

PINNACLE INSURANCE PLC

Section 172 Statement

The following disclosures describe how the directors have had regard to the matters set out in section 172(1)(a) to (f) and forms the directors' statement required under section 414CZA of the Companies Act 2006.

The table sets out who the material stakeholders are and the reasons why engagement with them is important, how management and directors have engaged and the key outcomes and actions.

Stakeholder Group	Why it is important to engage	How the directors engaged	Key topics of engagement	The impact of the engagement including any actions taken
Shareholder	Continued access to sufficient levels of funding and maintenance of the minimum level of regulatory capital are of vital importance to the success of our business	Regular financial updates are provided as well as key reports into each area at head office	Review of the strategic objectives of the business and growth objectives Review of results and balance sheet for decision on payment of dividend	Appointment of Marie Haderer as deputy CEO Payment of dividend of £5.8m during the year
Regulator The company is authorised by the Financial Conduct Authority to provide regulated products and services.	The fair treatment of customers is central to the UK group ethos and the Board has no risk appetite for any regulatory breach or sanction.	The Legal and Compliance functions conduct a regulatory watch service to identify, assess and communicate regulatory developments to the business. Regular reporting to FCA on financial performance, training & competence and fees.	Review of PRA policy statement (PS11/19) - Enhancing banks' and insurers' approaches to managing the financial risks from climate change Report on the FCA Interim Report on their Market Study on General Insurance Pricing issued Oct 2019 and the ABI formal response to this interim report published Nov 2019.	Appointment of individual under Senior Management Function (SMF) who will be responsible for ensuring there is a plan in place to address and implement the requirements of the Policy Statement Agreement to review the pet pricing strategy and customer sales journey.

PINNACLE INSURANCE PLC

Section 172 Statement (continued)

Stakeholder Group	Why it is important to engage	How the directors engaged	Key topics of engagement	The impact of the engagement including any actions taken
<p>Customers The company sells directly to customers directly through our own website via aggregators and also by telephone</p>	<p>Customer engagement is important to ensure the company provides services and products that continue to meet their needs</p>	<p>Information available via the website</p> <p>Customer communications via email and letter and also to our customer contact centre</p>	<p>Review of feedback of customers of Lamp, the now liquidated insurance provider of Gap insurance through our sister company BNP Paribas Cardif Limited</p>	<p>Offered an alternative Gap product for the affected customers</p>
<p>Partners The company also provides insurance via a number of partnerships [not fully completed, included for principal decision</p>	<p>For the development of commercial relationships and value creation. Also to support the Group in international group initiatives</p>	<p>Reports submitted to the Board.</p>	<p>Review of and implementation of new partnership. Extraordinary board meeting held by telephone on 24 September to review and debate contract prior to signature.</p>	<p>Commenced a new partnership as the provider of Pet Insurance for Sainsbury's Bank and Argos Financial Services</p> <p>Ongoing involvement of the Board in commercial discussions with a new partner for the distribution of Gap cover.</p>

PINNACLE INSURANCE PLC

Section 172 Statement (continued)

Stakeholder Group	Why it is important to engage	How the directors engaged	Key topics of engagement	The impact of the engagement including any actions taken
<p>Our communities and the environment</p>	<p>We have a responsibility to help address the challenges facing our society, which is why our CSR strategy aims to support the United Nations' 17 Sustainable Development Goals (SDG's).</p> <p>Our focus is on our people, our community and the environment.</p> <p>With that in mind, the company has chosen three SDG's in particular, which we see as core to our CSR agenda:</p> <ul style="list-style-type: none"> • Good health and well-being • Quality education • Climate action 	<p>The company has established a CSR Action Group with representatives from a broad cross section of the company for the support, development and implementation of key CSR initiatives.</p>	<p>Engagement with staff of our service company to support charitable initiatives within the local community</p> <p>Review of charitable affiliations</p> <p>Development of environmental policies</p>	<p>The company:</p> <ul style="list-style-type: none"> • Provides 2 days for the purposes of volunteering for staff employed through our service company. Our target is to provide 1 million hours across the BNP Paribas group for volunteering in 2020. • Supports specific initiatives including working with selected local charities in order to raise awareness and help those in need in the local community • Is targeting a reduction in the use of single use plastic and in general waste being sent to landfill <p>Commenced research into the development of products and services designed to reduce carbon emissions</p>