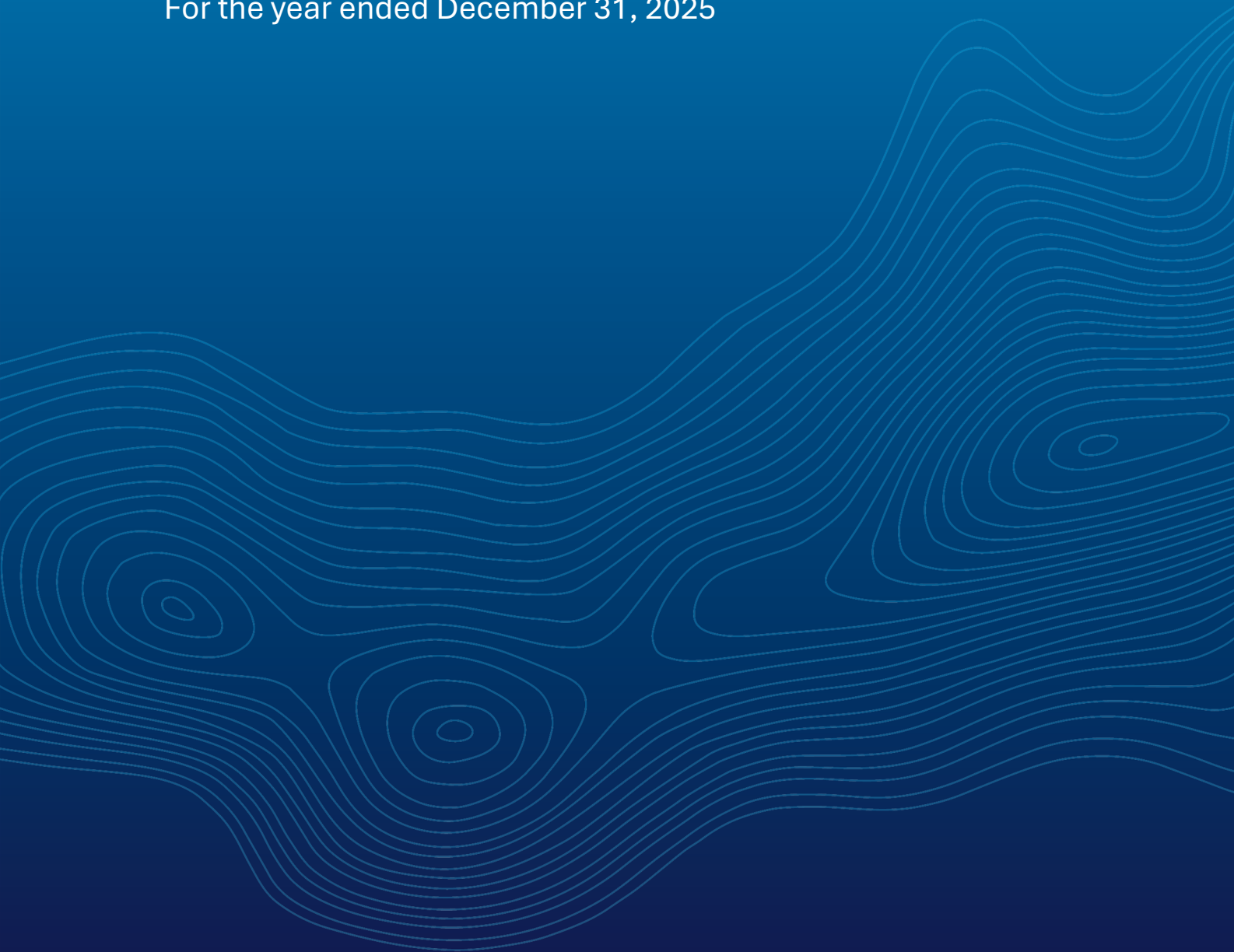


Financial Condition Report

For the year ended December 31, 2025



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EXECUTIVE SUMMARY

The Financial Condition Report (“FCR”) covers the Business and Performance, System of Governance, Risk Profile, Valuation for Solvency Purposes, and Capital Management of Pelagos Insurance Capital Limited and its subsidiaries (formerly known as Fidelis Insurance Holdings Limited, “FIHL” or Fidelis Insurance Group in this report), including Pelagos Insurance Capital Bermuda Limited (formerly known as Fidelis Insurance Bermuda Limited, “FIBL” or “FIBL Group”) and its subsidiaries, on a separate basis where appropriate. Pelagos Insurance Capital Limited (“Pelagos” or “PLGO”) and its subsidiaries are collectively referred to as the “Group”, “Pelagos Insurance Capital”, “Pelagos Group”, “the Company”, “we”, “our” or “us” within this FCR and Pelagos Insurance Capital Bermuda Limited (“PICB”) and its subsidiaries are collectively referred to as “PICB Group”. The report details the Group’s and PICB’s risk profile and its solvency and capital needs, and examines how the governance framework and risk management processes support in identifying, monitoring, and assessing these needs.

PICB owns 100% of a U.K. holding company, Pelagos European Holdings Limited, (“PEHL”), which in turn owns 100% of an Irish insurance company, Pelagos Insurance Capital Ireland DAC (“PICI”). On May 22, 2024 PLGO established a Lloyd’s corporate member, NameCo (No. 1404) Limited (“Pelagos Corporate Member”) which is also a wholly owned subsidiary of PICB. These four entities are referred to as the “PICB Group” within this FCR and all numbers quoted for the PICB Group are on a consolidated basis.

A copy of this report is available on the Company’s website: <https://investors.pelagosinsurancecapital.com/financials/Other-Financial-Results/default.aspx>

The administrative body that has ultimate responsibility for all these matters is the PLGO Board of Directors (“PLGO Board”), with the assistance of various governance and control functions which are in place to monitor and manage the business.

Throughout this document we have used acronyms and defined these in the glossary, please refer to page 46.

BUSINESS OVERVIEW

Pelagos Insurance Capital is a strategic capital allocator and risk selector in specialty insurance and reinsurance, focused on identifying the most compelling opportunities in the market to allocate capital and the best-in-class partners to execute the Group’s underwriting strategy in those areas.

The Group is comprised of:

- PLGO is a holding company which was incorporated under the laws of Bermuda on August 22, 2014.
- PICB is a Class 4 Bermuda domiciled company which writes most of the Group’s reinsurance business, as well as writing insurance lines. PICB is regulated by the Bermuda Monetary Authority and acts as the designated insurer of the Group.
- Pelagos Insurance Capital Underwriting Limited (“PICUK”) is a company incorporated in England and Wales, which principally writes insurance, as well as reinsurance. PICUK is regulated by the PRA and the FCA.
- PICI is a Republic of Ireland domiciled company that writes insurance and reinsurance within the European Economic Area. PICI is regulated by the CBI. PICI is owned by a holding company incorporated in England and Wales, that is 100% owned by PICB.
- Pelagos (UK) Services Limited (“PSL”) is a service company incorporated in England and Wales, that also has a branch in Ireland.
- Pelagos Corporate Member, a wholly owned subsidiary of PICB, is a Lloyd’s corporate member that facilitates the Group’s participation in underwriting activities for Lloyds of London Syndicates. Pelagos Group currently participates in the underwriting activity of Syndicate 3123, with a participation rate of 7.4% for the 2025 year of account (9.9% for the 2024 year of account, commencing July 1, 2024).

The Group as well as PICB Group as a subset of it, use the Bermuda Solvency Capital Requirement (“BSCR”) to assess the Enhanced Capital Requirement (“ECR”) or required statutory capital and surplus. The BSCR model is a risk-based capital model that provides a method for determining a (re)insurer’s business.

OTHER INFORMATION

Following shareholder approval at the Annual General Meeting on April 28, 2026, Fidelis Insurance Group has rebranded as Pelagos Insurance Capital effective May 11, 2026. The legal name became effective on the same date and the Company begun trading on the New York Stock Exchange under its new name and ticker symbol “PLGO” on May 12, 2026. Although this document is reported on information as at December 31, 2025 and December 31, 2024 all information herein is referenced under the new company name.

BUSINESS AND PERFORMANCE

A. BUSINESS AND PERFORMANCE

A1. BUSINESS

PLGO is a Bermuda exempted company, incorporated under the Bermuda Companies Act 1981 on August 22, 2014. The following table sets forth information regarding beneficial ownership of our common shares, where known, to be more than 5% of common shares at March 3, 2026:

Names of Beneficial Owners, 5.0% Shareholders	Number	%
Crestview Funds	14,251,474	16.5
The Fidelis Partnership	8,527,574	9.9
Pine Brook Feal Intermediate L.P.	7,209,921	8.3
SPFM Holdings, LLC	7,202,354	8.3
Leon G. Cooperman	7,041,751	8.1

Name of Insurer: Pelagos Insurance Capital Limited (Group)
Pelagos Insurance Capital Bermuda Limited (Designated Insurer)

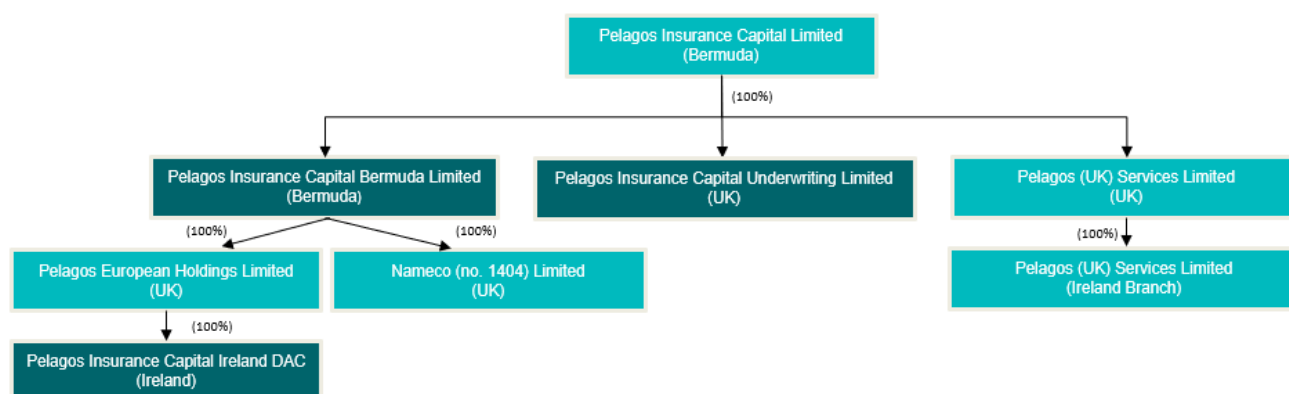
Supervisors: Group Supervisor
Bermuda Monetary Authority
BMA House
43 Victoria Street, Hamilton
Bermuda

Insurance Supervisor
Bermuda Monetary Authority
BMA House
43 Victoria Street, Hamilton
Bermuda

Approved Auditor: KPMG Audit Limited
Crown House
4 Par-la-Ville Road
Hamilton, HM 08, Bermuda

A1.1 Group structure

The following diagram provides details of the Group structure as at December 31, 2025 using the current entity names following the Group's rebrand:



BUSINESS AND PERFORMANCE

A2. PERFORMANCE

A2.1 Insurance business written by business segment and geographical region

Our business comprises two segments: Insurance and Reinsurance, with a diversified portfolio spanning 10 lines of business. This breadth allows us to provide solutions for customers across a broad range of industries, manage different types of risk, and operate effectively across geographic regions. Our disciplined underwriting and active capital management enable us to respond dynamically to market cycles and pursue opportunities that we believe offer an attractive balance of risk and return.

The Insurance segment comprises a portfolio of specialty risks. In addition to major specialty lines of business, this segment includes highly tailored products, where the buying motivation is often driven by regulatory capital relief, capital efficiency or transaction facilitation. The lines of business in Insurance include Property, Marine, Asset Backed Finance & Portfolio Credit, Energy, Cyber, Aviation & Aerospace, Political Risk, Violence & Terror, and Other Insurance risks. A strong rating environment following years of compound rate increases across multiple business lines within the Insurance segment have provided opportunities for targeted growth. We leverage our lead position to cross-sell across our portfolio and achieve preferential terms and conditions. This, combined with long established relationships, has enabled the Pelagos Group to build an established book of specialty business. Given the market environment, we have increasingly used our Insurance segment to deploy capital targeted to natural catastrophe exposure through the Property line of business. This allows a more selective approach to managing aggregate exposure.

Our Reinsurance segment consists of an actively managed global, property reinsurance portfolio, providing reinsurance and a limited amount of retrocession coverage on both a proportional and excess of loss basis.

BUSINESS AND PERFORMANCE (continued)

A2.1.1 Group insurance business written by segment (US GAAP)

The following table summarises gross premiums written by line of business within each underwriting segment:

\$ millions	2025	2024
Insurance		
Property	1,314.9	1,279.6
Marine	722.6	785.7
Asset Backed Finance & Portfolio Credit	531.0	399.2
Energy	208.8	192.5
Cyber	195.6	82.9
Aviation & Aerospace	172.2	339.5
Political Risk, Violence & Terror	156.6	204.2
Other Insurance	454.6	254.9
Total Insurance	3,756.3	3,538.5
Reinsurance		
Property Reinsurance	931.6	832.9
Retro & Whole Account	29.7	31.7
Total Reinsurance	961.3	864.6
Total	4,717.6	4,403.1

The following table presents gross premiums written by the geographical location of the Group's subsidiaries:

\$ millions	2025	2024
United Kingdom	2,423.7	2,347.2
Bermuda	1,854.8	1,448.4
Republic of Ireland	439.1	607.5
Total	4,717.6	4,403.1

The information presented above is after allocation of consolidation adjustments. Amounts relating to intra-group reinsurance are not included in the above table.

BUSINESS AND PERFORMANCE (continued)

A2.1.2 PICB Group (including intra-group reinsurance) gross insurance business written by segment (US GAAP)

The following table summarises gross premiums written by line of business within each underwriting segment:

\$ millions	2025	2024
Insurance		
Property	641.6	604.7
Marine	396.4	426.8
Asset Backed Finance & Portfolio Credit	449.8	312.6
Energy	100.7	83.7
Cyber	140.8	30.2
Aviation & Aerospace	96.4	203.0
Political Risk, Violence & Terror	89.7	108.5
Other Insurance	260.4	127.7
Total Insurance	2,175.8	1,897.2
Reinsurance		
Property Reinsurance	921.8	829.0
Retro & Whole Account	28.8	29.9
Total Reinsurance	950.6	858.9
Total	3,126.4	2,756.1

The following table presents gross premiums written by the geographical location of PICB and its subsidiaries:

\$ millions	2025	2024
Bermuda	2,626.2	2,132.1
Republic of Ireland	439.1	607.5
United Kingdom	61.2	16.5
Total	3,126.4	2,756.1

A2.2 Performance of investments & material income & expenses for the reporting period

A2.2.1 Performance of investments for the reporting period (US GAAP)

The Group's investment strategy is focused on providing consistent and stable investment income while targeting an above-average risk-adjusted total return through all market cycles while maintaining appropriate portfolio liquidity and credit quality to meet the requirements of our clients, rating agencies and regulators, and to support our underwriting activities.

As of December 31, 2025, our investments consisted primarily of a diversified portfolio of high-quality fixed maturity securities (including U.S. Treasuries, non-U.S. government bonds, government agency bonds, corporate bonds, investment-grade emerging market debt, mortgage and other asset-backed securities) together with small allocations to sub-investment grade fixed maturity securities. The assets in our fixed maturity portfolio are managed primarily by external investment managers through individual investment management agreements. Our investments also include a strategic allocation to "other investments" which are comprised of fixed income funds, hedge funds and private credit investments. We monitor the activity and performance of our fixed maturity portfolio and our other investments regularly.

For the year ended December 31, 2025 the fixed income portfolio generated a positive total return which was driven primarily by interest income received. During the year, yields shifted lower, which resulted in mark-to-market gains on

BUSINESS AND PERFORMANCE (continued)

our fixed income portfolio and a positive contribution from these assets to the total return. The embedded yield and downward shift in the yield curve also resulted in a positive total return on our fixed income fund investments while a constructive market environment resulted in a positive total return on our hedge funds. Our private credit allocation was funded at the end of the year and performance on these assets was flat. During the year we sold fixed income securities primarily to fund claim payments and meet other cash flow requirements. Despite these outflows we continued to implement our diversified portfolio by allocating to different fixed income managers and fixed income funds, and at the end of the year increased our allocation to hedge funds and committed to two private credit funds.

Within the fixed income portfolio, the Group has a moderate allocation to securitised instruments (residential mortgage-backed securities and other asset-backed securities) to aid in diversification and enhance yield. Investment limits have been placed on these assets through the investment guidelines set out in the investment management agreements. The Group performs a regular review of the securities held and runs compliance checks to ensure guidelines are followed.

The return on investments for the Group for the year ended December 31, 2025 was as follows:

\$ millions	Net investment income	Net realised gains/(losses)	Net unrealised gains/(losses)	Total return
Cash and fixed maturity securities	183.1	9.9	41.8	234.8
Other investments	0.9	12.9	—	13.8
Total	184.0	22.8	41.8	248.6

The return on investments for PICB Group for the year ended December 31, 2025 was as follows:

\$ millions	Net investment income	Net realised gains/(losses)	Net unrealised gains/(losses)	Total return
Cash and fixed maturity securities	118.9	5.7	23.3	147.9
Other investments	0.5	8.9	0	9.4
Total	119.4	14.6	23.3	157.3

The return on investments for the Group for the year ended December 31, 2024 was as follows:

\$ millions	Net investment income	Net realised gains/(losses)	Net unrealised gains/(losses)	Total return
Cash and fixed maturity securities	190.5	(29.3)	34.3	195.5
Other investments	—	0.7	—	0.7
Total	190.5	(28.6)	34.3	196.2

The return on investments for PICB Group for the year ended December 31, 2024 was as follows:

\$ millions	Net investment income	Net realised gains/(losses)	Net unrealised gains/(losses)	Total return
Cash and fixed maturity securities	136.8	(17.6)	24.0	143.2
Other investments	—	0.9	—	0.9
Total	136.8	(16.7)	24.0	144.1

BUSINESS AND PERFORMANCE (continued)

A2.2.2 Material income & expenses for the reporting period (US GAAP)

The following table represents a summary of income and expenses for the Group:

\$ millions	2025	2024
Net premiums earned	2,293.7	2,258.1
Net investment income	184.0	190.5
Net realised and unrealised investment gains/(losses)	22.8	(28.6)
Total Revenues	2,500.5	2,420.0
Losses and loss adjustment expenses	1,089.8	1,155.8
Policy acquisition expenses	990.1	999.7
General, administrative and other corporate expenses	97.8	95.9
Net foreign exchange losses	(0.5)	(1.6)
Financing costs	47.7	33.8
Total Expenses	2,224.9	2,283.6
Income before income taxes	275.6	136.4
Income tax expense	(50.1)	(23.1)
Net income	225.5	113.3

The following table represents a summary of income and expenses for PICB Group:

\$ millions	2025	2024
Net premiums earned	1,654.6	1,586.3
Net investment income	119.4	136.8
Net realised and unrealised investment gains/(losses)	14.6	(16.7)
Other Income	4.5	3.7
Total Revenues	1,793.1	1,710.1
Losses and loss adjustment expenses	899.2	905.6
Policy acquisition expenses	715.7	703.9
General, administrative and other corporate expenses	37.8	38.0
Net foreign exchange (gains)/losses	(4.0)	0.9
Financing costs	1.8	2.1
Total Expenses	1,650.5	1,650.5
Income before income taxes	142.6	59.6
Income tax benefit	6.9	1.0
Net income	149.5	60.6

BUSINESS AND PERFORMANCE (continued)

A3. ANY OTHER INFORMATION

DEBT ISSUANCE AND PREFERENCE SECURITIES

On June 13, 2025, Pelagos issued \$400.0 million of its 7.750% Fixed-Rate Reset Subordinated Notes due June 15, 2055 (the “Subordinated Notes”), with interest payable on June 15 and December 15 of each year, which commenced on December 15, 2025. For further details related to the issuance of the Subordinated Notes, see Note 11 (Long Term Debt and Preference Securities) of our audited consolidated financial statements filed with the SEC on March 5, 2026, available electronically at www.sec.gov.

On June 13, 2025, Pelagos redeemed all its Preference Securities at their liquidation preference of \$58.4 million plus a make-whole payment of \$1.2 million. At December 31, 2025, there were no Preference Securities outstanding and no other outstanding amounts are payable to holders of the Preference Securities.

SYSTEM OF GOVERNANCE

B. SYSTEM OF GOVERNANCE

The Group has implemented an effective system of corporate governance in a way which ensures that enterprise risk management is maintained at a high standard and that the business is operating in an efficient and effective manner and control procedures are aligned across units within the organisation.

B1. BOARD AND SENIOR MANAGEMENT

Pelagos Insurance Capital operates a governance framework whereby the Group sets the Group strategy, with subsidiaries ultimately responsible for setting their own strategies within the confines of the Group strategy set by the PLGO Boards.

The PLGO Board is responsible for oversight of the Group's activities, with an emphasis on:

- How the senior management implement strategy and operational objectives, while ensuring compliance with the PLGO Board approved risk appetites and tolerances; and
- Ensuring the Group operates in a sound and prudent manner.

As at December 31, 2025, the PLGO Board comprised eleven directors. Their roles and responsibilities are outlined in the Group's Bye-Laws and terms of reference of the board and committees, and comply with the regulatory requirements of Bermuda.

The PICB Board of Directors ("PICB Board") consists of six directors. Their roles and responsibilities are outlined in PICB's Bye-Laws and terms of reference of the Board and committee, and comply with the regulatory requirements of Bermuda.

The following are the directors and senior managers of the Group as at December 31, 2025:

Directors

Name	Position
Helena Morrissey	Chair and Non-Executive Director
Daniel Burrows	Group Chief Executive Officer and Executive Director
Allan Declair	Group Chief Financial Officer and Executive Director
Matthew Adams	Non-Executive Director
Daniel Brand	Non-Executive Director
Charles Collis	Non-Executive Director
Christine Dandridge	Non-Executive Director
Cathy Iberg	Non-Executive Director
Daniel Kilpatrick	Non-Executive Director
Dana LaForge	Non-Executive Director
Charles Mathias	Non-Executive Director

Senior managers

Name	Position
Nicole Kapu-Leyland	Group General Counsel
Jason Kittinger	Group Chief Operating Officer
Michael Pearson	Group Chief Risk Officer
Jonathan Strickle	Group Managing Director

SYSTEM OF GOVERNANCE (continued)

B1.1 Structure of the Board, role, responsibilities and segregation of responsibilities

The table below gives an overview of the Group's governance and summarises the role of Group's Boards and Committees (for material companies in the Group) as at December 31, 2025:

Entity	Board/ Committee	NEDS	Exec	Role
PLGO	Board	9 (Inc. Chair)	2	Review and oversight of Group strategy, business plans, Group risk, solvency and capital management framework, risk appetites, operational objectives and other matters affecting the Group, including matters referred for approval by PLGO committees and/or Group management committees.
	Audit Committee	4	-	The primary purpose of the Audit Committee is to assist the Board with its oversight responsibilities of (a) the integrity, quality and accuracy of the Company's consolidated financial statements and other financial information provided by the Company to its shareholders, the public, any stock exchange and others, (b) the performance and effectiveness of the Company's internal audit function and internal controls, including internal control over financial reporting, and the Company's independent accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review, or attest services (the "Independent Auditor"), and prepare the Audit Committee report required by the rules of the SEC, (c) the Company's compliance with legal and regulatory requirements, including the Company's Code of Conduct and Ethics (or other similar documents as are in effect from time to time), (d) the qualifications, performance, and independence of the Company's Independent Auditor, and (e) such other matters as are assigned to the Audit Committee by the Board pursuant to its terms of reference or as mandated under applicable laws, rules and regulations (including the Exchange Act, as well as the rules and regulations of the SEC or the NYSE.
	Compensation Committee	6	-	The Compensation Committee is responsible for reviewing, assessing and, when appropriate, necessary or required, making recommendations to the Board regarding the Company's incentive-based and equity-based compensation plans (including long-term incentive plans) and the Company's processes and procedures for considering and determining the compensation of its directors and senior executives. The Compensation Committee is also responsible for developing and recommending to the Board one or more policies for the recovery or clawback of erroneously paid compensation (including with respect to any revisions to such policies), monitoring compliance with such policies and making any determinations of the extent, if any, to which such erroneously paid compensation should be recouped or forfeited under such policies and, in any event, as required under applicable NYSE listing rules. The Compensation Committee is responsible for reviewing its terms of reference on an annual basis and shall review its own performance at least once per year.
	Investment Committee	4	2	The primary purpose of the Investment Committee is to recommend investment strategy, investment risk appetite and investment risk limits to the Board, oversee investment policies, guidelines and benchmarks and review and approve new material changes thereto or the engagement of new investment managers, monitor investment risk, compliance, portfolio composition, investment performance and activity, and perform the other duties and responsibilities set forth in the Investment Committee's terms of reference.

SYSTEM OF GOVERNANCE (continued)

Entity	Board/ Committee	NEDS	Exec	Role
PLGO (cont.)	Corporate Governance and Nomination Committee	7	-	The primary purpose of the Corporate Governance and Nomination Committee is to review, develop and make recommendations to the Board on matters concerning corporate governance, Board and committee structure and composition, identification, selection or recommendation of director candidates, oversight of Board, committee and management evaluation and evaluation of shareholder proposals.
	Risk Committee	4	2	The primary purpose of the Risk Committee is to evaluate the Group's risk appetite and tolerances, establish and oversee risk management and related policies and guidelines, oversee the Board's responsibilities related to risk management exposure, and perform the other duties and responsibilities set forth in the Risk Committee's terms of reference.
PICB	Board	3 (Inc. Chair)	3	Considering and deciding on PICB strategy, business plans, operations, risk framework and tolerances and matters affecting PICB, including matters referred for approval by PLGO Committees or Group Management Committees. Monitoring Group governance structures to ensure they enable PICB to perform its role as Designated Insurer effectively.
	Audit Committee	3 (Inc. Chair)	-	Independent review and challenge of financial and regulatory reporting and the internal control environment, oversight of the internal audit function and external auditors.
PICUK	Board	3 (inc. Chair)	3	Considering and deciding on PICUK's strategy and matters affecting PICUK, including matters referred for approval by PLGO committees, PICUK committees or Group management committees.
	Audit Committee	3 (inc. Chair)	-	Independent review and challenge of financial and regulatory reporting and the internal control environment, oversight of the internal audit function and external auditors.
	Risk and Capital Committee	3 (inc. Chair)	-	To provide the Board with an independent oversight of PICUK's Risk and Capital Management.
PICI	Board	4	2	Considering and deciding on PICI's Strategy and matters affecting PICI, including matters referred for approval by PLGO Committees, PICI Committees or Group Management Committees.
	Audit Committee	3	-	Independent review and challenge of financial and regulatory reporting and the internal control environment, oversight of the Internal Audit function and external auditors.
	Risk and Capital Committee	4	2	To advise the PICI Board in respect of risk and capital management and oversight of risk management and tolerances.
PSL	Board	-	3	Considering and deciding on PSL Strategy and matters affecting PSL.
Pelagos Corporate Member	Board	2	-	Responsible for fulfilling statutory, compliance and administrative duties affecting the Pelagos Corporate Member

SYSTEM OF GOVERNANCE (continued)

B1.2 Remuneration policy

The compensation committee of the PLGO Board (the "Compensation Committee") reviews and approves (or, when appropriate, recommends to the PLGO Board for approval), the PLGO Compensation Framework, after which the relevant details are reported to the subsidiary boards including, the PICB Board. The PICB Board does not deem it necessary to establish a separate PICB compensation committee and believes it appropriate that such matters, on the basis of the proportionate size and risk profile of the Company, be addressed by the Compensation Committee.

The Group's compensation philosophy for senior managers is designed to align the interests of senior managers with those of our shareholders by offering a compensation package that is intended to attract and retain superior personnel whose services are intended to generate long-term returns for our shareholders. The primary elements of the total compensation package for the Group's senior managers include base salary, annual discretionary cash bonus awards under our annual cash bonus program (as described below), and equity awards granted pursuant to the Group's 2023 Share Incentive Plan (the "LTIP Awards").

The Compensation Committee considers a number of factors when establishing the total compensation package for the Group's senior managers, including the compensation provided by a peer group of companies that was previously identified by the Compensation Committee, internal compensation benchmarking and other third-party information. The total compensation package is intended to have the potential to deliver, in the aggregate, an above-market level of compensation for outstanding performance.

The compensation program for the Group's senior managers is administered by the Compensation Committee of the PLGO Board. In connection with the administration of our compensation program, the Compensation Committee may consider the input of our Chief Executive Officer on other senior manager compensation matters. The Compensation Committee may accept or adjust such Chief Executive Officer input at its discretion.

PLGO and PICB INEDs receive compensation by way of a director's fee, in addition to reimbursements for all reasonable and properly documented expenses, including travel and other related expenses incurred by the non-executive directors while attending Board meetings. Also, PLGO non-executive directors other than the non-executive directors appointed by shareholders who enjoy director appointment rights are entitled to receive equity-based compensation pursuant to our 2023 Share Incentive Plan in addition to cash compensation.

B1.2.1 Information on individual and collective performance criteria on which variable components of remuneration is based

Base Salary and Annual Cash Bonus

The base salary amounts that our Compensation Committee establishes for our senior managers are intended to be in line with the median of our peer group and are subject to cost of living increases based on third-party information and other internal considerations.

The purpose of our annual cash bonus program is to reward senior managers for achievement against key financial and non-financial operational goals that are intended to help drive long-term business strategy and be predicates of shareholder value. The targeted amount of our senior managers' annual bonuses is determined by the Compensation Committee based upon a participant's prior year performance, role and level of seniority within the Group and other market and benchmarking factors. The Compensation Committee approves the annual bonus payments for the Chief Executive Officer and based upon input from the Chief Executive Officer, which the Compensation Committee may accept or adjust in its discretion, with respect to each of the other eligible senior managers.

Bonuses are generally based on a formulaic calculation, but remain entirely discretionary. The Compensation Committee intends that this design of the annual cash bonus program will enable senior managers (i) to be confident that an even-handed approach has been taken and (ii) to readily understand the effect of financial and personal performance on their bonuses. Two core elements are assessed by the Compensation Committee when determining the bonuses: (x) financial performance of the Group ("Financial Performance") and (y) the senior manager's strategic and personal performance ("Personal Performance"). The weighting of each element is based on pre-determined percentage allocations that are generally based on 75% weighting for Financial Performance and 25% weighting for Personal Performance in the case of our senior managers.

For purposes of the annual cash bonus pool calculation, Financial Performance is based on achievement of the Group's business plan (which is based on return on equity for 2025) then in force. If the Financial Performance is below the minimum payout level, then payment of an annual cash bonus to any senior manager will be discretionary. Personal Performance is based upon individual achievement of clearly articulated objectives created and agreed to at the beginning of the year. The annual cash bonus is designed to operate in such a way that the Personal Performance element of the bonus will be funded if the predetermined threshold performance target is met for the Financial Performance element of the annual cash bonus. In order to determine the Personal Performance element of the bonus,

SYSTEM OF GOVERNANCE (continued)

the Chief Executive Officer is responsible for agreeing to key goals for each of the eligible senior managers, including himself, which goals include specific objectives relating to each senior manager's division in respect of the business plan then in force. An overall Personal Performance rating is determined based on achievement of these key objectives and based on the relevant senior manager's demonstrated commitment to the Group's culture, and their effectiveness as a manager and leader.

The annual cash bonus targets are proposed by the Chief Executive Officer and approved or adjusted by the Compensation Committee, in its discretion, towards the beginning of each year when the information necessary to compute the bonuses has been obtained. Once approved, the bonuses are typically paid within the first quarter of each year following the relevant fiscal year in which they were earned. In order to receive an annual cash bonus, a senior manager must be employed and not under notice on the day of payment, unless such senior manager has officially retired or been made redundant after the end of the fiscal year to which such bonus relates.

The annual bonus award payouts are subject to any applicable incentive compensation clawback or recoupment policy adopted and maintained by the Group from time to time.

Share Incentive Plan

In 2023, our Board adopted, and our shareholders approved, the 2023 Share Incentive Plan (the "2023 Plan") in connection with the Separation Transactions. Each employee, officer, non-executive director or other individual service provider of the Group or its affiliates is eligible to participate in the 2023 Plan. The design of the 2023 Plan is intended to create a strong and long-term alignment between our management team and our shareholders.

Our Compensation Committee administers the 2023 Plan under delegation from the PLGO Board. The size and form of the LTIP Awards granted under the 2023 Plan is determined by the Compensation Committee based upon a participant's prior year performance, role and level of seniority within the Group and other market and benchmarking factors. The LTIP Awards may be delivered in the form of restricted share units, restricted common shares, share options, share appreciation rights and other awards which may be denominated in common shares or cash. The LTIP Awards granted in 2025 consisted of time-based and performance-based restricted share units. The LTIP Awards relate to our common shares and generally vest over a three-year period, subject to continued service and the achievement of performance goals (which, in the case of performance-based restricted share units, are based on return on equity and the ratio of our share price to its book value).

For more information on the Group's compensation framework, please refer to PLGO's 2025 Annual Report, filed on Form 20-F with the SEC on March 5, 2026, available electronically at www.sec.gov.

B1.2.2 Supplementary pension or early retirement schemes for the members of the administrative, management or supervisory body and other key function holders

The Group offers eligible staff the choice of making contributions into the Group's relevant retirement plans, subject to applicable pension rules. To the extent permitted by the applicable rules in the relevant jurisdiction in which the Group has participating employees, eligible participants receive a Company pension contribution of either 10% or 12% of annual base salary (subject to the salary threshold of the employee) by the relevant operating subsidiary of the Group, subject to the limitations of the laws of the relevant jurisdiction.

B1.2.3 Material transactions with the shareholder, with persons who exercise a significant influence on the undertaking, and with members of the administrative, management or supervisory body

Share Repurchase

On August 6, 2025, the PLGO's Board approved a renewal to the existing share repurchase program (the "Program"), bringing the total authorisation to \$200.0 million. Pursuant to the Program, PLGO may repurchase shares through open market purchases pursuant to Rule 10b-18 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), accelerated share repurchases or privately negotiated transactions as well as pursuant to a trading plan meeting the requirements of Rule 10b5-1 under the Exchange Act.

The following table summarises common shares repurchased for the years ended December 31, 2025 and 2024:

	2025	2024
Common shares repurchased	15,184,976	6,570,003
Cost of shares repurchased, inclusive of commissions (\$ millions)	\$ 261.4	\$ 105.5
Weighted average price per share, inclusive of commissions	\$ 17.22	\$ 16.06

SYSTEM OF GOVERNANCE (continued)

Included in common shares repurchased in the year ended December 31, 2025 were 7,185,178 common shares repurchased from CVC Falcon Holdings Limited (“CVC”), a longstanding shareholder, for \$125.0 million in privately negotiated transactions.

Included in common shares repurchased in the year ended December 31, 2025, were 1,487,359 (2024: 577,383) common shares repurchased from TFP for \$25.6 million (2024: \$9.3 million). These transactions were effected at a price equal to the average price paid by the Group on such day for share repurchases from all other shareholders. The repurchase mechanism follows a prescribed format designed to keep TFP’s ownership of PLGO to below 9.8752%. Common shares repurchased by the Group are retired. Common shares repurchased by the Group prior to June 30, 2025 that were held as treasury shares have been retired. The unutilised amount of the share repurchase authorisation at December 31, 2025 was \$49.4 million.

Dividend Policy

On February 29, 2024, PLGO announced the adoption of a dividend programme under which PLGO intends to pay a quarterly cash dividend.

Cash dividends of \$0.50 per share were declared and paid in the year ended December 31, 2025 (2024: \$0.40), resulting in an aggregate dividend expense of \$52.3 million (2024: \$46.3 million).

The declaration of any dividends on common shares will be determined at the sole discretion of the PLGO Board and PLGO’s ability to pay dividends may be constrained by the Group’s structure, limitations on the payment of dividends which Bermuda law and regulations impose on the Group, and the terms of our indebtedness.

Other shareholder transactions

Preference Securities

On June 13, 2025, the Group redeemed its Preference Securities at their liquidation preference of \$58.4 million plus a make-whole payment of \$1.2 million. At December 31, 2025, there were no Preference Securities outstanding and no other outstanding amounts are payable to holders of the Preference Securities.

Intragroup Dividends

As a Bermuda holding company, PLGO relies on dividends and other distributions from its operating subsidiaries to provide cash flow to meet ongoing cash requirements, including principal and interest payments on our debt and other expenses, tax expenses, the repurchase of commons shares, and dividends to the holders of our common shares.

The payment of dividends by our subsidiaries is, under certain circumstances, limited by the applicable laws and regulations in the various jurisdictions in which our subsidiaries operate. In addition, insurance laws require our insurance subsidiaries to maintain certain measures of solvency and liquidity. We believe that each of our insurance subsidiaries and branches exceeded the minimum solvency, capital and surplus requirements in their applicable jurisdictions at December 31, 2025.

During the year ended December 31, 2025, PLGO received dividends from subsidiaries of \$200.0 million (2024: \$150.0 million).

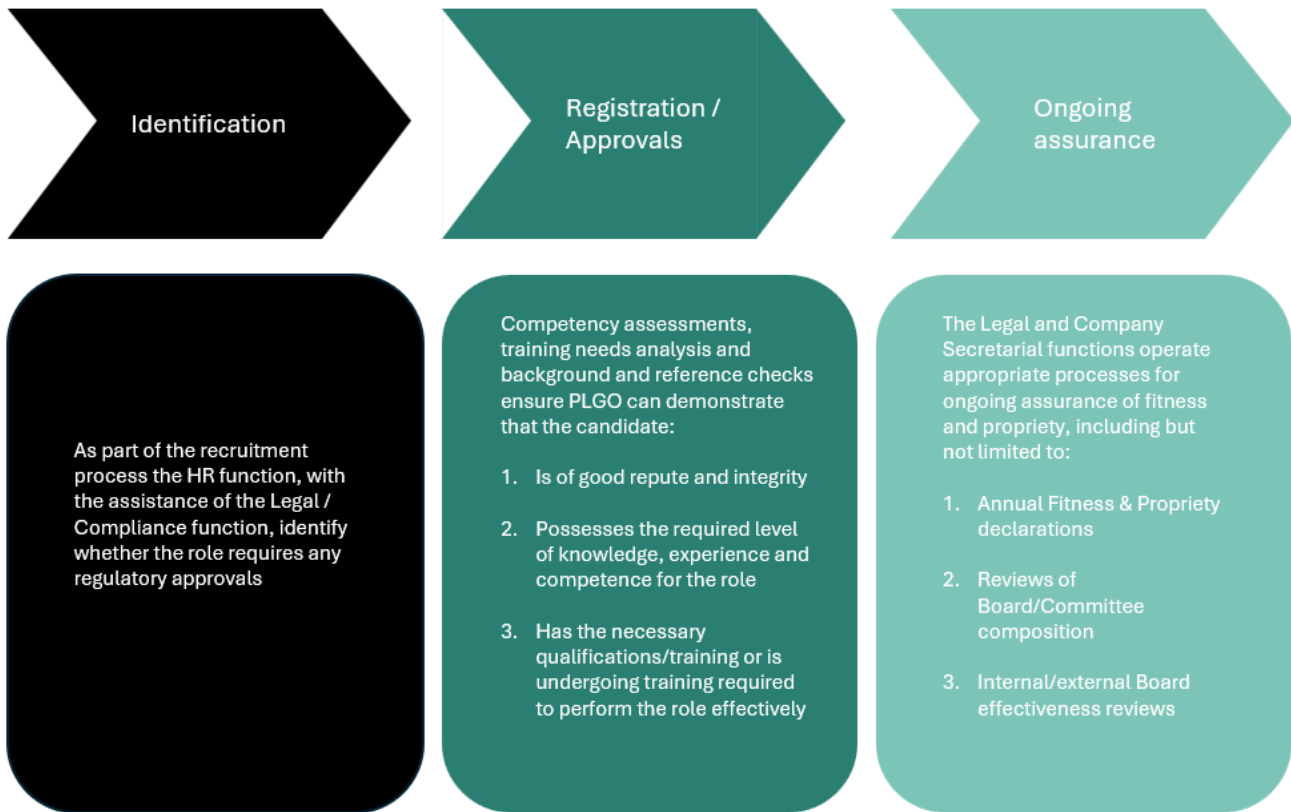
During the year ended December 31, 2025, PICB Group received \$100.0 million capital contributions from PLGO (2024: \$— million).

B2. FIT AND PROPER REQUIREMENTS

B2.1 Fit and proper process in assessing the Boards and senior managers

Pelagos operates a Group policy on director qualification and a Group Regulated Personnel Procedure which governs the recruitment, appointment, approvals, induction, training and ongoing assessment of the Fitness and Propriety of those who effectively run the entities within the Group.

SYSTEM OF GOVERNANCE (continued)



B2.2 Board and senior manager's professional qualifications, skills and expertise

Below are details of the PLGO and PICB Board members and senior managers' qualifications, skills and expertise as at December 31, 2025:

PLGO: Executive directors

Daniel Burrows: Group Chief Executive Officer

Mr. Burrows has held the position of Group Chief Executive Officer of the Pelagos Group since January 3, 2023 and has been a director of PLGO since April 2022. Mr. Burrows joined Pelagos in 2015 as UK CEO and CUO, later becoming Group MD and Chairman of PICB. Prior to joining Pelagos, Mr. Burrows was co-CEO of Aon Benfield's Global Re Specialty (GRS) division from 2013 to 2015. Specializing in non-marine retrocession and the aviation, marine and energy sectors, among others, Mr. Burrows supported Aon Benfield's business hubs across North America, Europe, the Middle East, Africa and Asia Pacific. Prior to this, he was Deputy CEO of the GRS division from 2008 until 2013. Mr. Burrows began his career as a non-marine property broker at Greig Fester in the 1980s, later joining the retrocession team and then leading that team following a merger with Benfield in 1997. We believe Mr. Burrows is qualified to serve as a member of our Board based on our review of his experience, qualifications, attributes, and skills, including his extensive insurance background and executive leadership experience.

Allan Declair: Group Chief Financial Officer

Mr. Declair has held the position of Group Chief Financial Officer and director of PLGO since January 3, 2023. Prior to assuming these executive positions, Mr. Declair was a consultant to PICB from June 1, 2022. He has over three decades of experience in the (re)insurance industry. From June 2015 to December 2022, Mr. Declair was an independent consultant for ThreeSeas Consulting Ltd, providing management consulting services in the Bermuda (re)insurance market. Mr. Declair was also a Listings Manager at the Canadian Securities Exchange from February 2019 until March 2022. Prior to this, he was Executive Vice President & Chief Financial Officer of Platinum Underwriters Holdings. Mr. Declair began his career at Ernst & Young in 1988, taking on various positions in Canada and Bermuda. Mr. Declair is a Chartered Professional Accountant, "Director-Certified" by the National Association of Corporate Directors and has an Associate in Reinsurance designation from the Insurance Institute of America. We believe Mr. Declair is qualified to serve as a member of our Board based on our review of his experience, qualifications, attributes, and skills, including his extensive financial accounting background, corporate governance and executive leadership experience in the financial and insurance industries.

SYSTEM OF GOVERNANCE (continued)

PLGO Board: Non-executive directors

Matthew Adams

Mr. Adams has held the position of non-executive director of PLGO since October 25, 2023. Prior to July 2023, Mr. Adams spent over three decades with PricewaterhouseCoopers (“PwC”) serving as a lead account partner, auditing and advising many of PwC’s largest and most complex global insurance clients. From 2015-2021, he led PwC’s U.S. Insurance Practice and was a member of PwC’s global insurance practice leadership team. Mr. Adams’ career with PwC exposed him to the many diverse aspects of the insurance sector, and he has significant experience managing the strategic, operational, profitability and human capital challenges of a large, quickly growing business within PwC. Mr. Adams is also a non-executive director for Concert Group Holdings, Globe Life Inc. and Mutual of America Financial Group. Mr. Adams earned a B.S. in Economics and an M.B.A. from the Wharton School of the University of Pennsylvania and is a certified public accountant in New York. Mr. Adams serves as chair of the Board’s Audit Committee. We believe Mr. Adams is qualified to serve as a member of our Board based on his experience, qualifications, attributes, and skills, including his extensive financial accounting, audit and corporate governance background in the insurance sector.

Daniel Brand

Mr. Brand is the CVC nominee to the PLGO Board and has held the position of non-executive director of PLGO since July 26, 2021. Mr. Brand joined CVC in 2009 and is a partner leading CVC’s U.S. private equity activities in financial services and co-leading CVC’s U.S. private equity activities in business services. Mr. Brand also represents CVC on the boards of directors of Bamboo Insurance, CFGI, Medrisk, Teneo, Republic Finance and Worldwide Express & GlobalTranz. Prior to joining CVC, Mr. Brand worked at DLJ Merchant Banking Partners and Credit Suisse in the investment banking division covering financial institutions. Mr. Brand holds a B.A. in Economics with a Certificate in Finance from Princeton University, and an M.B.A. from Harvard Business School. We believe Mr. Brand is qualified to serve as a member of our Board based on our review of his experience, qualifications, attributes, and skills, including his extensive financial background and directorial experience.

Charles Collis

Mr. Collis has held the position of non-executive director of PLGO since May 15, 2023. Mr. Collis was a director of Conyers Dill & Pearman Limited (“Conyers”) until his retirement on March 31, 2025. Mr. Collis worked in the corporate department of the Bermuda office of Conyers and headed up the Bermuda Insurance Practice for more than fifteen years. Mr. Collis joined Conyers in 1990 and became a partner in 1998. Mr. Collis specialized in insurance and reinsurance, advising on corporate and regulatory matters. Mr. Collis holds a Bachelor of Laws from University College London and a Bachelor of Arts from the University of Toronto. We believe Mr. Collis is qualified to serve as a member of our Board based on our review of his experience, qualifications, attributes, and skills, including his extensive legal background and experience in the insurance industry.

Christine Dandridge

Ms. Dandridge has held the position of non-executive director of PLGO since October 25, 2023. Ms. Dandridge is a veteran of the specialty insurance market, with experience spanning more than four decades. Ms. Dandridge began her career in 1978 as a broker at Stewart Wrightson, before joining the underwriting team at Posgate and Denby Syndicate in 1980 and becoming one of the first female underwriters at Lloyd’s. Ms. Dandridge was one of the founding members of Atrium Underwriting. She served as active underwriter of Syndicate 609 from 1997 to 2007, was part of numerous Lloyd’s market committees and was a member of the Council of Lloyd’s from 2004 to 2007. Since then, she has held several non-executive directorships and currently acts as non-executive director on a number of boards in the (re)insurance industry. She graduated from University College, London with a BSc (Hon) in Anthropology and is an associate of the Chartered Insurance Institute. We believe Ms. Dandridge is qualified to serve as a member of our Board based on our review of her experience, qualifications, attributes, and skills, including her extensive underwriting background and executive leadership and directorial experience in the insurance sector.

Cathy Iberg

Ms. Iberg has held the position of non-executive director of PLGO since November 2, 2016. Ms. Iberg is Vice President of Investments at the St David’s Foundation, a charitable foundation dedicated to providing and supporting nonprofit health-related programs in the US, including the largest scholarship program in Texas for aspiring health professionals, and the largest mobile dental program in the country. Ms. Iberg joined the St David’s Foundation in December 2015. Prior to her role at the Foundation, Ms. Iberg was UTIMCO’s (University of Texas Investment Management Company) President and Deputy CIO and retired in August 2014. At UTIMCO she was responsible for investment oversight of \$30 billion in investment assets in addition to the management of public equity, fixed income and hedge fund investments. Her employment with the organization dates back to April of 1991 when she joined the U.T. System Office of Asset Management, the predecessor to UTIMCO. Previous to joining U.T. System, Ms. Iberg practiced in the area of public accounting for 15 years. She has a B.Sc. degree in accounting from the Southern Illinois University and was a Certified

SYSTEM OF GOVERNANCE (continued)

Public Accountant. We believe Ms. Iberg is qualified to serve as a member of our Board based on our review of her experience, qualifications, attributes, and skills, including her financial accounting background and executive leadership experience in the investments sector.

Daniel Kilpatrick

Mr. Kilpatrick is the Crestview nominee to the PLGO Board and has held the position of non-executive director of PLGO since November 15, 2022. Mr. Kilpatrick joined Crestview in August 2009 and is a partner and member of the Crestview Investment Committee. He is also the head of the financial services strategy. Mr. Kilpatrick also is on the boards of directors of AutoLenders, Congruex, DARAG Group, Modern Wealth Management, WildOpenWest, LLC and Venerable Holdings. He was previously on the boards of Accuride Corporation, Camping World Holdings, ICM Partners, Industrial Media, NYDJ Apparel, Protect My Car and Symbion. Prior to joining Crestview, Mr. Kilpatrick worked at the Yale Investments Office. Mr. Kilpatrick received an M.B.A. from Stanford Graduate School of Business and a B.A. from Yale University. We believe Mr. Kilpatrick is qualified to serve as a member of our Board based on our review of his experience, qualifications, attributes, and skills, including his extensive financial background and directorial experience.

Dana LaForge

Mr. LaForge is the Pine Brook nominee to the PLGO Board and has held the position of non-executive director of PLGO since March 19, 2021. Mr. LaForge joined Pine Brook in June 2020 and is a partner on the financial services investment team and a member of Pine Brook's Investment Committee. Mr. LaForge also represents Pine Brook on a number of boards of directors of companies in the Pine Brook portfolio. He also serves as a director of a venture philanthropy fund, the Myeloma Investment Fund. Prior to joining Pine Brook, he was the founder and managing director of Colonnade Financial Group from 2002-2020, a spin-out from Deutsche Bank created to manage a private equity portfolio. Prior to Colonnade, from 1985-2002 Mr. LaForge served in numerous senior executive roles at Deutsche Bank and its predecessor companies, Bankers Trust and BT Alex. Brown, also serving as the head of the North American financial institutions group in investment banking. Mr. LaForge holds a Bachelor of Science in Commerce and Accounting from Washington & Lee University and a Master of Business Administration from Harvard Business School. We believe Mr. LaForge is qualified to serve as a member of our Board based on our review of his experience, qualifications, attributes, and skills, including his extensive financial background and directorial experience.

Baroness Helena Morrissey DBE

Baroness Morrissey has held the position of Chair of the PLGO Board since January 3, 2023. She has over three decades of experience in the financial services sector and has served in several leadership roles in her career. In addition to acting as chair of the Board of PLGO, Baroness Morrissey currently holds the position of director on the boards of a number of other organizations. Since February 2023, Baroness Morrissey has acted as chair of the board of Altum Group and she became chair of pension consulting firm Barnett Waddingham in January 2025. She also serves as a board member of All Perspectives Ltd, CT Group and McKinsey Investment Office, where she is also chair of the Nominations and Governance Committee. Prior to her current positions, Baroness Morrissey was lead non-executive director at the Foreign & Commonwealth Office between July 2020 and September 2020, transferring to lead non-executive director of the Foreign, Commonwealth & Development Office until June 2022. Prior to this, she was head of personal investing at Legal & General Investment Management between May 2017 and December 2019. From 2001 to 2016, she was CEO of Newton Investment Management. Baroness Morrissey began her career as a global bond analyst at Schroders in the 1980s, later becoming a global bond fund manager. Baroness Morrissey holds a Master of Arts in Philosophy from Cambridge University. Other prior experience includes: chair of the Investment Association from July 2013 to May 2017; founder of the 30% Club campaign; non-executive director of Green Park Limited from August 2020 to March 2023; and non-executive director of the board of AJ Bell plc from July 2021 to April 2023, acting as chair of the board from January 2022 to April 2023. Baroness Morrissey is chair of the Diversity Project, a trustee of the Lady Garden Foundation chair of the Endowment Committee of Eton College. Baroness Morrissey has served as a director of Helena Morrissey Ltd since February 2017. We believe Baroness Morrissey is qualified to serve as a member of our Board based on our review of her experience, qualifications, attributes and skills, including her executive leadership experience in the financial sector.

SYSTEM OF GOVERNANCE (continued)

Charles Mathias

Mr. Mathias is the TFP HoldCo nominee to the PLGO Board and has held the position of non-executive director of PLGO since August 5, 2025. Mr. Mathias acted as Chief Risk Officer of Pelagos Insurance Capital (formerly known as Fidelis Insurance Group) from November 2015 until July 2021 and thereafter acted as Group Director of Underwriting of Pelagos Insurance Capital from August 2021 until January 3, 2023, following which Mr. Mathias left Pelagos Insurance Capital to take up his current role as Deputy Chairman and Group Executive Director of TFP. From 2005 to 2015, Mr. Mathias worked at Lancashire, where he held various roles, including Chief Underwriting Officer of the Bermuda entity, Group Underwriting Operations Director and Group Chief Risk Officer. Prior to 2005 he held a number of roles with brokers and managing general agents in London, the USA and Mexico. Mr. Mathias has extensive directorial experience, and is currently serving as a director on a number of boards, including within TFP, as well as a trustee of two charitable foundations, including The Fidelis Foundation. Mr. Mathias holds an MA (Hons) in Modern History from Oxford University. We believe Mr. Mathias is qualified to serve as a member of our Board based on our review of his experience, qualifications, attributes, and skills, including his extensive background in underwriting and executive leadership and directorial experience in the insurance industry.

Senior managers

Nicole Kapu-Leyland: Group General Counsel

Ms. Kapu-Leyland has held the position of Group General Counsel of Pelagos Insurance Capital since December 1, 2025, having previously served as Interim Group Head of Legal from June, 2025, Deputy General Counsel from July, 2024 and Senior Legal Counsel from September, 2023. Prior to joining Pelagos Insurance Capital in September 2023, Ms. Kapu-Leyland was an associate in the Corporate and Financial Services team of Willkie Farr & Gallagher (UK) LLP from February, 2020, having joined from Clifford Chance LLP, where she worked as an associate in the Financial Institutions Group and completed client secondments to Standard Chartered Bank and Citibank. Ms. Kapu-Leyland is an alumnus of Harvard College, where she obtained her Bachelor of Arts in History and Literature, and Oxford University, St Catherine's College, where she was a visiting student. Ms. Kapu-Leyland is licensed to practice as a solicitor in England and Wales.

Jason Kittinger: Chief Operating Officer

Mr. Kittinger joined as Group Chief Operating Officer of Pelagos Insurance Capital in September 2024. Mr. Kittinger brings over 20 years of experience in the insurance industry. Since July 2021, Mr. Kittinger served as both Chief Financial Officer and Chief Operations Officer for Arch Insurance International, responsible for the areas of Finance, Operations, Strategic Transformation, Process Improvement and Facilities. Prior to this, Mr. Kittinger held a number of key positions at Arch International, including the roles of Chief Financial Officer, a position held from May 2014 until September 2024. A certified public accountant in Alabama, Mr. Kittinger began his career at Arthur Andersen. He has a Bachelor's Degree in Business Administration from Samford University.

Michael Pearson: Chief Risk Officer

Mr. Pearson became Group Chief Risk Officer of Pelagos Insurance Capital on January 3, 2023. Prior to this, Mr. Pearson was a consultant to PICUK from May 2022, a senior independent non-executive director of PICUK from October 2015 to December 2020 and chairman of the PICUK board from January 2021 until January 2023. He has over 35 years of experience in the insurance industry and was the Chief Risk Officer at Lancashire from March 2010 until February 2013. Mr. Pearson has held roles as Head of Internal Audit in both the Lloyd's and company markets and Chief Risk Officer roles in the U.K. and Bermuda. He is a Chartered Accountant and a fellow of the Chartered Insurance Institute.

Jonathan Strickle: Group Managing Director

Mr. Strickle has held the position of Group Managing Director of Pelagos Insurance Capital since January 1, 2025, having previously served as Group Chief Actuarial Officer from January 3, 2023 and Group Actuary from October 2021. Mr. Strickle also held the roles of U.K. Chief Actuary and Group Head of Reserving over the course of his career at Pelagos Insurance Capital, which he joined in March 2020. He joined Pelagos Insurance Capital after having spent three years as Head of Reserving for China Re's Lloyd's syndicate, from January 2017. Between September 2009 and January 2017, Mr. Strickle worked as a consultant at EY on a number of actuarial projects. Mr. Strickle is a Fellow of the Institute and Faculty of Actuaries, and holds both a Bachelor's and a Master's degree from the University of Warwick.

PICB Board: Executive directors

Bennet Gibson: PICB Chief Executive Officer

Mr. Gibson is a Qualified Chartered Accountant with over 15 years' experience in the (re)insurance industry. Mr. Gibson was promoted to Bermuda Chief Executive Officer in 2025 after serving as Bermuda Chief Financial Officer since 2022. Before joining Pelagos Mr. Gibson spent seven years at Tokio Millennium Re Ltd where he acted as the Financial Controller of the Bermuda branch. Prior to that Mr. Gibson spent five years with KPMG.

SYSTEM OF GOVERNANCE (continued)

Paul Byrne: PICB Chief Financial Officer and Group Chief Accounting Officer

Mr. Byrne has been a Qualified Chartered Accountant for over 25 years, including 20 years' experience in the (re)insurance industry. Paul joined Pelagos in 2023 and currently serves as Group Chief Accounting Officer. In 2025, Paul additionally assumed responsibility as PICB CFO. Prior to joining Pelagos Paul worked for PwC Bermuda for 20 years, including 10 years as a partner.

Hannah Greenwood: PICB Chief Underwriting Officer and Group Chief of Staff

Ms. Greenwood serves as Group Chief of Staff, a member of the Group Executive Leadership Team and was appointed Bermuda Chief Underwriting Officer in 2025. Hannah has over 15 years of experience in the insurance industry. Prior to joining the company in 2023, Hannah served as Business manager for Ardonagh where she worked with the CEO of their Capital Solutions arm. Hannah started her career at Lloyd's before becoming an energy broker at independent NMB, latterly renamed Ed. In 2020, she took on a more strategic role supporting the CEO of the business, with a focus across Specialty lines.

PICB Board: Non-executive directors

Nigel Clark: Non-Executive Director

With over 40 years of experience in the Property & Casualty Treaty reinsurance business, Mr. Clark worked in the London reinsurance market for the first 12 years before moving to Bermuda in 1989 where he continued until taking voluntary retirement at the end of 2018. For the first 15 years of his career, Mr. Clark was involved in the underwriting side of the business both in London and in Bermuda. During this time Mr. Clark developed experience in a broad range of classes of business, predominantly in the Non-Marine area, writing a profitable book of business in both property & casualty related classes. Clients ranged across all aspects of the industry, from direct insurers to retrocessional buyers. Mr. Clark had responsibility for both the inwards business as well as the ceded reinsurance buying strategy and execution, including traditional, parametric and other non-traditional products. Transferring to the reinsurance broking side of the business in 1993, Mr. Clark has had senior roles with four different broking companies, including the establishment of two brand new offices in Bermuda for London based broking companies. Mr. Clark's experience has included the development and handling of both property & casualty placements for a myriad of (re)insurance clients, largely emanating from London, USA & Bermuda, but also at various times from Europe and Australia. Clients have ranged from large global multi-line entities to small industry specific mutual or captive companies to ILS funds.

David Ezekiel: Non-Executive Director

Mr. Ezekiel has been a Member of the Institute of Chartered Accountants in England and Wales since 1971 and a Fellow since 1978. Mr. Ezekiel was educated at Sherwood College, Nainital, India and undertook his articles of clerkship in London. Mr. Ezekiel has an MBA in Business Administration majoring in Investment Analysis from City University, London. Before establishing International Advisory Services Ltd. ('IAS') in April 1981 (acquired by Marsh McLennan in 2009), Mr. Ezekiel was a Partner of one of the leading accounting practices in Bermuda: Moore, Stephens & Butterfield. While at Moore, Stephens & Butterfield he was responsible, along with one other partner, for the firm's rapidly expanding insurance auditing department and was responsible for much of the staff training in this area. In September of 2009 IAS was acquired by Marsh and Mr. Ezekiel assumed the position of Chairman & Managing Director of the combined entity, Marsh IAS. Mr. Ezekiel was instrumental in the formation of ABIC (Association of Bermuda International Companies) and served as Chairman of ABIC for 11 years, during which he played a key role in the development of the International Business sector in Bermuda. In 2005 Mr. Ezekiel was named as 'Insurance Person of the Year' by the Bermuda Insurance Institute (BII) and 5 years later was presented with the BII's 'Lifetime Achievement Award'.

Daniel Soares: Non-Executive Director and Chair

Mr. Soares is a Certified Management Accountant with over 30 years of experience in the insurance and reinsurance industry in operations and management roles. Mr. Soares spent nine years with Lancashire Insurance Group in roles including Group COO, CEO of Lancashire Insurance Company Ltd and Chair of Lancashire Insurance Company Ltd. Mr. Soares' experience also includes three years with Montpelier Re, three years with Novus Management Ltd, one year with Expertise Consultancy and one year as CFO of Axiom Services Ltd. Mr. Soares' insurance career began as an Account Executive at Mutual Risk Management where he served a portfolio of rent-a-captive clients for nine years. Mr. Soares has a BSc from the University of New Haven, Connecticut.

SYSTEM OF GOVERNANCE (continued)

B3. RISK MANAGEMENT AND SOLVENCY SELF-ASSESSMENT

B3.1 Risk management process & procedures to identify, measure, manage and report on risk exposures

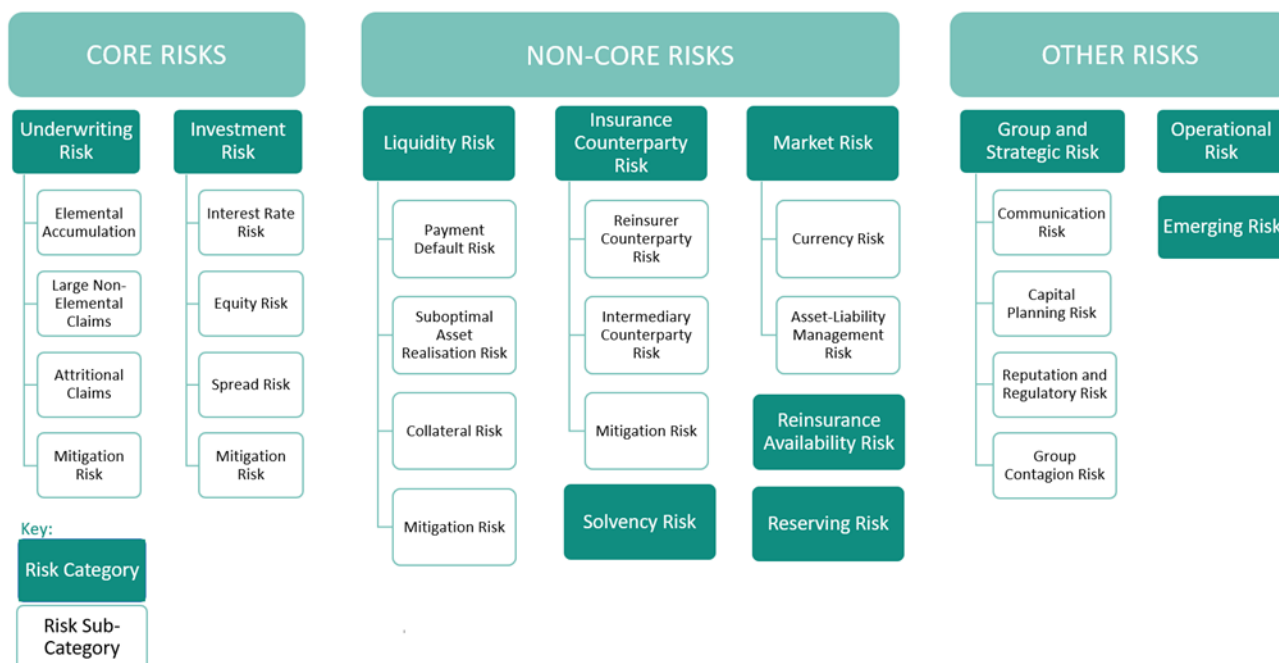
The Group operates the Group Risk, Capital and Solvency Management Framework (referred to as “the framework” throughout section B).

The Group’s approved risk management framework is designed to identify, measure, manage and report on the exposures that the Group and PICB Group face.

- **Identification** – the risks that could materially impact the Group and PICB Group in achieving their strategic objectives are identified through the quarterly risk review process with each of the risk owners and the emerging risk process and through review of risk levels versus risk tolerances and preferences.
- **Measurement** – all risks are quantified and ranked in the Group’s operational risk register in terms of their probability and impact on the Group and PICB Group if the risk were to materialise. With respect to the aggregation of the underwriting exposures, these are monitored on at least a quarterly basis to ensure that they remain within the PLGO and PICB Boards’ approved risk appetite levels.
- **Management** - where a risk exposure has exceeded the PLGO or PICB Board’s risk appetite or the risk levels are more generally considered to be higher than desirable, management identifies suitable actions to either transfer, avoid or mitigate the risk level.
- **Reporting** – a summary of all key material risk exposures is reported to the PLGO and PICB Boards on a quarterly basis. Where there has been an exceedance in the respective Boards’ risk appetite, the report details management’s plans to transfer, avoid or mitigate the risk, where appropriate.

The framework is founded upon a clear understanding and articulation of the risk universe to which the Group and PICB Group are, or could be, exposed. This universe encompasses those intrinsic risks that are fundamental to the Group’s and PICB Group’s business (such as underwriting and market risk), operational risks (that may crystallise either independently of, or be correlated with intrinsic risk) and those more subjective yet nevertheless important sources of risk such as strategic and emerging risk.

The universe spans the following overall risk categories and subcategories:



The classification of subcategories of risk is reflected throughout the framework. These subcategories of risk are:

- “core” risks encompass those intrinsic risks that are fundamental to our business, and which we actively pursue (within tolerances) to optimise the Group's risk adjusted return;
- “non-core” risks are those intrinsic risks that are incurred as a necessary consequence of our business but have little or no potential to generate a reward; and

SYSTEM OF GOVERNANCE (continued)

- “other” risks that arise from the failure of people, processes or systems upon which we rely (that may crystallise either independently of, or be correlated with intrinsic risk) and those more subjective yet nevertheless important sources of risk such as strategic and emerging risks.

For each category of risk, the PLGO and PICB Boards have established risk appetites comprising qualitative statements supported by specific tolerances (expressed in quantitative terms where appropriate) against which risk exposures are reported, monitored and managed. This appetite is adjusted over the business cycle in response to market conditions and the strategic and tactical drivers over the horizon of the business plans.

Monitoring and reporting of the risk, capital and solvency position is performed on both an actual and, where meaningful, prospective basis with a frequency that is proportionate to the materiality and volatility of risk presented by each category of risk defined in the universe, and reported quarterly as part of the CRO Report.

The Group and PICB Group have embedded the principles of effective risk management in its core business processes - the forward-looking assessment of risk, capital and solvency adequacy being integrated into the strategic decision making and continuous monitoring processes.

The significant quantifiable risks that the Group faces in the current business plan are set out below:

Risk Category	Risk Description
P&C Insurance Risk	This risk arises from three sources – adverse claims development (reserve risk), underwriting (premium risk) and catastrophe exposures (catastrophe risk).
Market risk	The risk of fluctuations in asset prices, interest rates, credit spreads and exchange rates.
Credit risk	The risk of default of one of the Group’s or PICB Group’s reinsurers or a premium receivables counterparty.
Operational risk	The risk of losses resulting from inadequate or failed people, processes, systems or from external events

Each of these risks has been captured in the overall solvency needs of the Group and PICB Group through the calculation of the BSCR, the setting and monitoring of risk appetite tolerances for each of the risks, and consideration of how the risk exposures are likely to change over the planning period in both normal and stressed environments.

There are no identified quantifiable material risks faced by the Group or PICB Group that are not currently considered to be included in the BSCR.

B3.2 Implementation of risk management and solvency self-assessment systems and integration into strategic planning, organisational and decision making process

The PLGO Board retains sole authority for setting the risk and capital appetite and tolerances within the context of the overall Group and taking into account any recommendations from the relevant PICB, PICI and PICUK Board committees and management.

The PICB Board retains sole authority for setting the risk and capital appetite for PICB within the context of the overall Group and taking into account any recommendations from PLGO Board committees and management.

The PLGO and PICB Boards receive comprehensive risk and capital reporting on at least a quarterly basis and at such other times as required due to an actual or projected change in the Group’s risk and PICB’s capital or solvency profile. The Risk Committee, a committee of the PLGO Board, supports the PLGO Board in ensuring the continued effectiveness and appropriateness of the RMF – reviewing, challenging and making recommendations upon its outputs.

The PLGO Risk Committee and the PLGO and PICB Boards are supported by management’s RRC in the day-to-day maintenance of the RMF and its underlying components. A summary of the RRC work in the period and any issues and recommendations for the respective PLGO and PICB Boards’ attention are reported within the CRO report to the PLGO Risk Committee and PICB Board. The Board and committees are supported by the risk management and solvency self-assessment core processes, actuarial, compliance, legal and audit functions.

SYSTEM OF GOVERNANCE (continued)

B3.3 Relationship between solvency self-assessment, solvency needs and capital and risk management systems

The risk, capital and solvency management framework is delivered through a series of business processes operated with a frequency designed to provide ongoing management of the Group and PICB Group's changing risk profile, capital and solvency position on both a current and projected basis that is proportionate, whilst addressing stated regulatory reporting requirements. The core elements of the process include:

Strategic Planning

The annual strategic planning process provides projections based on a range of potential economic and market scenarios. The review revisits, evaluates and restates the Company's strategic risk and return aims to evaluate the prospective performance of the business model.

The strategy is reviewed annually by the PLGO and PICB Boards and also as part of the re-forecasting process.

Business Planning

The business planning process incorporates a forward-looking projection of the risk, capital and solvency profile of the Group and its associated strategies. It includes the assessment of a range of potential business scenarios supported by the use of stress testing, to test forecast capital adequacy, volatility and viability and inform capital and liquidity management strategies and associated contingency plans.

The proposed plan is subject to PLGO and PICB Board challenge and approval and formalises the risk / return objectives, risk and capital appetite, underwriting, and investment and capital management plans for the coming year against which performance is assessed.

The process involves extensive input from risk management, the actuarial function, the Head of Capital and the RRC, with a key output being the CRO's review of the business plan covering a series of summary assertions relating to risk, capital and solvency matters noting any exceptions or recommending changes to the risk, capital and solvency appetite.

The plan is reviewed and approved by the PLGO and PICB Boards in the fourth quarter and updated in the first quarter of the following year with the benefit of the year-end and key January renewals and outwards reinsurance placement and forms the core of the annual solvency assessment process.

Quarterly risk, capital and solvency review

The Group CRO provides the PLGO Risk Committee and the PICB Board with a full review of the risk, capital and solvency profile at least quarterly and at any other time as required in the interim in response to a material actual or proposed change in the risk, capital and solvency profile of either the Group or PICB Group.

The review provides an analysis of the risk, liquidity, capital and solvency profile of the Group and/or PICB against their respective Board approved risk appetites as well as considering a forward-looking view of the risks that it faces. There is also qualitative analysis of the operational and emerging risk environments. It therefore addresses the core elements of the Group and PICB's solvency self assessment obligations on a quarterly basis.

B3.4 Solvency assessment and approval process

The solvency assessment process is how the PLGO and PICB Boards can monitor the risks to the Group and PICB businesses and assess the impact of those risks on the capital adequacy of each of those businesses. The PLGO and PICB Boards use the solvency assessment process to inform their future business decisions and to ensure that any risk remaining after controls have been applied is within the parameters of the Group's and PICB's risk appetites.

The Group and PICB Group have both maintained and developed their solvency assessment processes on an ongoing basis throughout the year. In so far as is practical, this has been undertaken by embedding relevant solvency assessment processes into the quarterly reporting. This information includes monitoring the level of risk faced against the PLGO and PICB Boards' approved risk appetite, strategic developments and their potential impact on the required level of capital. This forms a key part of the solvency assessment and the quarterly reporting to the PLGO and PICB Boards.

The quantity and type of capital required in aggregate to cover the risks faced by both the Group and PICB is currently calculated quarterly on the basis of each of the PLGO and PICB Boards' desire to maintain economic capital headroom over the regulatory capital as well as the AM Best and S&P rating agency capital requirements.

For each of the Group and PICB, the actual and projected coverage over both the BSCR and Economic Capital Requirement are reported in the quarterly CRO risk, capital and solvency review to the PLGO and PICB Boards

SYSTEM OF GOVERNANCE (continued)

respectively which also provides them with confirmation of the Group's and PICB's headroom over that level required to maintain its AM Best and S&P ratings.

Further to this, following the completion of the annual solvency assessments for Group and PICB Group, the results are documented and reported to the PLGO and PICB Boards for review and approval.

B4. INTERNAL CONTROL SYSTEM

B4.1 Description of internal control system

The PLGO Board has ultimate responsibility for ensuring the Group's internal control system is prudent, appropriate and orderly.

Significant internal policies are approved at Group level by the PLGO Board. Where required by local regulation, some policies are subsequently approved by the subsidiary Boards who may either approve the policy, approve subject to amendments, or decline to approve the policy, with a resulting referral back to the PLGO Board for reconsideration. Group level policies provide a statement of intent, with internal procedures intended to embed and achieve the policy being driven, owned and approved by senior management.

All internal controls are recorded in either the control documents or policies and procedures as appropriate, with controls being mapped to the risks in the Risk and Controls Register.

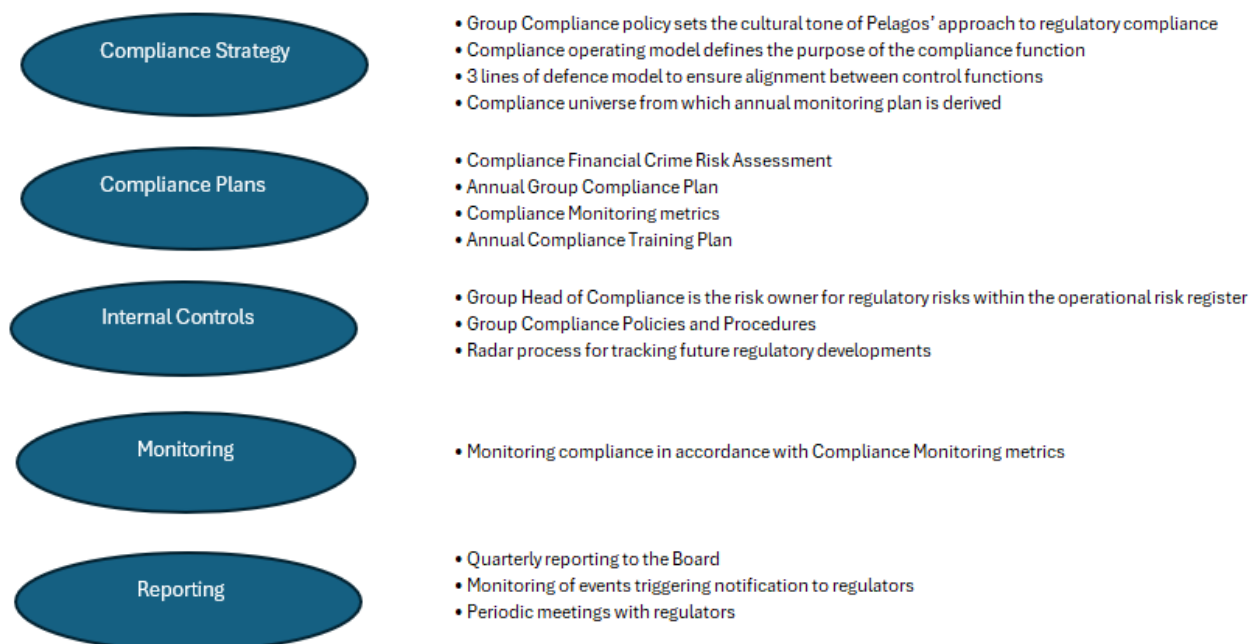
Internal controls have been adopted in such a way as to ensure that these are aligned with each other and to the business strategy and are subject to a risk-based periodic review cycle. All key internal controls are recorded in the risks and controls register so as to be capable of second line monitoring and third line audits.

The PLGO Audit Committee advises and assists the PLGO Board and subsidiary Boards in relation to the management of the internal financial control framework (including internal controls over financial reporting under Section 404 of the Sarbanes-Oxley Act) and financial reporting of PLGO and the Group entities, as well as providing oversight of the Internal Audit function and external auditors.

B4.2 Execution of the compliance function

The Group compliance function is led by the Group Head of Compliance who reports into the Group Chief Risk Officer. The Group Head of Compliance is responsible for the Group and PICB Group's Compliance oversight and the Financial Crime Framework.

A summary of the compliance framework is below:



The compliance function seeks to be a trusted advisor to the business, driving and supporting innovation whilst partnering with the business and regulators to ensure regulatory obligations are met.

SYSTEM OF GOVERNANCE (continued)

B5. INTERNAL AUDIT FUNCTION

B5.1 Implementation of the internal audit function

The internal audit department is resourced both internally by the Group HIA and internal audit staff, located in the U.K., Ireland and Bermuda, as well as through a panel of co-source service providers. The Group HIA has drafted and the PLGO Audit Committee and PICB Board have approved:

- An audit charter;
- An audit universe;
- A budget for co-source resource; and
- An annual audit plan.

On a Group basis the Group HIA reports to the PLGO Audit Committee and for PICB, the Group HIA reports to the PICB Board.

The Group HIA drafted and maintains the audit universe which is presented to the PLGO Audit Committee and PICB Board annually as part of the audit plan approval process. The audit plan is risk-based and constructed using several inputs including the risk and controls register, discussion with management, discussion with the external auditor, KPMG, and input from the co-source providers. The overriding factor in deciding what is on the audit plan is the Group HIA's experience and opinion to ensure the audit plan is independent of management and management's view of risk. The audit plan is reviewed regularly, with any changes deemed necessary by the Group HIA approved by the PLGO Audit Committee and PICB Board. The Group HIA, using in-house or co-source resource, as agreed by the PLGO Audit Committee and PICB Board, will then execute the audit plan.

The internal audit department aims to comply with industry standards on a proportionate basis. This includes the New Global Standards issued by the Global Institute of Internal Auditors and the U.K. and Ireland Chartered Institute of Internal Auditors Code of Practice. In line with the Code and Standards the internal audit department undergoes an external quality assurance ("EQA") exercise every 5 years. The EQA is performed by an appropriated qualified organisation.

There is a quarterly report issued to the PLGO Audit Committee and PICB Board reporting on the activities of Internal Audit over the prior quarter, specifically:

- Progress of completion of the audit plan;
- Summary of audit work completed in the quarter including reports issued;
- Progress with the clearance of agreed actions;
- Overdue agreed actions;
- Proposed changes to the plan if necessary;
- Resourcing and budget usage for co-source; and
- Any other matters.

The Group HIA, in conjunction with the business plan to be approved by the Board each year, presents an annual audit plan, typically in the fourth quarter, for approval by the PLGO Audit Committee and PICB Board.

B5.2 Independence and objectivity of internal audit

The following key procedures are in place to ensure that internal audit is independent and objective:

Primary reporting line – The Group HIA has a direct reporting line to the Chair of the PLGO Audit Committee;

- Secondary reporting line – The Group HIA's secondary reporting line on a day-to-day basis is to the Group CFO;
- Group HIA compensation – Compensation arrangements for the Group HIA are approved by the Chair of the PLGO Audit Committee, who is also an independent non-executive director;
- HIA appraisal – this will be performed in the first instance by the Group CFO and is then reviewed and approved by the Chair of the PLGO Audit Committee;
- PLGO Audit Committee and PICB Board private sessions – The Group HIA has a private session pre-Board meeting with the PLGO Audit Committee Chair and the PICB Board Chair to discuss in detail the audit report included. This ensures that the Group HIA can relay any serious concerns without management present. As per the PLGO Audit Committee agenda there is a standing agenda item for the Group HIA to have a closed session with the Committee members.
- Agreement of audit reports – the Group HIA is responsible for agreeing and issuing all internal audit reports and being satisfied that any raised actions have been appropriately addressed and closed; and

SYSTEM OF GOVERNANCE (continued)

- Internal audit policy – the approved policy provides for the audit team to have unfettered access to all staff, records and information of the Group as they see fit while conducting audits.

B6. ACTUARIAL FUNCTION

The actuarial function is led by the Group Chief Actuary and consists of a number of qualified actuaries and analysts. The function is also supported by external consultancy's, Dynamo Analytics Ltd, who provide actuarial support and Willis Towers Watson who perform an independent review of reserves for the Group and its entities on an annual basis. Willis Towers Watson are also the appointed independent Loss Reserve Specialist and provide an annual opinion on loss and loss expense reserves for PLGO and PICB, under the BMA's established Statutory Economic Balance Sheet valuation requirements.

Key responsibilities include the valuation of the technical provisions and economic balance sheet, opining on the underwriting policy and reinsurance arrangements, as well as validating the stochastic capital model. The main underwriting is currently carried out by TFP which has its own actuarial pricing and exposure management functions. These functions are set out in the Service Management & Oversight Framework. The Actuarial function has complete oversight over the monitoring of key actuarial related SLAs and KPIs.

The actuarial function contributes to assessing capital requirements for both regulatory and rating agency purposes, providing the basis for the capital setting process. They support risk management with respect to all aspects of risk modelling along with stress and scenario testing.

It is the responsibility of the actuarial function to report on each of the above areas, and in addition to this, make recommendations to remediate any deficiencies identified.

The Group Chief Actuary is responsible for ensuring that there is sufficient independence in the activities undertaken by the actuarial function. Independence is supported by the following factors:

- All actuaries within the function are members of actuarial associations and subject to both professional and technical requirements;
- At the direction of the Group CFO, an external reserve review is carried out at year end providing the PLGO and PICB Boards with an alternative view;
- Key tasks of the function are subject to governance through the PLGO Audit Committee and/or PLGO and PICB Boards. These committees include non-executive directors ensuring adequate challenge;
- All tasks of the function are subject to internal audit on a regular basis which aids identification and escalation of deficiencies; and
- The Group Chief Actuary has been notified to the BMA in accordance with BMA requirements.

B7. OUTSOURCING

The Group operates a Third Party Risk Management (TPRM) Policy, which is aligned with U.K. regulatory requirements including those relating to Outsourcing. This policy mandates the operation of controls to appropriately manage our third-party services, including any outsourcing arrangements.

Documented and managed controls ensure consideration of the operational, regulatory and other risks associated with the activities to be outsourced, both prior to and after an arrangement is agreed. Third Party Services are selected, onboarded, categorised (as outsourcing, or otherwise), and monitored based on specific defined criteria and thresholds, and attested to on a quarterly basis by Service Owners.

TPRM reporting, is included within Operations and Board Committees, with issues and actions related to unmet requirement being tracked to completion.

An outsourced service is regarded as critical or important if a defect or failure in its performance would have a material, negative impact on:

- The quality and continuity of providing core services to the policyholders;
- The Group's continuing compliance with the conditions and obligations of its authorisation; and
- The Group's ability to comply with other regulatory obligations.

The outsourcing controls require appropriate consideration of the operational, regulatory and other risks associated with the activities to be outsourced, both prior to signing the agreement and in monitoring after the agreement is signed.

SYSTEM OF GOVERNANCE (continued)

Where there is critical or important outsourcing arrangement, the outsourcing controls require the following levels of additional scrutiny prior to executing the arrangement:

- Enhanced selection and onboarding criteria;
- Board approval of the outsourcing arrangement;
- Board approval if deemed appropriate based on the outsourcing relationship;
- Notification to relevant regulators.

In 2025, the Group outsourced the following critical functions listed below, noting the jurisdiction of the service providers:

Function	Location of outsourced service provider	Rationale for outsourcing	Function responsible for oversight
Underwriting, underwriting administration and claims handling	United Kingdom, Ireland and Bermuda	Under a 10 year rolling Framework Agreement, TFP manages origination, underwriting, underwriting administration and claims handling under delegated authority agreements with the Group. Other services provided by The Fidelis Partnership to the Group include sourcing and administering the outwards reinsurance program, and support with business planning, insurance contract accounting and information technology.	Multiple functions
Investment custodian / administrator and investment accounting services	United States of America	Administration of, and accounting for a portfolio of fixed-income securities is a technical job that requires significant investment in people and technology. At current size of assets, it would not be economical to do this in-house. Outsourcing enables the Group to have its portfolio independently priced and appropriately reported.	Treasury and Investments
Solvency technical provisions and other actuarial support	United Kingdom	The group would not currently be able to economically perform the level of actuarial and technical work required for calculating, evaluating and monitoring Solvency technical provisions.	Actuarial
Strategic IT services partner	United Kingdom	Provision of primary managed IT and cyber security services could not be economically performed in-house.	Information Technology
IT Cloud Services	United Kingdom	Provision of specialised IT Cloud services could not be economically performed in-house.	Information Technology

B7.1 Material intra-group outsourcing

In addition to the above, there is a master intra-group services agreement and a number of non-material outsourcing agreements in place.

B8. OTHER INFORMATION

The assurance functions undertake monitoring activity to assess performance of our systems and controls. This includes consideration of compliance with system of governance requirements. Appropriate action is taken to deal with any findings, changes or updates required.

C. RISK PROFILE

C1. MATERIAL RISKS THE INSURER IS EXPOSED TO DURING THE REPORTING PERIOD

The material risks (when considered in terms of potential for diminution in capital) that the Group is exposed to are those core “intrinsic” underwriting and investment risks that are taken in order to generate a risk adjusted return.

C1.1 Overview of assessment of non-life underwriting risk

Underwriting risk arises from the Group’s general insurance business and refers to the risk of loss, or of adverse change in the value of insurance liabilities due to inadequate pricing and reserving assumptions. Examples of such risks include unexpected losses arising from fluctuations in the timing, frequency and severity of claims compared to expectations and inadequate reinsurance protection.

The Group’s underwriting and reinsurance strategies are set within the context of the overall Group strategy, approved by the PLGO and PICB Boards and communicated clearly throughout the business through policy statements and guidelines. The underwriting strategy attempts to ensure that the underwritten risks are well diversified in terms of type and amount of risk, industry and geography.

Risk mitigation techniques for non-life underwriting risk

Premium risk

In our relationship with underwriting partners, we benefit from the comprehensive framework of underwriting controls, which is focused on real time pre-quote peer review and portfolio management, which involves practice leads and key members of senior management, including risk modelling, actuarial, legal, compliance, contract wordings and claims representatives. This provides live market insights and multiple perspectives to allow underwriters to quickly assess emerging opportunities, achieve strong underwriting performance and cross-sell our product range. The Group Business Executive Leadership Team (“BELT”), which consists of Senior Management from all disciplines within the business, is responsible for underwriting oversight and operates a robust system of peer review prior to risks being written with new underwriting partners or risks which fall outside the agreed business plan risk appetite statements agreed with TFP as part of the business planning process. BELT is also responsible for the review and agreement of the annual business plans with TFP.

The PLGO and PICB Board-approved risk appetites detail the maximum concentrations that the respective Boards are prepared to accept in relation to premium risk in respect of the aggregate impact of PML and RDS events across different perils/zones. These concentrations are monitored on at least a quarterly basis. Any exceedance of the risk tolerance is reported to the PLGO Risk Committee and PICB Board in the quarterly CRO report along with a plan for resolution.

Elemental (e.g. wind, earthquake) and non-elemental (e.g. terror, aviation, marine, economic risk and financial risk) exposures are monitored on a range of metrics set out in the Board approved risk appetite, combined with the use of external and proprietary modelling techniques.

For elemental exposures, modelling leverages the use of external stochastic catastrophe modelling tools. The results of the modelling are reviewed by the RRC and reported to senior management and PLGO and PICB Boards at least quarterly providing modelled OEP and AEP curves estimating the PML both gross and net of reinsurance for each significant peril / geographical zone at a range of return periods.

For non-elemental exposures, where stochastic modelling capabilities are not available, the process considers a range of RRC-approved deterministic RDSs, designed to represent hypothetical extreme but nonetheless credible potential loss scenarios. These are supplemented by internally modelled loss distributions projecting potential losses at a range of return periods similar to the approach applied to elemental exposures.

Product design and pricing aims to minimise adverse selection of risks and use appropriate rating factors to differentiate between levels of risk.

A key aspect of the Group’s strategy for risk mitigation centres on the use of outwards reinsurance for the inwards portfolio. Outwards reinsurance allows the Group and PICB Group to more effectively manage capital, to reduce and spread the risk of loss on insurance and reinsurance business and to limit the Group’s exposure to multiple claims arising from a single occurrence.

There are four elements of the Group’s core reinsurance programme – quota share, aggregate, stop loss and excess of loss programs, catastrophe bonds and ILW. The Group also purchases further proportional and non-proportional treaty placements as deemed necessary by the relevant entity CUO on behalf of the relevant Board. A key reinsurance treaty

RISK PROFILE (CONTINUED)

for PICUK and separately for PICI are intra-group quota share and XOL reinsurance treaties that both cede business to PICB.

The Group plans to continue to use outwards reinsurance as one of its main risk mitigation techniques over the business planning time horizon.

Reserving risk

As the majority of the Group's and PICB Group's portfolio is expected to benefit from a short period of discovery of loss, the reserves will relate to claims notified against which they hold individually evaluated case reserves and IBNR reserves. These reserves are expected to be less variable from a risk perspective than peers with longer tail business.

The Group and PICB Group aim to set reserves at a level that limits the potential impact of reserve deterioration on overall return on equity whilst avoiding the taxation, reputational and regulatory risks that could result from systematic or excessive over-reserving.

The Group's and PICB Group's stated risk tolerance level is that it has no appetite for setting case reserves below the levels advised by internal or external claims adjusters and counsel, nor does it have appetite to set IBNR reserves below the mean best estimate determined in consultation between our internal and external actuaries.

In addition to the quarterly review cycle operated by the Pelagos actuarial function, the level of reserves across all classes are subject to a full external actuarial review annually.

C1.2 Overview of assessment of market risk

The Group and PICB Group seek to optimise investment income and total investment return whilst ensuring they maintain sufficient capital to meet solvency requirements and maintains sufficient liquid funds to meet liabilities when they fall due. Exposure to market risk is therefore limited to the extent that investment strategies are balanced by these primary objectives.

Market risk is divided into three subcategories: investment risk, currency risk, and asset and liability matching risk. We regularly assess the relative riskiness of our investment portfolio, including those assets classified as other investments and will perform additional assessments during periods of heightened market stress or volatility.

Investment Risk

The investment strategy and investment types have been chosen specifically to construct an investment portfolio that ensures the total portfolio value at risk, fixed income portfolio duration and average credit quality remain within the risk tolerances set out in the Investment Policy Framework. The investment portfolio's key risk metrics are included in the quarterly CIO Report to the PLGO Investment Committee, quarterly CIO Report to the PICB Board and the quarterly CRO Report to the PICB Board. The key drivers of investment risk are a function of the type of strategies in which the Group chooses to implement. These strategies are grouped broadly into the following:

Fixed income and short-term investments

Fixed income and short-term investments comprise the majority of the investment portfolio, these assets include the core fixed income portfolio, longer maturity fixed income and two 'enhanced' fixed income strategies. The fixed income portfolio in aggregate is comprised primarily of high-quality fixed income assets which are highly diversified across asset types, sectors and issuers.

The primary drivers of risk in the fixed income portfolio are shifts in the yield curve (interest rate risk) and the credit quality of the investment (spread risk).

Other Investments

Other Investments include fixed income funds, a diversified hedge fund portfolio and a private credit fund.

The fixed income funds employ different strategies which include 'global active credit', 'high-yield bonds and bank loans', and 'subscription line financing'. Risk drivers for the fixed income funds include stress in global financial markets, a decline in the macroeconomic environment, credit market deterioration, recessionary or stagflationary pressures, geopolitical tension, uncontrolled inflation, interest rates and currency volatility.

The active hedge fund managers employ a variety of strategies including 'long short', 'global macro', 'event-driven' and 'credit'. Risk drivers for the hedge fund portfolio include stress in global financial markets, a decline in the macroeconomic environment, credit market deterioration, recessionary or stagflationary pressures, geopolitical tension, uncontrolled inflation, interest rates and currency volatility along with the uncertainties surrounding the crystallisation of specific events including mergers, restructurings, takeovers, exchange offers, spin-offs, financial

RISK PROFILE (CONTINUED)

reorganisations and other special situations and, as with all strategies, may be exacerbated through concentrations of exposure.

The two private credit funds employ different strategies which include 'direct lending' and 'portfolio debt securities'. Risk drivers for the private credit funds include stress in global financial markets, a decline in the macroeconomic environment, credit market deterioration, recessionary or stagflationary pressures, geopolitical tension, uncontrolled inflation, interest rates and currency volatility.

Risk mitigation techniques used for investment risk

The Group's investment guidelines and risk, capital and solvency appetite formalise the Group and PICB Group's appetite for investment risk at the portfolio level.

Extensive consideration of the Group's investment strategy is undertaken prior to finalising these investment guidelines, which includes reviewing many aspects that could potentially impact the investment portfolio such as the potential for adverse aggregations, and correlations with other elements of the investment portfolio and the underwriting portfolio.

A strategic asset allocation exercise is undertaken regularly in conjunction with the investment managers and investment advisers which takes into account the Group and PICB Group's risk tolerance levels and investment objectives. The PLGO Investment Committee is responsible for all strategic investment decisions. The PLGO Investment Committee has delegated certain strategic investment decisions to Management providing each investment has approval of the Group CEO or Group CFO and the Group remains in compliance with its overall investment risk appetite. Investment decisions are made in line with the respective Company's investment guidelines which have been constructed in line with the prudent person principle.

The aggregate risk level is managed through the adherence to the Investment Policy and the investment guidelines in place with the external investment managers. The investment portfolio is monitored and reviewed on an ongoing basis to ensure adherence to these guidelines. In addition, there are limits on the amount of credit exposure the Group may have to any one issuer, except for US government securities.

The investment portfolio is also monitored on a quarterly basis to ensure that the following risk metrics remain within the PLGO Board's stated risk appetite:

- The fixed income portfolio average duration;
- The fixed income portfolio average credit rating;
- The core fixed income minimum credit quality at the time of purchase; and
- The total investment portfolio's Value-at-Risk

The Group monitors interest rate risk on a quarterly basis by calculating the duration of the core fixed income investment portfolio. Duration is an indicator of the sensitivity of the assets to changes in current interest rates.

The high credit quality nature of the core fixed income portfolio provides a level of mitigation against spread risk.

Currency risk

Currency risk exposures arise due to assets and liabilities being held in differing currencies. Whilst the Group accepts a degree of currency risk as a natural consequence of operating across multiple currencies, it has no desire for speculative exposure as a means to value creation.

Risk mitigation techniques used for currency risk

The Group's risk appetite limits monetary net asset-liability mismatches to \$5.0 million equivalent per currency. Hedges must be in place within 20 days of each month-end. Foreign exchange hedges may be aggregated and placed at the Group level, recognising that placing hedges at the individual operating entity may be disproportionate and could potentially trigger inefficient risk management action.

The variability in individual currencies is something over which the Group has no control. It therefore seeks to limit its actual exposure to currency risk through asset-liability matching and where appropriate, currency hedging strategies. These strategies are undertaken at the Group level while taking into account PICB Group's own exposures.

The Group's and PICB Group's actual net currency matching exposure is reported in the quarterly CRO report to the PLGO Board and the PICB Board.

RISK PROFILE (CONTINUED)

Asset and liability risk

Asset and liability matching risk is defined as the risk that the Group does not have available sufficient financial resources to enable it to meet its medium to long term financial obligations due to, for example, a currency or duration mismatch in its assets and liabilities.

These risks arise from open market positions in interest rate and currency products, both of which are exposed to general and specific market movements.

Risk mitigation techniques used for asset and liability risk

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. It manages these positions within a risk management framework that incorporates a Board-approved risk appetite limit that defines the maximum currency and duration mismatches that are allowed, as well as the investment portfolio being developed to ensure that available cash, investment proceeds and investment returns are sufficient to meet obligations under insurance contracts.

C1.3 Overview of assessment of credit risk

Credit risk exposures relates to the potential failure of a third-party to meet their financial obligations to the Group and PICB Group. Key areas where the Group and PICB Group are exposed to credit risk are:

- Reinsurers' share of insurance liabilities;
- Amounts due from reinsurers in respect of claims already paid;
- Amounts due from insurance contract holders;
- Amounts due from insurance intermediaries;
- Other assets not stressed elsewhere in the BSCR.

Reinsurance is used to manage and mitigate underwriting risk; however, this does not discharge the primary insurer's liability. If a reinsurer fails to pay a claim, the primary insurer remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract. In addition, management assesses the creditworthiness of its reinsurers and intermediaries by reviewing credit grades provided by rating agencies and other publicly available financial information. In certain circumstances, deposits from reinsurers are also held as collateral.

Risk mitigation techniques used for credit risk

Reinsurer counterparty risk

The risk management approach to counterparty default risk is designed to limit potential reinsurance and broker counterparty default to a level consistent with the risk appetite through a combination of:

- Appropriate counterparty selection;
- Appropriate levels of diversification in the portfolio;
- Appropriate mitigation in respect of external counterparties with a lower security rating through the use of collateralisation, subject to minimum collateral quality requirements, and/or downgrade clauses as appropriate; and
- Monitoring changes in security and taking appropriate remedial action as required.

The Counterparty Security Committee meets at least half yearly, and ad hoc as new partners are proposed. The RRC monitors the Group's aggregations which are reported to the PLGO and PICB Boards on a quarterly basis in the CRO Report.

The PLGO and PICB Board approved risk appetites' detail the maximum concentrations that the respective Boards are prepared to accept in relation to credit risk in respect of the exposure to a counterparty based on their current credit rating and/or their historic performance.

Intermediary counterparty risk

Whilst in theory the Group has significant exposure to counterparty risk in respect of its dealings with insurance intermediaries, in practice these are limited through the use, for the most part, of non-risk transfer terms of business through TFP.

As such, the Group and PICB Group are prepared to tolerate significant outstanding broker balances reflecting the concentration of business in the markets in which it operates subject to regular monitoring and the reporting of material exposures to management and the PLGO and PICB Boards. Credit control policies and procedures are in place to ensure all money owed to the Group and PICB Group are collected and to ensure that material cash received is allocated appropriately.

RISK PROFILE (CONTINUED)

Exposures to individual policyholders, groups of policyholders and intermediaries are also monitored on an ongoing basis through the Company's credit control processes.

C1.4 Overview of assessment of liquidity risk

Liquidity risk relates to the risk of the Group being unable to meet its liabilities as they fall due, caused by a lack of available cash. PLGO has unconditionally guaranteed all of PICUK's and PICI's financial obligations.

Risk mitigation techniques used for liquidity risk

The Group's exposure to liquidity risk is regularly monitored through its liquidity risk appetite which is dominated by its strategic imperative to maintain a highly liquid investment portfolio.

Subject to maintaining sufficient liquidity in aggregate across entities, the Group has the ability to perform intragroup transactions in the event of temporary liquidity shortfalls at individual entity level. This obviates incurring costs that might result from raising entity-specific liquidity through external means. As such management do not believe it necessary to cascade formal risk tolerances and associated risk reporting requirements to entity level and instead report the overall Group position to all Boards.

The target minimum level of Group liquidity, as defined by the PLGO Board risk appetite, is designed to ensure that the Group can satisfy policyholder liabilities in a stressed environment requiring sufficient cash liquidity at 5 days, 30 days and 180 working days to cover a variety of pre-defined gross man-made and natural catastrophe loss events. The Group's investment guidelines and risk, capital and solvency appetite formalise the Group and PICB Group's appetite for liquidity at the portfolio level. This level of required liquidity across the overall portfolio is one of the drivers for the construction and maintenance of the investment portfolio. This results in liquidity levels being maintained significantly in excess of that which would otherwise be required to support projected outflows related to insurance obligations even in stressed scenarios.

C1.5 Overview of assessment of operational risk

Operational risk relates to the risk of losses arising from adverse external events, or from inadequate or failed internal processes, people or systems or from (non-insurance) external events. The Group and PICB Group set high standards for its operations and maintains a simple operating structure designed to limit operational risk and ensure effective identification and appropriate action in the event of risks crystallising.

Operational risk is considered from a range of internal and external sources according to whether it has the potential to exacerbate the intrinsic losses that may be suffered and / or crystallise in a specific financial loss or other adverse impact.

Sources of risk are considered under the following broad categories:

- Failure of a core business process, people or system to contain intrinsic risk within the PLGO and PICB Boards' approved appetite e.g. failure to underwrite within underwriting authority / maximum lines;
- Failure of a process, people or system and / or external events leading to a specific financial loss or impact over and above that resulting from intrinsic risk exposures e.g. a failure to comply with anti-money laundering policy resulting in fine or sanction or processing backlogs; and
- Failure of process, people or systems leading to loss of opportunity (i.e. not necessarily a capital impact but one that adversely impacts potential risk adjusted returns) e.g. failure to effectively maintain broker relationships leading to a loss of income.

Risk mitigation techniques used for operational risk

The Group maintains an operational risk and controls register encompassing all material operational risks and the controls designed to prevent, mitigate or detect them.

On a quarterly basis, the Group CRO and/or a member of the risk management function meets with individual risk owners to discuss and document any changes to risks, controls or processes. The meeting includes an open discussion encompassing changes to business and processes, new or developing emerging risks and any other topics raised by the risk owners.

On at least an annual basis, and at such points in the development of the Group where material changes are made to the operating structure, relevant risk owners are required to reassess and reaffirm the full scope of risks, controls and related assessments for which they are responsible including services provided to the Group by TFP.

The resulting assessment is recorded and subject to review, challenge and approval by the risk management function.

RISK PROFILE (CONTINUED)

A disaster recovery plan and a business continuity plan are both in place to mitigate the impact to the Company of a failure in the Group's IT systems or a loss of access to its premises.

In respect of key person risk, the Group has succession plans in place that are reviewed and updated on at least an annual basis to mitigate the impact of the departure of key individuals from the organisation.

An assessment of key risks and any material changes in the period is captured through the quarterly risk review process and reported by the Group CRO to the RRC. The internal audit function provide independent feedback following each audit which is considered as part of the quarterly risk review process.

In the event of a material operational risk crystallising, a risk learning exercise will be undertaken to understand the root causes and identify mitigating factors or steps to reduce the probability and / or impact of a recurrence where appropriate. The conclusions from this exercise and the results of the follow up action will be reported to senior management and agreed with the relevant risk / control owner(s) and summarised in the CRO Report to the Risk Committees and the PICB Board.

C1.6 Overview of other material risks

Risks relating to the strategic relationship with TFP

The Group relies on TFP for services critical to some of its underwriting and other operations. The termination of the relationship or the failure by TFP to perform these services may cause material disruption in our business or materially adversely affect our financial results.

If the relationship with TFP is terminated or TFP fails to perform any of the services outsourced to it, the Group may be required to hire staff to provide such services itself or retain a third party to provide such services, and no assurances can be made that the Company would be able to do so in a timely, efficient, or cost-effective manner. Additionally, the Group's success depends to a significant extent on key personnel employed by TFP to implement its business strategy. There can be no assurance, however, that such key personnel will remain employed by TFP.

Risk mitigation techniques used for The Fidelis Partnership

The Group has entered into a number of agreements governing the outsourced relationship with TFP, including the Framework Agreement, a series of Delegated Underwriting Authority Agreements, and the Inter-Group Services Agreement.

The Framework Agreement has a rolling initial term of 10 years, with years one to three rolling automatically (each year resetting for a new 10-year period). An election to roll the 10-year term of the Framework Agreement was delivered on October 1, 2025.

In accordance with the terms of the Framework Agreement, the Group and TFP will agree the following documents on an annual basis: (i) an annual plan, agreed at the entity and Group level, which will set out the limits of TFP's delegated authority for the respective underwriting year, including the agreed underwriting parameters and risk tolerances in respect of its two-segment underwriting strategy on a gross and net basis for each annual period; and (ii) a group-level underwriting strategy, which will establish how the Pelagos Group and TFP will coordinate the manner in which insurance and reinsurance risks are underwritten pursuant to the Delegated Underwriting Authority Agreements in each annual period.

TFP is subject to various service standards in relation to the services it provides to the Pelagos Group under the Framework Agreement and the Inter-Group Services Agreement, which contain a number of prescribed SLAs and KPIs that apply to a range of services.

Under the terms of the relevant agreements, TFP provides detailed reporting to the Group on a regular basis. Such reports include, among other things, (i) accounting information (i.e., premiums written and earned, fees and loss reserves); (ii) underwriting information (including all insurance business underwritten under the Delegated Underwriting Authority Agreements); (iii) claims payments, case level reserves and administration, and (iv) manmade and natural catastrophe insurance exposures.

Emerging risks

Emerging risks are defined as the risks that are either previously unknown, or which were to some extent known but that are evolving in unexpected ways, and that have the potential to develop in such a way as to impact the balance sheet.

RISK PROFILE (CONTINUED)

The Group identifies and monitors new and developing emerging risks through a range of channels including but not limited to:

- Regular communication with underwriters in respect of areas of risk material to their portfolios including monitoring RDS and PMLs;
- Liaison with asset managers and advisors in respect of emerging macroeconomic, geopolitical and societal risks;
- The Group CRO's and other members of the risk management function's reviews with risk owners conducted via the quarterly risk review process;
- The Group CRO's attendance at underwriting, finance, reserving and operational oversight committees; and
- The Group CRO's and other members of the risk management function's review of relevant external inputs, publications and periodic surveys.

Risk mitigation techniques used for emerging risks

An emerging risk register is maintained by the risk management function and emerging or crystallising risks are reported to the PLGO Risk Committee and the PICB Board in aggregate through the regular CRO Report.

In the event of a new or developing emerging risk representing a material risk, the CRO will escalate as appropriate in order that appropriate mitigation can be implemented.

Reinsurance availability risk

Reinsurance availability risk refers to the inability of the ceding company or the primary insurer to obtain insurance from a reinsurer at the right time and at an appropriate cost. The inability may emanate from a variety of reasons such as unfavourable market conditions.

This risk does not include reinsurer default risk which is covered under C1.3.

Risk mitigation techniques used for reinsurance availability risk

All reinsurance purchases must be authorised appropriately to ensure alignment to strategy and risk appetite and in accordance with operating guidelines.

The majority of the Group's elemental reinsurance programmes renew on January 1st, however exposures are not all written at January 1st, which can result in basis risk which is monitored continually throughout the year. The Group and PICB Group also benefit from catastrophe bonds purchased on a multi-year coverage basis and also enters into facultative reinsurance arrangements to manage their exposures in Insurance lines.

Group and strategic risk

Group and strategic risk is defined as the risk of impact on shareholder value, earnings or capital arising from adverse business decisions, improper implementation of decisions, or lack of responsiveness to industry changes. Within this definition the Group has identified four key sub-categories of risk:

- **Communication risk:** The risk that the Group fails to define, maintain or adequately communicate its strategy and, as a result, cannot take advantage of strategic opportunities;
- **Capital planning risk:** The risk that the Group has insufficient capital at the right time to take advantage of strategic opportunities;
- **Reputational and regulatory risk:** The risk that adverse events or circumstances negatively affect the reputation of the Group with its rating agencies, regulators, policyholders, intermediaries, existing or prospective investors; and
- **Group contagion risk:** The risk that adverse events or circumstances affecting one or more business units or entities damage the solvency, liquidity, results or reputation of other entities or the overall Group.

Risk mitigation techniques used for Group and strategic risk

Group risk is assessed, managed, monitored and reported as part of the Group's risk management processes. The Group seeks to manage strategic risks to the business by ensuring that the business strategies and resources are compatible with the strategic goals and the economic situation of the markets in which it operates.

RISK PROFILE (CONTINUED)

C2. INVESTMENT OF ASSETS IN ACCORDANCE WITH THE PRUDENT PERSON PRINCIPLES

The Group is required to invest the assets in line with the "prudent person" principle. The prudent person principle defines that, "an individual entrusted with the management of the client's funds may only invest in instruments that any reasonable individual with objectives of capital preservation and return on investment would own and that the insurer in determining the appropriate investment strategy and policy, may only assume investment risks that it can properly identify, measure, respond to, monitor, control and report while taking into consideration its capital requirements and adequacy, short-term and long-term liquidity requirements, and policy holder obligations. Further, the insurer must ensure the investment decisions have been executed in the best interest of its policyholders". The Group fulfils its obligations by only investing in assets that have been approved by the PLGO Investment Committee through Investment Managers selected by management following the completion of a due diligence exercise. These assets are highly diversified across asset types, sectors, geographies and issuers, and in aggregate, are consistent with the Group's investment objectives and risk appetite constraints. The investment portfolio is monitored on a regular basis to ensure that it remains within the PLGO and PICB Boards' stated risk appetites, as well as maintaining an appropriate level of credit quality and liquidity and avoiding excessive concentrations.

The Group's investment activities are subordinated to the Group's ability to meet its liquidity requirements, notably with respect to underwriting activities, in normal circumstances as well as in periods of acute stress. The Group approaches asset-liability management requirements conservatively, through liquidity budgeting where a 5-day, 30-day and 180-day period is considered the most relevant length of time when considering potential liquidity needs.

C3. RISK CONCENTRATION

The material risk concentrations that the Group and PICB Group are exposed to relate to underwriting risk, market risk and credit risk.

Underwriting risk

The material underwriting related concentration risks that the Group and PICB Group are exposed to are in respect of an aggregation of losses from an elemental catastrophe event; a single insured man-made event; or multiple related insured man-made events.

The risk is mitigated through underwriting a diverse portfolio of business in terms of the classes of business, geographic location and industry. The purchase of outwards quota share and excess of loss reinsurance is used to further mitigate concentration risk. The underwriting exposures are monitored on a monthly basis to check that they remain within the respective Board's risk appetite based on the PML at defined return periods or the impact of pre-defined RDS in addition to monitoring PMLs by lines of business and exposure areas across the entire curve and also on a worldwide all natural perils AEP basis.

Market risk

In respect of market risk, the material concentration risk that the Group and PICB Group are exposed to relates to the counterparties of its investment portfolio. This exposure is monitored on a quarterly basis and reported to the Group and PICB Boards. There are investment guidelines in place that limit the maximum percentage of the portfolio that can be invested in an asset class or individual issuer and mandates the minimum levels of credit quality required.

Credit risk

Through the purchase of outwards reinsurance, the Group and PICB Group have counterparty exposures. These are mitigated through the Group and PICB Board-approved risk appetite statements, which specify the maximum exposures to any unrelated single counterparty, or group of counterparties having a common ultimate parent entity (per the AM Best definition) and specifies these limits according to their AM Best rating or track record of operation in respect of collateralised counterparties. The reinsurance counterparty exposure to the Group and PICB Group are monitored on a quarterly basis.

RISK PROFILE (CONTINUED)

C4. STRESS TESTING AND SENSITIVITY ANALYSIS TO ASSESS MATERIAL RISKS

The Group undertakes various stress and scenario testing on a regular basis to confirm the adequacy of the capital and liquidity in respect of both the regulatory requirements and the maintenance of the Group's financial strength and credit ratings.

These tests consider the impact of various plausible but extreme underwriting shocks to the Group and the liquidity position of the Group following such events and are used to inform the amount of capital buffer maintained.

The underwriting shocks consider the impacts of elemental catastrophe risk (e.g. wind, earthquake) and non-elemental (e.g. terror, aviation, economic risk) loss events.

The liquidity test considers if sufficient cash liquidity can be obtained within 5, 30 and 180 business days to be sufficient to cover defined gross PML/RDS losses plus a proportion of gross loss reserves payable driven by reserving payment pattern assumptions.

Based on the latest results of these tests, management of the Group believes that it has sufficient capital and liquidity to comply with the contractual obligations of the organisation and regulatory requirements upon experiencing losses within its risk exposures.

C5. ANY OTHER INFORMATION

CLIMATE CHANGE

The principal climate-related risks for the Group are those that relate to the physical impacts of climate change. This includes all impacts driven from the natural elements (or "elemental") and include perils such as tropical cyclones, flood, fire, and subsidence. The direct links have been regularly monitored through ongoing pricing, reserving and exposure management. To accomplish this, the Group, together with TFP, leverages industry-leading models as well as proprietary solutions to develop a "Pelagos view of risk" which adds a layer of specific focus to climate factors (amongst others) that may not be adequately reflected elsewhere. Climate change has been an important strategic decision-making factor throughout the development of the insurance portfolios under management.

In terms of opportunities, the escalating impacts of climate risk imply there is likely to be a growing demand for (re)insurance solutions to support both climate risk mitigation and adaptation. The Group expects that there will be an increase in the amount of protection needed, as well as a need for new and innovative products. The Group continues to explore opportunities to offer additional capacity to these types of products.

THE UKRAINE CONFLICT

Following Russia's invasion of Ukraine on 24 February 2022 (the "Ukraine Conflict"), government sanctions were introduced prohibiting various commercial and finance activities in Russia, including leasing of aircraft in the aviation industry to any person in Russia, or for use in Russia. Aircraft lessors issued notices to airlines and lessees in Russia purporting to terminate the leasing of aircraft (and other parts such as spare engines) and requiring that the airlines return the assets. Certain of the relevant aviation authorities where the aircraft are registered have also since suspended the certificates of airworthiness of such aircraft. Some aircraft are yet to be returned and aircraft lessors filed various insurance claims under their insurance policies for loss of the unreturned aircraft.

As previously disclosed, certain lessors instituted proceedings in the U.K., the U.S. and Ireland against upwards of 60 (re)insurers, including certain Group entities. The majority of the claims that formed part of these proceedings have since been settled out of court. In June 2025, the English High Court issued a judgment in connection with the related proceedings in England and a further consequential hearing regarding interest and certain cost matters was held in September 2025. Provision has been made in the Group's reserves for losses and loss adjustment expenses for potential exposures relating to the Ukraine Conflict, including reserves reflecting our estimate for potential loss claims relating to leased aircraft within Russia, including the related litigation proceedings and settlements.

The Group is not a party to any litigation or governmental or other proceeding that it believes will have a material adverse impact on its financial position, results of operations or liquidity. However, the results of any current or future litigation cannot be predicted with certainty, and regardless of the outcome, the Group may incur significant costs and experience a diversion of management resources as a result of any litigation.

VALUATION FOR SOLVENCY PURPOSES

D. VALUATION FOR SOLVENCY PURPOSES

D1. VALUATION BASES, ASSUMPTIONS AND METHODS TO DERIVE THE VALUE OF EACH ASSET CLASS

The Group has used the economic basis for valuation principles as per the Bermuda Solvency Capital Requirement.

The underlying premise of the economic basis is that both assets and liabilities are valued using market or fair values. All numbers in this section are sourced from the economic balance sheet. The fair value principles used for the assets are as follows:

Investments (including Accrued Interest) and Cash and Cash Equivalents	<p>Cash and cash equivalents</p> <p>Monies denominated in foreign currency are translated into USD at the period end rate for reporting purposes. Cash and cash equivalents are valued at fair value.</p> <p>Fixed income portfolio including short-term Investments</p> <p>The Group's fixed income portfolio (including short-term investments) is primarily managed by external investment managers with oversight from the Group's Chief Investment Officer, the Group's Chief Financial Officer, and the PLGO Board. Fair values for all securities in the fixed income portfolio are independently provided by the investment administrator, investment custodians, and investment managers, each of which utilise recognised independent pricing services.</p> <p>Other investments</p> <p>The Group's other investments consist of a portfolio of fixed-income funds, hedge funds and private credit funds that are valued at fair value using NAV per share. This NAV is reported by the investment manager and is based on the fair value of the underlying assets of each fund.</p>
Insurance & Intermediaries receivable	Insurance and intermediaries' receivables represent premiums owed from policyholders. Insurance and intermediaries' receivables are held at amortised cost less any impairment losses which approximates to fair value. For Bermuda solvency (EBS) purposes, the non-overdue receivables balance is included in the calculation for the technical provisions (see D2).
Reinsurance recoverables on paid claims	For Bermuda Solvency purposes, reinsurance recoverable on unpaid claims are determined as part of the calculation for technical provisions (see D2)
Funds held by ceding reinsurer	Valued in line with US GAAP at fair value
Derivative instruments	<p>Exchange-traded derivatives, measured at fair value using quoted prices in active markets where available, are classified as Level 1 of the fair value hierarchy.</p> <p>Derivatives without quoted prices in an active market and derivatives executed over the counter are valued using internal valuation techniques that consider the time value of money, volatility, the current market and contractual prices of underlying financial instruments. These derivative instruments are classified as either Level 2 or Level 3 depending upon the observability of the significant inputs to the model. The valuation techniques and key inputs depend on the type of derivative and the nature of the underlying instrument.</p>
Balances receivable on sale of investments	Valued in line with US GAAP at fair value.
Deferred Tax Asset	Deferred tax is measured using rates enacted or substantively enacted at the balance sheet date that are expected to apply to the reversal of a timing difference. Adjustments are made to deferred tax in accordance with EBS principles
Other Assets	Other assets are valued at amortised cost less any impairment which approximates to fair value.

VALUATION FOR SOLVENCY PURPOSES

D2. VALUATION BASES, ASSUMPTIONS AND METHODS TO DERIVE THE VALUE OF TECHNICAL PROVISIONS

At December 31, 2025, the total net technical provisions in the economic balance sheet amounted to \$1,779.9 million (2024: \$2,275.8 million) for the Group and \$1,268.8 million (2024: \$1,709.2 million) for PICB Group comprising the following:

Group

\$ millions	2025	2024
Best Estimate Loss and Loss Expense Provision	1,391.0	1,793.8
Best Estimate Premium Provision	230.5	339.2
Risk Margin	158.4	142.9

PICB Group

\$ millions	2025	2024
Best Estimate Loss and Loss Expense Provision	1,024.6	1,394.5
Best Estimate Premium Provision	138.9	222.4
Risk Margin	105.3	92.4

D2.1 Technical provisions methodology

The technical provisions ("TPs") make allowance for "all possible future outcomes" and are based on best estimate cash flows, adjusted to reflect the time value of money using the risk-free discount rate term structures prescribed by the BMA for each reporting period. The TPs only cover legally obliged business as at the valuation date. Cash flow projections are performed on a gross and ceded basis and together produce the Best Estimate TP on a net basis.

The TPs include an additional risk margin to be added to the Best Estimate TP. The risk margin for PICB Group is calculated using the BMA prescribed approach. This margin reflects the cost of holding capital to run off all risks included in the best estimate, at a 6% annual rate. The BMA changed the basis of the risk margin calculation for Insurance Groups in 2024. The Group risk margin is now calculated on an unconsolidated basis i.e. the sum of legal entity risk margins.

VALUATION FOR SOLVENCY PURPOSES

D2.2 Technical provisions assumptions

The key assumptions underlying the best estimate TPs calculation are:

Expected claims	Expected claims on earned business are taken directly from the US GAAP reserves, while unearned claims are determined using Initial Expected Loss Ratios (“IELR’s”) based on Pelagos data, industry data and expert judgement and include unearned loss loadings for a number of past events.
Future Premiums	The TPs make allowance for future premiums cashflows receivable, with an allowance for lapse, and net of acquisition expenses. The lapse assumptions are parameterised annually based on data and expert judgement.
ENIDs	The TPs need to calculate the mathematical mean of the distribution of all possible future outcomes. Therefore, a load is added to the future losses to allow for ENIDs which would not be captured in the best estimate calculated on a US GAAP basis.
Reinstatement premiums	Prudently we allow for no inwards reinstatement premiums (e.g. positive cashflows). Additional ceded premiums (negative cashflows) following events that trigger recoveries on our reinsurance cover were considered, and no allowance was made based upon expert judgement and business knowledge.
Expenses	The TPs make allowance for the expenses incurred in servicing the legal obligations of contracts and these include acquisition costs, reinsurance costs, claims handling costs, administrative and investment expenses.
Profit Commission	An allowance is made for profit commissions payable to binding authorities as well as profit commissions receivable from reinsurance contracts held. Outgoing profit commissions are aggregated with profit commission income to produce net profit commissions.
Bad Debts	The technical provisions make an allowance for bad debts on amounts recoverable from reinsurers based on the rating of the reinsurer.
Interest rates	The future cash flows are discounted using the risk-free term structures prescribed by the Bermuda Monetary Authority for each reporting period. The matching adjustment or the volatility adjustment has not been utilised.

D2.3 Level of uncertainty associated with the value of technical provisions

There is inherent uncertainty within the cash flows that relate to insurance contracts, which could arise due to volatility within the claims reserve, losses occurring within the unearned exposure, policy cancellations and other areas. Actual experience is expected to deviate from expectations. The Group’s estimates are subject to additional uncertainty from the high exposure to potential large losses due to the nature of the business written, and the number of multi-year deals with large volumes of premium yet to be received.

The TP's of Group and PICB Group are reviewed as appropriate by an independent advisor who also issues a Loss Reserve Specialist Opinion on the EBS TPs.

D3. VALUATION BASES, ASSUMPTIONS AND METHODS TO DERIVE THE VALUE OF OTHER LIABILITIES

Other liabilities include items such as other insurance and reinsurance balances payable, tax, accounts payable, accruals and other sundry liabilities and are valued in accordance with US GAAP, measured at fair value.

D4. ANY OTHER INFORMATION

No additional material information to report.

E. CAPITAL MANAGEMENT

E1. ELIGIBLE CAPITAL

E1.1 Capital management policy and process for capital needs, how capital is managed and material changes during the reporting period

The Group Risk, Capital & Solvency Management approach reflects the short tail nature of its liabilities and the agility hard coded in the core Pelagos Insurance Capital business model allowing management to adapt the Group and PICB Group's capital and solvency quickly in response to market cycles, events and opportunities. Both the Group and PICB Group project the capital necessary to maintain solvency at a level sufficient to achieve the planned growth whilst meeting both the credit rating agency and regulatory capital requirements. This projection is performed over a three-year plan period, albeit a greater degree of emphasis is placed over a one-year time horizon as the plan itself is agreed annually with TFP.

While the capital and risk management strategy has remained substantially the same for Group and PICB Group, given we outsource much of our underwriting, claims and contract administration, we place additional emphasis on managing outsourcing and counterparty risk.

E1.2 Eligible capital categorised by tiers in accordance with the eligible capital rules

At the end of the reporting period, the eligible capital was categorised as follows:

Group

\$ millions	2025	2024
Tier 1	2,567.2	2,444.6
Tier 2	516.8	181.6
Tier 3	326.3	325.7
Total	3,410.3	2,951.9

During 2020, the Group's Senior Notes were approved as Tier 3 ancillary capital by the BMA, the Group's Junior Subordinated Notes as Tier 2 ancillary capital and during 2025 the BMA approved additional Subordinated Notes as Tier 2 ancillary capital. On June 13, 2025 the group also redeemed its preference shares (which were eligible Tier 2 capital). Excluding the Group's Senior Notes and Subordinated and Junior Subordinated Notes, the Group's remaining capital is Tier 1, the highest quality capital, consisting of capital stock, contributed surplus, and statutory surplus.

The following table sets forth the principal amount of the debt issued as well as the unamortised discount and debt issuance costs at December 31, 2025 and 2024:

Group	2025		2024	
\$ millions	Principal	Unamortised discount and debt issuance costs	Principal	Unamortised discount and debt issuance costs
7.750% Subordinated notes due 2055	400.0	(6.5)	—	—
4.875% Senior notes due 2030	330.0	(3.6)	330.0	(4.4)
6.625% Fixed Rate Reset Junior Subordinated notes due 2041	125.0	(1.7)	125.0	(1.7)
Total	855.0	(11.8)	455.0	(6.1)

CAPITAL MANAGEMENT (CONTINUED)

PICB Group \$ millions	2025	2024
Tier 1	2,232.2	1,834.6
Tier 2	—	—
Tier 3	—	—
Total	2,232.2	1,834.6

All of the capital is classified as being Tier 1, the highest quality capital, consisting of capital stock and contributed surplus.

E1.3 Eligible capital categorised by tiers in accordance to the eligible capital rules used to meet ECR and MSM requirements of the insurance act

At the end of the reporting period, the eligible capital for the MSM and ECR was categorised as follows:

Group 2025 \$ millions	Eligible Capital Available to Support MSM	Eligible Capital Available to Support ECR
Tier 1	2,567.2	2,567.2
Tier 2	516.8	516.8
Tier 3		326.3
Total	3,084.0	3,410.3
2024 \$ millions	Eligible Capital Available to Support MSM	Eligible Capital Available to Support ECR
Tier 1	2,444.6	2,444.6
Tier 2	181.6	181.6
Tier 3		325.7
Total	2,626.2	2,951.9

CAPITAL MANAGEMENT (CONTINUED)

PICB Group

2025

\$ millions	Eligible Capital Available to Support MSM	Eligible Capital Available to Support ECR
Tier 1	2,232.2	2,232.2
Tier 2		
Tier 3		
Total	2,232.2	2,232.2

2024

\$ millions	Eligible Capital Available to Support MSM	Eligible Capital Available to Support ECR
Tier 1	1,834.6	1,834.6
Tier 2		
Tier 3		
Total	1,834.6	1,834.6

E1.4 Confirmation of eligible capital that is subject to transitional arrangements

The Group has no eligible capital that is subject to transitional arrangements.

E1.5 Identification of any factors affecting encumbrances on the availability and transferability of capital to meet the ECR

The Group and PICB Group have entered into contracts with cedants that require the Group and PICB Group to collateralise estimates of their obligations calculated by the cedant. Assets are held in trust accounts for the benefit of the cedant or letters of credit are issued. These assets are released to the Group and PICB Group upon the payment or extinction of the obligations. Interest income arising from these assets accrues to the Group and PICB Group.

Fungibility and transferability of Group and PICB Group capital is also impacted by the individual solvency requirements of the three insurance subsidiaries of the Group and by PICI's solvency capital requirements for the PICB Group.

E1.6 Identification of ancillary capital instruments approved by the authority

During 2020, the Group's Senior Notes were approved as Tier 3 ancillary capital by the BMA, the Group's Junior Subordinated Notes as Tier 2 ancillary capital and during 2025 the BMA approved additional Subordinated Notes as Tier 2 ancillary capital. On June 13, 2025 the group also redeemed its preference shares (which were eligible Tier 2 capital).

E1.7 Identification of differences in shareholder's equity as stated in the financial statements versus the available capital and surplus

Significant differences between GAAP shareholder equity and available statutory capital and surplus include the classification of preference shares (applicable to 2024 as preference shares were redeemed in 2025) and the ancillary capital noted in E1.6 as equity, the impact of employing economic based technical provision valuation techniques, and the reduction in available statutory capital for prepaid and fixed assets within available statutory capital and surplus. In addition, for PICB Group, the portion of encumbered assets held in relation to another group company's product that does not directly relate to PICB's business is recognised as a liability on PICB Group's balance sheet.

CAPITAL MANAGEMENT (CONTINUED)

E2. REGULATORY CAPITAL REQUIREMENTS

E2.1 ECR and MSM requirements at the end of the reporting period

At the end of the reporting period, the Group and PICB Group's regulatory capital requirements were assessed as follows:

Group		2025	2024
\$ millions			
MSM		1,299.6	1,097.0
BSCR		1,213.3	1,093.2
ECR		1,299.6	1,097.0
ECR Ratio		262%	269%
PICB Group			
\$ millions			
MSM		1,092.1	909.5
BSCR		865.4	761.0
ECR		1,092.1	909.5
ECR Ratio		204 %	202 %

E2.2 Identification of any non-compliance with the MSM and the ECR

The Group and PICB Group were compliant with the MSM and ECR requirement at the end of the reporting period.

E2.3 A description of the amount and circumstances surrounding the non-compliance, the remedial measures and their effectiveness

Not applicable.

E2.4 Where the non-compliance is not resolved, a description of the amount of the non-compliance

Not applicable.

E3. APPROVED INTERNAL CAPITAL MODEL

E3.1 Description of the purpose and scope of the business and risk areas where the internal model is used

Not applicable. The Group has not applied to have an internal capital model approved to determine regulatory capital requirements.

E3.2 Where a partial internal model is used, description of the integration with the BSCR model

Not applicable.

E3.3 Description of methods used in the internal model to calculate the ECR

Not applicable.

E3.4 Description of aggregation methodologies and diversification effects

Not applicable.

E3.5 Description of the main differences in the methods and assumptions used for the risk areas in the internal model versus the BSCR model

Not applicable.

E3.6 Description of the nature & suitability of the data used in the internal model

Not applicable.

E3.7 Any other material information

Not applicable.

F. SUBSEQUENT EVENTS

Common share repurchases

On February 20, 2026, the PLGO Board approved an increase to the current common share repurchase authorisation to \$400 million, through a combination of open market purchases, accelerated share repurchases and privately negotiated transactions.

Subsequent to December 31, 2025 and through the period ended May 8, 2026, the Group repurchased 12,250,607 common shares at an aggregate cost of \$233.8 million and an average price of \$19.08 per common share. Included in subsequent common shares repurchased were 8,597,170 common shares from CVC at \$19.00 per share for an aggregate purchase price of \$163.3 million in a privately negotiated transaction. This resulted in a pro rata repurchase of 942,014 common shares from TFP for \$17.9 million. Following this transaction, CVC no longer holds any ownership interest in Pelagos Insurance Capital. The unutilised amount of the share repurchase authorisation subsequent to these repurchases was \$217.7 million.

Intragroup dividends

During 2026 a distribution of \$150.0 million was approved by the PICB Board and \$100.0 million approved by the PICUK Board, and both paid to PLGO in Q1 2026.

Debt redemption

In April 2026, the Company redeemed its Junior Notes for their principal amount of \$125.0 million, plus accrued and unpaid interest up to the redemption date. The Company will record an expense of \$1.7 million in the three months ending June 30, 2026 for the unamortised discount and debt issuance costs.

G. GLOSSARY

ABIC – Association of Bermuda International Companies

AFS – Available-For-Sale

AEP – Aggregate Exceedance Probability

BCAR – Best’s Capital Adequacy Ratio

BE – Best Estimate

BELT - Business Executive Leadership Team

BMA - Bermuda Monetary Authority

BSCR – Bermuda Solvency Capital Requirement

CBI – Central Bank of Ireland

CEO – Chief Executive Officer

CFO – Chief Financial Officer

CISSA – Commercial Insurer’s Solvency Self-Assessment

CIO – Chief Investment Officer

CRO – Chief Risk Officer

CUO – Chief Underwriting Officer

EBS – Economic Balance Sheet

ECR – Enhanced Capital Requirement

EEA – European Economic Area

ENID - Events not in Data

ERM – Enterprise Risk Management

FCA – Financial Conduct Authority

FCR – Financial Condition Report

FIBL – Fidelis Insurance Bermuda Limited

FIHL - Fidelis Insurance Holdings Limited

GAAP – Generally Accepted Accounting Principles

GSSA – Group Solvency Self-Assessment

HIA – Head of Internal Audit

IBNR – Incurred but not Reported

IELR – Initial Expected Loss Ratio

IGR – Intra-Group Reinsurance

IIA – Institute of Internal Auditors

ILW – Industry Loss Warranty

INED – Independent non-executive Director

KPI - Key Performance Indicator

LOC – Letter of Credit

LTIP - Long-Term Incentive Plan

MSM – Minimum Margin of Solvency

GLOSSARY (CONTINUED)

NAV – Net Asset Value

Net loss ratio – The ratio of net losses to net premiums earned

OEP – Occurrence Exceedance Probability

PEHL – Pelagos European Holdings Limited

PICB - Pelagos Insurance Capital Bermuda Limited

PCI – Pelagos Insurance Capital Ireland DAC

PLGO – Pelagos Insurance Capital Limited

PICUK – Pelagos Insurance Capital Underwriting Limited

PML – Probable Maximum Loss

PRA – Prudential Regulatory Authority

PSL – Pelagos (UK) Services Limited

RCC – Risk and Capital Committee

RDS – Realistic Disaster Scenario

Risk and Controls Register – Encompasses all material operational risks and the controls designed to prevent, mitigate or detect risks to the business achieving its strategic objectives

RMF - Risk Management Framework

RRC – Risk and Return Committee, a management committee

RSU – Restricted Share Unit

SEC - U.S. Securities and Exchange Commission

SLA – Service Level Agreement

TFP - The Fidelis Partnership

TPs – Technical Provisions

ULAE – Unallocated Loss Adjustment Expenses

UMCC – Underwriting and Marketing Conference Calls

UPR – Unearned Premium Reserve

USA – United States of America

US GAAP – United States General Accepted Accounting Principles

Financial Condition Report Declaration

For the year 1 January 2025 to December 31, 2025

We declare to the best of our knowledge and belief, the information in this Financial Conditional Report fairly represents the financial condition of Pelagos Insurance Capital and Pelagos Insurance Capital Bermuda Limited in all material respects:

Signed: *Dan Burrows*
.....
Dan Burrows (May 28, 2026 07:37:04 ADT)

Name: Daniel Burrows

Position: Group Chief Executive Officer

Signed: 
.....

Name: Michael Pearson

Position: Group Chief Risk Officer