1,659	829
Natalie Kershaw	75% (of 75%)	24.1% (of 25%)	99.1 %	1,697	1,131	566
Paul Gregory	75% (of 75%)	20.3% (of 25%)	95.3 %	2,073	1,382	691

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 2027, subject to the Company not being in a closed period. No additional performance conditions apply. Vesting is subject to continued employment.

Directors' Remuneration Report *continued*

Long-term share awards with performance periods ending in the year 2023 Performance RSS awards

The 2023 Performance RSS awards were based on a three-year performance period ending on 31 December 2025 and vest following the determination of performance outcomes by the Committee. There is a two-year post-vesting holding requirement for these awards for the Group CEO and Group CFO. This post-vesting holding requirement is not applicable to the Group CUO as he was not a member of the Board when the 2023 Performance RSS was granted. The tables below set out the achievement against the performance conditions attached to the award and the resulting vesting:

Performance level	Absolute compound annual growth in TSR (relevant to 15% of the 2023 RSS awards)		Annual Change in DBVS (within the three-year performance period) (relevant to 85% of the 2023 RSS awards) ¹	
	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	22.6	100	see note 1	100

Note 1.	2023	2024	2025
Annual Change in DBVS	24.7%	23.4 %	20.9 %
Vesting % of one third by performance year	100%	100%	100%
Vesting % of Annual Change in DBVS element	33.3%	33.3%	33.3%

The overall vesting outcome for the 2023 Performance RSS awards is therefore 100%.

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 ^{2,3} £
Alex Maloney	373,899	373,899	980,384	3,332,793
Natalie Kershaw	235,523	235,523	617,555	2,099,362
Paul Gregory	282,627	282,627	741,064	2,519,229

- Dividend equivalents accrue on awards at the record date of a dividend payment (total £2.62 per share, see page 3). Upon exercise, the cash value of the accrued dividend equivalent is paid to the employee on the number of vested awards.
- The value of vested shares is based on the 2023 RSS awards which will vest at 100% and is based on a three-year performance period that ended on 31 December 2025. The average share price rate for the final quarter of 2025 (£6.29) is used for this calculation.
- The value attributable to share price appreciation is £60,408, £38,052 and £45,662 respectively for the Group CEO, Group CFO and Group CUO.

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 2025:

Executive Director	Grant date	% of salary	Number of awards granted during the year	Face value of awards granted during the year ¹ £	% vesting at threshold performance
Alex Maloney	13-Mar-25	350	512,108	3,045,000	25
Natalie Kershaw	13-Mar-25	275	264,085	1,570,250	25
Paul Gregory	13-Mar-25	300	365,792	2,175,000	25

- The awards were based on the five-day average closing share price prior to the Grant date of 13 March 2025, being £5.95 and the awards were granted as nil-cost options.

These awards are due to vest subject to performance conditions being met at the end of the performance period ending 31 December 2027. 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 2029 year-end results. The table below sets out the performance conditions attached to 2025 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%

- 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.
- 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 2024 bonuses that were granted to the serving Executive Directors as nil-cost options on 13 March 2025. Awards will vest in three equal tranches over three years.

Executive Director	Grant date	Number of awards granted during the year	Face value of awards granted during the year ¹ £	% vesting annually
Alex Maloney	13-Mar-25	139,284	828,188	33.3
Natalie Kershaw	13-Mar-25	91,405	543,498	33.3
Paul Gregory	13-Mar-25	116,070	690,156	33.3

- The awards were based on the five-day average closing share price prior to the Grant date of 13 March 2025, being £5.95 and the awards were granted as nil-cost options.

Directors' Remuneration Report *continued*

Implementation of Remuneration Policy for 2026

Base salary and fees

Executive Directors

Salaries effective from 1 January 2026 are set out below:

- Group CEO – £893,500, a 2.7% increase;
- Group CFO – £586,500, a 2.7% increase; and
- Group CUO – £744,500, a 2.7% increase.

The increase for Executive Directors is below the level for the wider workforce, which is skewed towards lower-paid staff, with an average increase of 3.6%.

Non-Executive Directors

The Chair's and Non-Executive Directors' fees are as follows for 2026 (unchanged from 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 (unchanged from 2025).
- Bryan Joseph is a Non-Executive Director of LSL in which capacity he will receive a fee of \$100,000 per annum (unchanged from 2025).

Annual bonus

Award levels

For 2026, 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 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 an appropriate operational metric to measure the growth in value over the course of the financial year, such as Return on Equity. The Committee considers that the specific performance targets are commercially sensitive and will therefore be disclosed retrospectively in the 2026 report.

Personal performance (25%)

This element of the bonus plan is based upon the collective achievement of clearly articulated objectives created at the beginning of each year. The 2026 shared objectives 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, shared strategic 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 2026 Annual Report.

Restricted Share Scheme

Award levels

2026 Performance RSS award levels are as follows:

- Group CEO – RSS awards in respect of shares to the value of £3,127,250 (being 350% of salary);
- Group CFO – RSS awards in respect of shares to the value of £1,612,875 (being 275% of salary); and
- Group CUO – RSS awards in respect to the value of £2,233,500 (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 2026, the weighting is 85% on annual Change in DBVS and 15% on absolute TSR.

Target ranges

The annual Change in DBVS target range for 2026 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 subject to continued employment of the Executive Director at the time of vesting.

Directors' Remuneration Report *continued*

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 2026 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 absolute 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

Subject to the approval of the Policy, the Group CEO is subject to a shareholding requirement equal to 350% of salary, whilst the other Executive Directors are subject to a 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.

Directors' Remuneration Report *continued*

Directors' shareholdings and share interests

The guidelines under the Policy approved at the 2023 AGM require the Group Executive Directors to build and maintain a shareholding in the Company worth two times annual salary.

Details of the Directors' interests in shares are shown in the table below.

	Number of common shares and nil-cost option share interests						Shareholding guideline achieved ⁴
	Total as at 1 January 2025	As at 31 December 2025					
	Legally owned	Unvested and not subject to performance conditions	Unvested and subject to performance conditions	Vested, but unexercised	Total ^{2,3}		
Alex Maloney	2,249,601	1,047,505	223,395	1,340,974	N/A	2,611,874	Yes
Natalie Kershaw	879,910	104,841	148,913	734,200	187,263	1,175,217	Yes
Paul Gregory	1,548,385	649,819	186,495	973,395	N/A	1,809,709	Yes
Philip Broadley	51,615	63,695				63,695	N/A
Bob Cox ¹	N/A	2,000				2,000	N/A
Michael Dawson ²	35,000						N/A
Jack Gressier	-	-				-	N/A
Bryan Joseph	12,246	13,446				13,446	N/A
Rob Lusardi ³	48,000						N/A
Irene McDermott Brown	8,663	8,663				8,663	N/A
Nathalie Rachou	-	-				-	N/A
Linda Ventresca	-	-				-	N/A
Sally Williams	11,082	11,950				11,950	N/A

On 21 March 2025, Alex Maloney, Group CEO, exercised 349,070 RSS nil-cost options with an average exercise price of £5.49. The total gain on exercise of the awards was £1,919,355, of which shares to the value of £943,132 were sold to cover applicable taxes and fees. The balance of the amount was held.

On 21 March 2025, Paul Gregory, Group CUO, exercised 267,923 RSS nil-cost options with an average exercise price of £5.53. The total gain on exercise of the awards was £1,484,005, of which shares to the value of £729,210 were sold to cover applicable taxes and fees. The balance of the amount was held.

1. For Bob Cox, who was appointed to the Board during the year, there is no comparison to prior year.

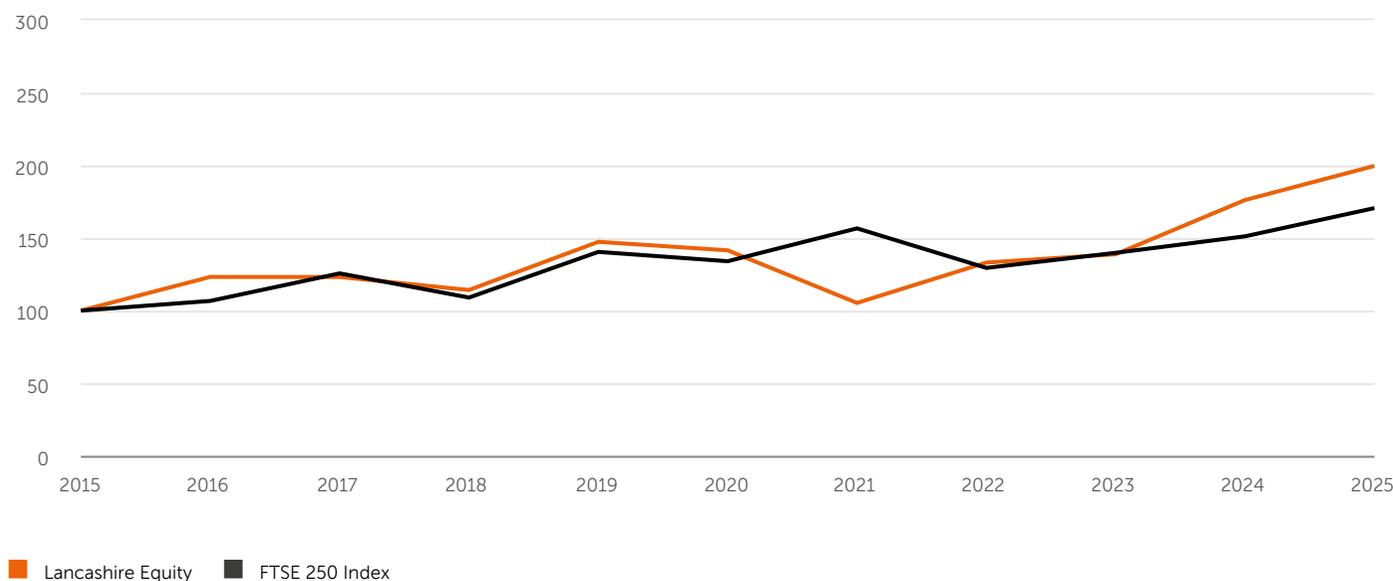
2. Michael Dawson ceased being a Director on 30 April 2025. Mr Dawson held 35,000 shares in the Company as at 30 April 2025.

3. Rob Lusardi ceased being a Director on 30 April 2025. Mr Lusardi held 48,000 shares in the Company as at 30 April 2025.

4. 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 RSS and/or non-performance RSS awards. Shares include those owned by persons closely associated with the relevant Executive Director.

Directors' Remuneration Report *continued*

Performance graph and total remuneration history for Group CEO



The graph shows the ten-year history of 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. It shows the value at 31 December 2025, of £100 invested in LHL on 31 December 2015 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 Company joined the FTSE 250 Index on 22 June 2009, and is currently a constituent of this index.

	2012 ³	2013 ³	2014 ^{4,3}	2014 ^{2,3}	2015 ³	2016 ³	2017 ³	2018 ³	2019 ³	2020 ³	2021	2022	2023	2024	2025
Total remuneration (£000s)	6,599	6,511	6,088	1,453	2,511	2,758	1,517	1,067	2,398	3,193	2,033	1,628	3,709	5,893	6,787
Annual bonus (% of maximum)	73	80	80	73	73	76	17	19	80	60	19	22	98	99	95
LTI vesting (% of maximum)	99	100	61	50	50	67	23	nil	nil	48	48	20	28	72	100

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

- Richard Brindle was the Group CEO from 2005 until he retired from the Group and as a Director on 30 April 2014. Mr Brindle was afforded good leaver status and all RSS award interests were vested upon his departure, using estimated TSR and RoE values (as then defined) at the time of his retirement. The amounts in the table above reflect all awards which vested in 2014. Further particulars of the vesting were reported in the Group's 2014 Annual Report and Accounts.
- Alex Maloney was appointed Group CEO effective 1 May 2014, after the retirement of Mr Brindle. For the purposes of this table his numbers have been pro-rated to account for only his time in office as CEO for 2014.
- For the years 2012 – 2020 these figures were converted to GBP using the average exchange rate for the relevant year.

Directors' Remuneration Report *continued*

Group Chief Executive Pay Ratio

Prior to 2023, the Group had fewer than 250 UK employees, and as such was exempt from disclosing the CEO pay ratio. Since 2023, the Group has employed more than 250 UK employees, and as such now discloses the CEO pay ratio in accordance with the applicable regulations.

Lancashire has chosen to use methodology A (as defined in the applicable regulations) to calculate the figures in the tables. The pay ratio is calculated using data for UK employees employed on 31 December 2025, with remuneration figures determined by reference to the financial year ending 31 December 2025 (consistent with the approach taken in previous years).

The total pay and benefits for each employee were calculated using the single figure of remuneration methodology, consistent with that applied to the CEO. No elements of pay were omitted. Where appropriate, remuneration amounts were adjusted on an approximate basis to reflect full-time and full-year equivalent pay, based on the employee's full-time equivalent hours at the year end and the proportion of the year for which they were employed. No other adjustments were made.

In reviewing the pay ratios, the Committee noted that the CEO's remuneration package is more heavily weighted towards variable pay (both annual bonus and long-term incentive) compared to that of the wider workforce. This reflects the nature and seniority of the role and results in the pay ratio being more susceptible to fluctuations depending on both Company and individual performance.

All permanent employees are eligible to participate in a short-term variable pay, whilst long-term awards for the wider workforce are subject only to continuous service. Performance conditions apply to long-term incentive awards solely for Executive Directors and a small number of other very senior employees.

Short-term financial performance outcomes in 2025 are similar to that of 2024 (for the purposes of determining the annual bonus). Consequently, the impact of short-term incentive awards on remuneration figures for both the CEO and the wider workforce are broadly consistent with prior year. Accordingly, the primary driver of the change in CEO pay ratio from 2024 to 2025 was the improvement in long-term incentive outcomes.

The Committee notes that the 2025 pay ratios appropriately reflect the structure of the CEO's remuneration package, which is more heavily weighted towards variable pay than that of other employees, in line with the Group's reward policies. The Committee is satisfied that the resulting pay ratios are consistent with those policies.

The table below sets out how the single total figure of remuneration (STFR) for the Group CEO compares to the STFR of the UK employees at the 25th percentile, median and 75th percentile in 2025, 2024 and 2023.

	Method	25 th percentile Total Pay Ratio	Median Total Pay Ratio	75 th percentile Total Pay Ratio
2025	A	87:1	53:1	27:1
2024	A	78:1	48:1	26:1
2023	A	54:1	31:1	18:1

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 2025 employees.

	25 th percentile pay ratio		Median pay ratio		75 th percentile pay ratio	
	Total remuneration (£)	Base salary (£)	Total remuneration (£)	Base salary (£)	Total remuneration (£)	Base salary (£)
2025	78,073	57,000	127,678	84,375	247,563	130,000
	87:1	15:1	53:1	10:1	27:1	7:1

Directors' Remuneration Report *continued***Percentage change in Directors' remuneration¹**

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	2025			2024			2023			2022			2021		
	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	3.6	(1.2)	0.1	10.1	13.6	10.2	5.0	5.0	365.5	4.0	4.3	23.1	(0.2)	(0.5)	(223.1)
Natalie Kershaw ³	3.6	-	4.1	5.0	6.1	5.1	15.9	16.0	407.2	16.0	13.4	16.0	16.2	11.1	(197.0)
Paul Gregory ⁴	55.2	16.7	50.2	N/A	N/A	N/A									
Non-Executive Directors⁵															
Philip Broadley ⁶	20.0	-	N/A	1026.5	-	N/A	N/A	N/A	N/A						
Bob Cox ⁷	N/A	N/A	N/A												
Michael Dawson ⁸	(66.7)	-	N/A	-	-	N/A	-	-	N/A	-	-	N/A	-	-	N/A
Jack Gressier ⁹	-	-	N/A	-	-	N/A	134	-	N/A	N/A	N/A	N/A			
Bryan Joseph ¹⁰	-	-	N/A	70.1	-	N/A	N/A	N/A	N/A						
Robert Lusardi ⁸	(66.7)	-	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 ¹¹	554.5	-	N/A	N/A	N/A	N/A									
Linda Ventresca ¹²	151.4	-	N/A	N/A	N/A	N/A									
Sally Williams	-	-	N/A	0.3	-	N/A	13.5	N/A	N/A	34.1	N/A	N/A	-	N/A	N/A
Employees of the parent company¹³															
Employees of the Group	6.7	4.2	6.8	8.3	11.8	5.6	10.4	14.1	168.5	7.5	7.9	105	15.2	27.5	(57.9)

1. The change in remuneration is based on employees employed in the year ended 31 December 2025 and the year ended 31 December 2024.

2. Benefits include pension and all taxable benefits as reported on page 119 in the Single Figure on Remuneration table. For Executive Directors and employees, there were no changes in benefits provision between 2024 and 2025.

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. Paul Gregory, was appointed to the Board on 1 May 2024, the apparent increases shown in the table for 2025, are due to his salary, benefits and bonus for 2024 shown being pro-rata. He received an actual increase of 3.6% on his annual salary effective 1 January 2025.

5. Non-Executive Director fee levels were unchanged between 2024 and 2025.

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. Bob Cox was appointed to the Board during the year, therefore there is no comparison to prior year.

8. Michael Dawson and Rob Lusardi stepped down from the Board on 30 April 2025 and their fees represent their 2025 tenure.

9. Jack Gressier was appointed to the Board on 26 July 2022, and his 2022 fees represent his time as a Director.

10. 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.

11. Nathalie Rachou was appointed to the Board on 5 November 2024 and her fees represent her time as a Director.

12. Linda Ventresca was appointed to the Board on 7 August 2024 and her fees represent her time as a Director.

13. 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.

Directors' Remuneration Report *continued*

Relative importance of the spend on pay

The following table sets out the percentage change in dividends related to and overall spend on pay in the year ended 31 December 2025, compared with the year ended 31 December 2024:

	2025 \$m	2024 \$m	Percentage change %
Total employee benefits	182.1	150.7	20.8
Dividends	296.5	354.2	(16.3)

Committee members, attendees and advice

For Remuneration Committee membership and attendance at meetings through 2025, please refer to page 102 of this Annual Report and 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 website.

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 its 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 2025 were \$190,499. Fees are predominantly charged on a fixed fee 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 2023 are provided in the Annual Statement for 2023, starting on page 101, details on the 2023 AGM vote are also outlined in the statement.

Please see page 103 for the Chair's discussion of the 2025 AGM Remuneration vote outcomes.

	Vote to approve 2024 Annual Report on Remuneration (at the 2025 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	173,866,419	95.0	166,150,636	92.9
Against	9,113,216	5.0	12,769,776	7.1
Total	182,979,635	100.0	178,920,412	100.0
Abstentions	5,100,724		1,213,622	

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

Irene McDermott Brown
Chair of the Remuneration Committee

4 March 2026

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 19.

Dividends

During the year ended 31 December 2025, the following dividends were declared:

- a special dividend of \$0.25 per common share was declared on 6 March 2025 and paid on 11 April 2025 in pounds sterling at the pound/US dollar exchange rate of 1.29390 or £0.19321 per common share.
- a final dividend of \$0.15 per common share was declared on 6 March 2025 subject to shareholder approval, which was received at the 2025 AGM. The final dividend was paid on 13 June 2025 in pounds sterling at the pound/US dollar exchange rate of 1.32930 or £0.11284 per common share;
- an interim dividend of \$0.075 per common share was declared on 6 August 2025 and paid on 15 September 2025 in pounds sterling at the pound/US dollar exchange rate of 1.35610 or £0.05531 per common share; and
- a special dividend of \$0.75 per common share was declared on 5 November 2025 and paid on 12 December 2025 in pounds sterling at the pound/US dollar exchange rate of 1.3140 or £0.57078 per common share.

Dividend policy

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)
- Jack Gressier (Non-Executive Director)
- Bryan Joseph (Non-Executive Director)
- Irene McDermott Brown (Senior Independent Non-Executive Director)
- Nathalie Rachou (Non-Executive Director)
- Linda Ventresca (Non-Executive Director)
- Sally Williams (Non-Executive Director)

Directors' Report *continued***Directors' interests**

The Directors' beneficial interests in the Company's common shares as at 31 December 2025 and 2024, including interests held by family members, were as follows (share prices rounded to two decimal places):

Directors	Common shares held as at 31 December 2025	Common shares held as at 31 December 2024
Philip Broadley ¹	63,695	51,615
Bob Cox ²	2,000	—
Michael Dawson ³	—	35,000
Paul Gregory ⁴	649,819	513,548
Jack Gressier	—	—
Bryan Joseph ⁵	13,446	12,246
Natalie Kershaw	104,841	104,841
Robert Lusardi ⁶	—	48,000
Alex Maloney ⁷	1,047,505	869,961
Irene McDermott Brown	8,663	8,663
Nathalie Rachou	—	N/A
Linda Ventresca	—	N/A
Sally Williams ⁸	11,950	11,082

1. Philip Broadley conducted the following transactions in the Company's shares during 2025:

- 2 May 2025 - purchase of 1,800 shares at a price of £5.83 per share, costing £10,489.57.
- 18 September 2025 - purchase of 4,700 shares at a price of £6.37 per share, costing £29,945.11.
- 12 December 2025 - purchase of 5,580 shares at a price of £5.94 per share, costing £33,145.20.

2. Bob Cox was appointed to the Board with effect from 1 January 2025. Mr Cox conducted the following transactions in the Company's shares during 2025:

- 14 November 2025 - purchase of 2,000 shares at a price of £5.82 per share, costing £11,640.

3. Michael Dawson ceased being a Director on 30 April 2025. Mr Dawson held 35,000 shares in the Company as at 30 April 2025.

4. Includes 458,575 shares owned by Paul Gregory's spouse, Helen Gregory. Mr Gregory conducted the following transactions in the Company's shares during 2025:

- 21 March 2025 - exercise of 267,923 RSS awards and related sale of 131,652 shares at a price of £5.54 per share, realising £729,210.29.

5. Bryan Joseph conducted the following transactions in the Company's shares during 2025:

- 15 August 2025 - purchase of 1,200 shares at a price of £6.09 per share, costing £7,313.02.

6. Robert Lusardi ceased being a Director on 30 April 2025. Mr Lusardi held 48,000 shares in the Company as at 30 April 2025.

7. Includes 181,819 shares owned by Alex Maloney's spouse, Amanda Maloney. Mr Maloney conducted the following transactions in the Company's shares during 2025:

- 21 March 2025 - exercise of 349,070 RSS awards and related sale of 171,526 shares at a price of £5.50 per share, realising £943,132.48.

8. Sally Williams conducted the following transactions in the Company's shares during 2025:

- 17 June 2025 - purchase of 868 shares at a price of £5.75 per share, costing £4,995.25.

As at 4 March 2026 no further material changes have been notified to the Company.

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 191. The Company did not repurchase any of its own common shares during 2025.

The authority to repurchase shares, for an amount of up to 10% of the then issued common share capital, was renewed at the 2025 AGM, and it is expected that the Company will seek approval for that same authority to be renewed at the 2026 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 105.

Substantial shareholders

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

Shareholder	No. of Shares	% of issued ISC
Man GLG	19,743,229	8.09
Blackrock	16,416,625	6.73
Polar Capital	16,250,000	6.66
Setanta Asset Management	13,717,785	5.62
Vanguard Group	13,576,844	5.56

Figures as at 31 January 2026. As at 4 March 2026 no further material changes have been notified to the Company.

Corporate governance - compliance statement

The Company's approach to compliance with the Code is detailed in the Chair's introduction to the ESG report on page 43. 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 2025.

Directors' Report *continued*

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 28, in the Corporate Governance report on page 77, and in the Audit Committee report on page 91.

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 47 to 49.

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 68. The Group's TCFD Report is included in this Annual Report and Accounts, starting on page 50.

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 63 to 66.

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 28, and in the risk disclosures section starting on page 158 of the consolidated financial statements. The Group's use of derivative financial instruments can be found on pages 167 to 169.

Listing rule disclosures

Details of required disclosures under LR 6.6.1R(3) regarding long-term incentive schemes are detailed in the Directors' remuneration report on pages 105 to 130, and note 7 "Employee benefits" on page 178.

Details of required disclosures under LR 6.6.1R(9) regarding contracts of significance are detailed in note 22 "Related party disclosures" on page 192.

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 UK.

Annual General Meeting

The Notice of the 2026 AGM, to be held on 29 April 2026 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. The Notice 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.

Directors' Report *continued*

Going concern and viability statement

The performance review section starting on page 23 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 28 to 37. Starting on page 158, 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 50.

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 5 August 2025 covers the period to the year 2031. The Board also approved at its meeting on 4 November 2025 a detailed three-year business forecast covering 2026 to 2028, which will be revised and reviewed by the Board at each of its quarterly meetings throughout 2026. 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 2025, 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 87 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 2025 and March 2026 meetings, including appropriate stress and sensitivity analysis in respect of capital, climate change and financial results (for further details see page 87 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 2028, 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 2025, 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

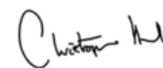
Resolutions will be proposed at the Company's 2026 AGM to re-appoint KPMG LLP as the Company's auditors and to authorise the Directors to set the auditors' remuneration. During 2025, the Audit Committee and the Board conducted an audit tender process, further details of which are given on page 90. Following the 2026 financial year the Board will recommend to shareholders that the firm of EY LLP be appointed as the Group's external auditor for the 2027 financial year.

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

4 March 2026

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, as adopted by the UK.

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 UK, 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
4 March 2026