

Strategic Report (continued)

Section 172 statement

Directors are required by the Companies Act 2006 (the "Act") to provide a statement to report on how they have performed their duties in relation to Section 172(1) of the Act.

This statement sets out how the Directors have acted in a way that, they consider in good faith, promotes the Company's long-term success and sustainability for the benefit of its sole shareholder, Bupa Finance plc ('Parent') and the ultimate parent, Bupa, and in doing so, had due regard for the matters set out in Section 172(1) of the Act.

The Board is guided by Section 172 of the Act when performing its duties and making decisions regarding the likely long-term impact, interests, concerns of its key stakeholders, the communities in which Bupa operates, its environment, and maintaining high standards of business conduct.

While Section 172(1) requires consideration of all stakeholders, due to the nature of the Company's operations as an investment holding company within the wider Bupa Group, the Company does not have direct employee, supplier or customer stakeholder groups. Engagement with these stakeholders is undertaken by: the ultimate parent company of the Bupa Group, Bupa, where ultimate oversight and monitoring of strategy takes place; and at a local level by Market Unit and Business Unit management teams, where the business operates and Bupa's strategy is executed and delivered. Further information on how Bupa and the business has engaged with its stakeholders can be found in the Section 172 and Engagement Statement in Bupa's 2024 Annual Report.

The Board held several meetings throughout 2024. Papers submitted to these meetings assisted the Directors to make well informed decisions by summarising key risks, noting how relevant stakeholders have been considered in the proposals, and noting the governance process undertaken prior to seeking Board approval. The Board of Directors is also comprised of senior executives in the Bupa Group; consequently, they all receive the information and discussions on the Bupa Group's policies and practices that impact the Company, its key stakeholders and communities and environment in which the Company operates. This ensures that the Directors are aware and engaged on broader issues relating to stakeholders and the Bupa Group, which serves to inform their considerations when making decisions in respect of the Company. Whilst the Company has no employees, its subsidiaries did employ people in 2024. The Directors had regular insight into employee matters and engagement, which could affect their decision-making, through their executive roles in the Bupa Group and in management meetings with business representatives over the course of the year.

Strategic decisions and their impact on stakeholders

During 2024 the Board made decisions relating to the ongoing management and continued support of its direct and indirect subsidiaries, including providing additional investment. When making these decisions, the Directors considered the needs of its key stakeholders. As the Company relies on the resources of the Bupa Group, including its employees, suppliers and other business relationships, the Directors considered the needs of these indirect stakeholders, and any consequent impact to them. The Directors also considered the financial responsibilities and obligations of both the Company and its subsidiaries for the long-term sustainability of the Company and the wider Bupa Group. Ensuring its subsidiaries have the required level of capital to fund projects and/or meet legal and regulatory obligations is in the interests of the Company, its Parent, and its other stakeholders.

Strategic Report (continued)

Section 172 statement (continued)

Set out in the table below are the decisions made during 2024 which the Board considers to be key, and how the Board has had regard to stakeholder views when making those decisions.

<p>Decision – Initial Public Offering ("IPO") of Niva Bupa Health Insurance Company Limited ("Niva Bupa")</p> <p>Stakeholders impacted – shareholder and Bupa's customers, people, regulators, communities</p>	
<p>As an investment holding company within the Bupa Group, the Company is committed to supporting the ongoing operations of its direct and indirect subsidiaries on behalf of the Bupa Group.</p>	<p>In pursuit of the Bupa Group's 3x6 Strategy, an opportunity arose in 2023 to acquire a controlling interest in Niva Bupa, a health insurance company in India. During 2023 the Board was asked to consider whether, and how, to facilitate funding for the acquisition of Niva Bupa shares from another shareholder, by way of approving a capital injection into its direct subsidiary, Bupa Singapore Holdings Pte. Ltd, for onward payment to the selling shareholder. The acquisition was completed in January 2024.</p> <p>During 2024, the Board was asked to consider the Company's participation in an IPO of Niva Bupa, as a "Promoter" for the purposes of securities law in India, and therefore needed to provide certain confirmations and support throughout the IPO process.</p> <p><u><i>Stakeholder considerations</i></u></p> <p>The Board considered the views of the Insurance Regulatory and Development Authority of India, which had expressed support for IPOs within the insurance sector in India due to the increased transparency and governance in listed company's and as an incentive for management retention, which was beneficial for both public investors and Niva Bupa's customers. As well as taking into account the benefits of the IPO, the Board also considered the risks of the Company incurring any potential liabilities as a Promoter, and the potential impact on the Company's activities.</p> <p><u><i>Long-term impact</i></u></p> <p>The Company considered how the IPO could enable Niva Bupa's ongoing sustainable growth and provide continued investment to support the business today and ambitions for the future.</p> <p>Following due regard for all the relevant stakeholders, the Board concluded it was in the best interests of the Company and the Bupa Group to support the IPO. On 14 November 2024, Niva Bupa successfully completed an IPO on the National Stock Exchange of India Ltd and the Bombay Stock Exchange.</p>

Strategic Report (continued)

Section 172 statement (continued)

<p>Decision – Approval of interim dividend Stakeholders impacted – shareholder, creditors and Bupa’s customers, people, suppliers, regulators, communities and environment</p>	
<p>The Board needs to manage the payment of dividends to its Parent to fund its obligations with the provision of funding to the Bupa Group to achieve its objectives, and maintaining the Company’s financial strength.</p>	<p>During 2024, the Board was asked to consider the payment of an interim dividend to its sole shareholder.</p> <p>Surplus funds which are not distributed to the Company’s shareholder are reinvested back into the business to help deliver on the purpose and strategy of Bupa and the Bupa Group.</p> <p><u>Stakeholder considerations</u> Prior to approving and authorising the payment of the interim dividend, the Board considered the financial strength of the Company to ensure that it could continue to meet any debt obligations following payment of the interim dividend, the majority of which related to inter-group creditors. The Board also considered the expected level of funding required by its subsidiaries during the year for them to deliver on the Bupa Group’s strategy. Ensuring its Group has the required level of capital to fund projects and/or meet legal and regulatory obligations, is in the interests of the Company, its shareholder and other stakeholders. In reaching a decision on the amount of the dividend paid, the Board also considered the funding needs of its Parent.</p> <p><u>Long-term impact</u> Prudent financial management supports the long-term success of the Company and its Parent. It motivates management to deliver strong and sustainable business performance and maintains the financial strength of the Company.</p> <p>Following due regard for all the relevant stakeholders, the Board concluded the Company had sufficient distributable reserves to make an interim dividend and that it was in the best interests of the Company, its shareholder and the Bupa Group to pay the interim dividend.</p>