

MCGILL AND PARTNERS GROUP LIMITED- SECTION 172 (1) STATEMENT

This report sets out how the directors have performed their duty under section 172 of the Companies Act 2006 (s.172), and this statement reflects the contribution by the McGill and Partners Group Ltd (the Group) subsidiary entities to the performance of the Group. s.172 sets out a series of matters to which the directors must have regard in performing their duty to promote the success of the Company for the benefit of its shareholders, and includes having regard to other stakeholders.

The Board considers it crucial that the Group maintains a reputation for high standards of business conduct. The Board is responsible for setting, monitoring and upholding the culture, values, standards and the reputation of the Company to ensure that its obligations to shareholders, colleagues, clients and other stakeholders are met. Management drives the embedding of the desired culture and standards of conduct throughout the organisation and ensures that the appropriate tone is set from the top. The Group Boards set and monitor adherence to the Group's policies and ensure compliance with regulatory requirements across the Group.

Culture

The Group has developed a culture which it believes differentiates it from many of its competitors in the market and is shaped by its clearly defined purpose. Its approach is characterised as follows:

- hiring professionals who have a strong reputation and high integrity;
- being a principles-based employer and operating under a contract of trust;
- aligning the interests of its people; all colleagues have an ownership interest in the firm;
- operating a relatively flat organisation structure, in turn seeking to avoid management overlaps while minimising the burden of bureaucracy;
- providing employee benefits that aim to be industry leading;
- offering a high level of flexibility and work-life balance;
- implementing initiatives to build an employer brand based on inclusivity; and
- ensuring that those the Group employ believe in its vision and culture.

Using this approach, the Group has hired a diverse workforce of 479 people (as at 31 December 2022) across the UK, US, Ireland, Bermuda and Australia with a strong mix of talent for its

immediate and future leadership needs. The Group continues to have significant inbound interest from high quality talent in the market.

Underpinning the Group's culture are five core strengths that employees hold themselves accountable to: innovation, integrity, critical thinking and problem solving, ownership and team work and collaboration. These core strengths were devised following engagement with employees, and seek to reinforce the Group's employee value proposition.

Key strategic decisions

For each matter that comes before it, the Board considers the likely consequences of any decision in the long-term and identifies stakeholders that may be affected, carefully considering their interests and any potential impact of the decision-making process. Two examples of strategic decision making in 2022 are as follows:

February 2022:

- the Board approved the formation of a presence in Australia, which had been identified as a key territory for the development of the Group's reinsurance operations. In making this decision, consideration was made to the reinsurance opportunities that would be available to the firm in the region, the longer-term interests of the Group, the resulting capabilities to service a broader range of clients and client needs through having colleagues based in Australia, and investment returns to shareholders over the longer-term; and

June 2022:

- the Board approved a Revolving Credit Facility provided by JP Morgan and Barclays. In formulating this decision, the Board had regard to the longer-term interests of the Group, the resulting capabilities to service a broader range of clients and client needs, and investment returns to shareholders over the longer-term.

The table below sets out our approach to stakeholder engagement during 2022.

Stakeholder	Why are they important to us	What is our approach to engaging with them	What was the outcome of this engagement
Colleagues	the attraction and retention of world-class talent is crucial to the strategy of the business	<ul style="list-style-type: none"> • ownership concept continues to be reinforced across all colleagues of the Group • regular and direct communications from leadership on a frequent basis during 2022, supported by more traditional e-mail communications on specific subjects • continual reinforcement of the requirement for and the benefit of open dialogue between all colleagues • regular all colleague webinars by CEO outlining talent, significant transactions, business performance and culture • the launch of initiatives such as project Spring to further develop the next generation of leaders and specialist colleagues • establishment of colleague resource groups across the firm to promote and enhance diversity and inclusion and via initiatives such as the lived experiences campaign 	<ul style="list-style-type: none"> • all colleagues are clear as to the single P&L nature of the Group, the collective nature of our contribution and the shared approach to the achievement of success across the organisation • low voluntary turnover amongst colleagues • high engagement levels as witnessed by attendance at all colleague webinars, survey response rates and results • promotion of different interest groups, an appreciation of colleague experiences and increased openness

Stakeholder	Why are they important to us	What is our approach to engaging with them	What was the outcome of this engagement
Shareholders	<p>our shareholders provide the working capital to ensure the continuation of business and the required investment for future growth</p> <p>all permanent employees are either shareholders or hold options over shares in the business</p>	<ul style="list-style-type: none"> • regular dialogue with the Group’s major shareholder representatives, Warburg Pincus • reports on the Group’s progress against strategy and important developments communicated via regular Group-wide webinars • specific face to face updates with investor colleagues as to progress alongside update from Warburg Pincus and our advisors Evercore as to business progress • owners’ gatherings to report on progress in terms of revenues, client and operational build out 	<ul style="list-style-type: none"> • alignment of interest across the broad investor base of the firm • transparency to colleagues as to our progress and growth • contribution to the strong performance of the Group to date • promotion of the firm’s culture of mutual ownership
Clients	<p>the Group was established for the purpose of serving larger clients or clients with complex and/or challenging needs</p> <p>the growth of the Group is dependent upon attracting new clients</p>	<ul style="list-style-type: none"> • centralised approach to targeting large clients across a range of industries and geographies • development of a unique client value proposition which offers a distinct perspective and proposition 	<ul style="list-style-type: none"> • significant business wins during the year • positive feedback following the delivery of solutions to clients

Stakeholder	Why are they important to us	What is our approach to engaging with them	What was the outcome of this engagement
	and retaining existing clients	<ul style="list-style-type: none"> • differentiates the Group from its competitors • senior leadership engagement with our larger and more complex clients • virtual meetings conducted with clients with appropriate presentations issued as follow up material 	<ul style="list-style-type: none"> • client satisfaction enhanced the Group’s reputation within the market • very high client retention
Suppliers	<p>the Group relies upon several suppliers to ensure the delivery of quality services to our clients</p> <p>several functions of the Group are outsourced to external providers to ensure that the Group has access to relevant expertise on a cost-effective basis</p>	<ul style="list-style-type: none"> • regular governance meetings with key suppliers to review delivery of agreed services 	<ul style="list-style-type: none"> • cost effective delivery of contracted services to agreed standards
Regulators	as a (re) insurance broker, the Group is subject to financial services regulations and approvals in all the markets that the Group operates	<ul style="list-style-type: none"> • to be open with the regulators and responsive to any requests made by them notwithstanding that the Group is not subject to active supervision by them 	<ul style="list-style-type: none"> • maintaining positive and open relationships with the Group’s regulators

Stakeholder	Why are they important to us	What is our approach to engaging with them	What was the outcome of this engagement
		<ul style="list-style-type: none"> • to provide prompt responses to inbound enquiries from regulators • where appropriate, to provide thought leadership on industry and other relevant developments 	<ul style="list-style-type: none"> • maintenance of the Group's reputation for high standards of business conduct

Approved by the Board and signed on its behalf by:



O R P Corbett – Director
27 April 2023