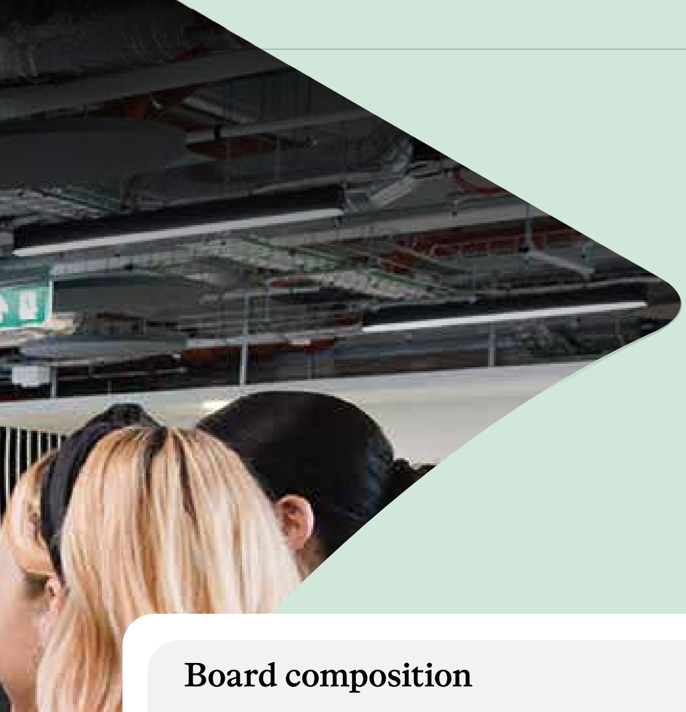
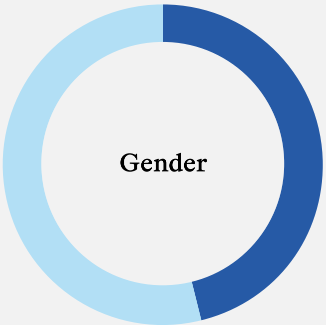
Governance at a glance

Inside this section



Board composition

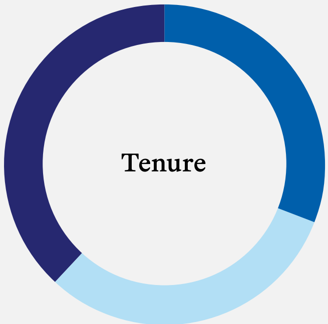


As at 31 December 2024, the Board comprised:

- **46%** Women
- **54%** Men

As at 31 December 2024, the Board comprised individuals from the following ethnic groups:

- **8%** Black
- **15%** South Asian
- **77%** White



As at 31 December 2024, the length of tenure of the Board varied:

- **31%** Over 6 years
- **31%** Between 3 and 6 years
- **38%** Between 0 and 3 years

Reporting against the 2018 UK Corporate Governance Code (the 'Code')

Details of how we have applied the principles, and complied with the provisions, of the Code are set out within this Annual report and accounts. For more information on our compliance, please visit the relevant sections as outlined in the table to the right. Our compliance statement can be found on page 61 of this report.

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Letter from the Chair

> Our established governance framework is central to decision making and has continued to enable robust oversight and sharp focus from the Board during a period of strategic transformation.

Sir John Kingman
Chair

Dear shareholders,

The Board's primary objective is to promote the long-term success of the Company for the benefit of its stakeholders. Throughout the year, the Board has been focused on overseeing the development and effective execution of the Group's new strategy and financial targets. This new strategy sets out how we will deliver L&G's next phase of sustainable growth and enhanced returns, through focused capital allocation and rigour in execution. By seizing the opportunity in Institutional Retirement, while investing to scale and deepening our capabilities in Asset Management and Retail, we will evolve our business to address society's changing investment needs, while investing for the long term. The Group is making good progress in delivering this strategy and is well positioned to capitalise on future market opportunities, despite ongoing macroeconomic and geopolitical uncertainty.

Annual General Meeting (AGM)

The 2025 AGM will be held on Thursday 22 May 2025 at the British Medical Association, BMA House, Tavistock Square, Bloomsbury, London WC1H 9JZ, once again in a hybrid format, with facilities for shareholders to join and vote electronically.

Full details of the business to be considered at the meeting will be included in the Notice of Annual General Meeting that will be sent to shareholders by their chosen communication method and published on our website:

Discover more online

group.legalandgeneral.com/AGM

Enhanced returns

As part of the new strategy, the Board has also overseen the development of the new capital allocation policy which prioritises:

- a strong and sustainable balance sheet, supported by strong capital generation from our divisions
- investment for growth, with disciplined investment in organic growth and potential bolt-on acquisitions
- shareholder returns, with surplus capital to be returned to shareholders in the form of dividends or buybacks.

Since June 2024, a revised capital allocation policy has been embedded across the Group, aligning investment to rigorous assessment of performance and strategic fit. We maintain discipline in our capital allocation by reviewing our investment criteria to reflect changing macroeconomic conditions. Within a wider framework of controls, these practices have contributed to the delivery of our financial objectives and achievement of significant milestones in the year. The Board has confirmed its intention to return more to shareholders over 2024 – 2027, through a combination of dividends and buybacks, with 5% dividend per share (DPS) growth to FY24 and the completion of a £200 million share buyback programme. In February 2025, we announced the sale of our US insurance entity to Meiji Yasuda, and the creation of a long-term strategic partnership, for a sale price of $2.3 billion. In line with our capital allocation framework and following completion of the transaction, it is the Group's current intention to return £1 billion to shareholders, representing more than half of the proceeds.

All future capital returns will be subject to the market environment, our views on solvency buffers, and opportunities for investment in the business, as well as regulatory approval. In line with this approach, the Board has recommended a final dividend of 15.36 pence, up 5% from the prior year (14.63 pence). More information on our intention to enhance returns for shareholders can be found on page 13.

Leadership appointments

Throughout the year, we have further strengthened the Board and leadership team as the Company pursues its ambitious growth strategy as a simpler and better-connected business. L&G continues to benefit from an excellent Board with a diverse range and depth of expertise and skills. Each year, the Nominations and Corporate Governance Committee considers the Board's skills and experience to support discussions around non-executive succession planning.

Looking ahead to two long-standing non-executive directors coming to the end of their tenures in 2025, this year we implemented phased succession plans for both Philip Broadley and Lesley Knox, along with other key Board roles. This included the search and appointment of our new Non-Executive Director, Clare Bousfield, who was appointed to the Board in December 2024, and the upcoming appointment of Mark Jordy, Chair of our principal operating subsidiary in the Asset Management division, L&G – Asset Management Limited, in July 2025.

In addition, Henrietta Baldock will succeed Lesley as Senior Independent Director in May 2025, and Carolyn Johnson will replace Nilufer Kheraj as the Board's Designated Workforce Director in April 2025, following conclusion of Nilufer's three-year term in the role.

Philip and Lesley have supported the Company through a period of significant evolution, and I would like to thank them on behalf of the Board for their immense contributions to the Company throughout each of their tenures.

As part of the new strategy, the Group began a global search for a CEO to lead the growth of the new Asset Management division, taking over from Michelle Scrimgeour. Following a rigorous search process, the Board was pleased to approve the appointment of Eric Adler as CEO of Asset Management. Eric brings to the Company broad investment expertise, deep international experience, and a strong client focus. In addition, the Board was also pleased to appoint Laura Mason as CEO, Retail, taking over from Bernie Hickman, who stood down after 26 years of service with L&G. Laura brings group-wide experience and an in-depth knowledge of L&G, having been part of the founding team of the alternative assets business, and also having previously led the Institutional Retirement division. In October 2024, we also announced the appointment of Katie Worgan to the newly created role of Group Chief Operating Officer. Katie combines a global, customer-centric mindset and technical expertise with proven experience leading large and complex businesses through transformation. On behalf of the Board, I would like to thank Michelle and Bernie for their significant contributions to L&G and we wish them well for the future. We welcome Eric, Laura and Katie to their new roles and look forward to working with them.

I am confident these appointments will enhance the existing expertise and skills of the Board and the Group Management Committee, and will support the Company in achieving its strategic ambitions. More details on the executive and non-executive appointments during the year can be found in the Nominations and Corporate Governance Committee Report on pages 80 to 85.

Purpose

In December, the Board approved L&G's refreshed purpose statement, which was subsequently launched in January 2025. Our purpose statement represents the culmination of an extensive stakeholder engagement process, including numerous focus groups with customers, clients and employees from across our business, ensuring that our purpose remains relevant and useful to us for the coming decade of transformation. As a Board, we believe that our refreshed purpose is credible, inspiring and actionable, and will be most valuable to us if it is used to motivate the actions which will deliver our new strategy. Throughout 2025, the Board will monitor the ways in which our purpose has been embedded across the organisation. More information on our refreshed purpose statement can be found on page 10.

Our approach to governance

The Governance section of this report sets out our governance framework and details how the Board and its Committees operated during 2024. As a Board, it is our role to promote the highest levels of corporate governance and ensure these values are embedded within our culture and throughout the organisation. As our business continues to evolve, and as we pursue our strategic transformation programme, our robust governance framework has continued to support the Board in its decision making and oversight of the Company. The implementation of a new executive governance framework in 2024 further optimised executive decision making across the Group and supported the Board in ensuring an appropriate level of centralised oversight and control over material group-level and group-wide matters, while also promoting accountability and autonomy through an appropriate divisional delegation framework.

For the year ended 31 December 2024, we were required to measure ourselves against the 2018 UK Corporate Governance Code. The Board has considered carefully the requirements of the Code and I am pleased to report that we have complied with all provisions of the Code throughout the year. Further details on our compliance with the Code and how we have applied the various principles can be found on page 61. The Board is supportive of the publication of the 2024 UK Corporate Governance Code, following engagement in the consultation process, and the Board will continue to oversee the work required to comply with the new requirements.

Stakeholder engagement

The Board continues to consider the views and interests of our stakeholders in its decision making and, through a combination of direct and indirect engagement, we remain informed of material issues and stakeholder priorities. As a Board, we are aware of the impact that our business and decisions have on our stakeholders, as well as wider society. We are therefore disciplined in our decision making to ensure that we are investing for the long term and achieving our strategic aims. The Board engages directly with colleagues through town halls, talent dinners, annual award ceremonies and visits to our offices in different locations. We were able to conduct a number of face-to-face interactions this year, including a visit to our office in Chicago, and a number of Board members were also able to visit our teams in Cardiff, Hove and Bermuda.

I am always impressed during our visits how our people really live our purpose, and how our values are demonstrated every day ensuring we are doing the right thing for our customers. Through their roles as Designated Workforce Director and Consumer Duty Champion, Non-Executive Directors Nilufer Kheraj and Laura Wade-Gery have also conducted a number of additional meetings and visits. We view this engagement as a valuable way to experience L&G's culture first-hand. Feedback from colleagues is critical to the Board and we continue to monitor our culture through employee engagement surveys. Details on the Board's consideration of stakeholders in its decision making throughout 2024 is outlined in our section 172(1) statement on pages 70 to 72. Examples of how we engage with our different stakeholders can be found on page 73.

Board effectiveness

Central to maintaining high standards of corporate governance and setting the right tone from the top is the review of the Board's own performance. During 2024, we conducted an internal effectiveness review of our Board and its Committees, which was externally facilitated by Clare Chalmers Limited. I am pleased to report that the tone of the feedback was positive overall, and indicated that the Board, and each of its Committees, continued to operate effectively. Further details of the process and outcome of this evaluation can be found on pages 84 to 85.

Looking forward

For the second year in a row, L&G was awarded Britain's Most Admired Company, ranking top among FTSE-listed companies in the UK spanning 28 different sectors. This is a unique achievement for a financial services organisation and is a strong endorsement of the way we work with our customers, clients, partners and communities, as well as the results we achieve. I would like to take this opportunity to thank everyone at L&G for their hard work and commitment to the business and our customers and clients. My fellow Board members and I feel confident and optimistic about the future of L&G as we execute our new strategy and continue to build on our strong performance track record to drive growth and deliver long-term shareholder value.

Sir John Kingman
Chair

Board of directors

Committee membership key

- A Audit
- D Data and Technology
- N Nominations and Corporate Governance
- R Remuneration
- Ri Risk
- Committee Chair

Sir John Kingman KCB FRS
Chair
Appointed October 2016

Contribution to the Board:
Financial sector, government and regulatory experience.

Experience:
John previously served as Second Permanent Secretary to HM Treasury, where he was closely involved in the UK response to the 2007 – 2008 financial crisis. He was the first Chief Executive of UK Financial Investments Ltd; and from 2010 to 2012, John was Global Co-Head of the Financial Institutions Group at Rothschild. From 2016 to 2021, he was the first Chair of UK Research & Innovation, which oversees government science funding of around £8 billion a year. In 2018, John undertook a highly critical independent review for the UK Government of the Financial Reporting Council.

Other appointments:
- National Gallery (Deputy Chair and Trustee)
- Barclays Bank UK PLC (Chair)
- Barclays PLC (Non-Executive Director)

António Simões
Group Chief Executive Officer
Appointed January 2024

Contribution to the Board:
Financial services, customer, international and technology experience.

Experience:
António has extensive financial services experience spanning over 25 years. Prior to his appointment, António was CEO of Banco Santander Spain and Regional Head of Europe. Before joining Santander, António spent 13 years at HSBC in various executive positions in London and Hong Kong, starting with strategy and M&A before leading different businesses as UK and European CEO and, finally, global CEO of private banking. Prior to that, he was a partner at McKinsey & Company. António studied in Lisbon (Nova School of Business and Economics), Milan (Bocconi) and New York (MBA from Columbia University). In 2009, he was appointed a Young Global Leader of the World Economic Forum. António was previously a member, and Chair, of the Practitioner Panel of the FCA. He was also a member of the Practitioner Panel of the PRA.

Other appointments:
- King's Trust International (Trustee)

Jeff Davies
Group Chief Financial Officer
Appointed March 2017

Contribution to the Board:
Financial, actuarial, insurance and technology experience.

Experience:
Prior to his appointment, Jeff served as a senior partner of Ernst & Young LLP (EY) and led its European risk and actuarial insurance services. Prior to joining EY in 2004, he held a number of senior actuarial roles at Swiss Re Life & Health. Jeff is a Fellow of the Institute of Actuaries.

Other appointments:
- Ethniki Hellenic General Insurance Company S.A. (Non-Executive Director)

Henrietta Baldock
Independent Non-Executive Director
Appointed October 2018

Contribution to the Board:
Financial services, insurance and investment banking experience.

Experience:
Henrietta has extensive knowledge of the financial services and insurance sector through her 25 years' experience in investment banking, most recently as Chair of European Financial Institutions at Bank of America Merrill Lynch.

Other appointments:
- Legal and General Assurance Society Limited (Chair)
- Investec plc and Investec Limited (Senior Independent Director)
- Investec Bank Plc (Non-Executive Director)
- Hydro Industries Limited (Non-Executive Director)
- Rathbones Group plc (Non-Executive Director)

Clare Bousfield
Independent Non-Executive Director
Appointed December 2024

Contribution to the Board:
Financial services, insurance, customer and digital experience.

Experience:
Clare's previous executive roles include positions at M&G Plc, where she served as both Group CFO and latterly CEO, Retail & Savings, and as CEO, Insurance for Prudential UK & Europe. She started her career at PwC and has previously served as a Non-Executive Director and Audit Committee Chair of RSA Insurance Group plc. Clare has also previously held senior roles at Aegon and Swiss Re Group.

Other appointments:
- Bupa (Non-Executive Director)
- IVC Evidensia (Non-Executive Director)
- Nucleus (Non-Executive Director)
- Recipharm (Non-Executive Director)

Philip Broadley
Independent Non-Executive Director
Appointed July 2016

Contribution to the Board:
International, financial, life insurance and asset management experience.

Experience:
Philip has over 30 years of experience in the insurance industry. He spent six years as Group Finance Director of Old Mutual plc and, prior to that, eight years in the same role at Prudential plc. He is a former Chair of the 100 Group of Finance Directors and a founding trustee of the CFO Forum of European Insurers. Philip graduated from St Edmund Hall, Oxford, where he is now a St Edmund Fellow. Philip is a Fellow of the Institute of Chartered Accountants in England and Wales.

Other appointments:
- AstraZeneca PLC (Senior Independent Director)
- Lancashire Holdings Limited (Chair)

Carolyn Johnson
Independent Non-Executive Director

Appointed June 2022

Contribution to the Board:
Insurance, financial services and US experience.

Experience:
Following a 30-year executive career in the US, Carolyn has deep experience in the life insurance market and is an accomplished business leader and experienced board member. She has previously held senior roles at AIG, Voya Financial and Protective Life Corporation.

Other appointments:
- Legal & General America, Inc. (Chair)
- Kuvare Holdings (Director)
- Beazley Plc (Non-Executive Director)
- Beazley Holdings Inc. (Chair)

Nilufer Kheraj OBE
Independent Non-Executive Director

Appointed May 2021

Contribution to the Board:
Financial services, legal and regulatory and digital experience.

Experience:
Nilufer has considerable experience across a range of industries and sectors, including financial services, real estate, green infrastructure and fintech. She was previously the Head of the Financial Institutions Group and the Equity Capital Markets practice at Slaughter and May and has spent a large part of her 34-year career working with major international financial institutions. Nilufer is the Designated Workforce Director and Non-Executive Director for Climate.

Other appointments:
- IntoUniversity (Trustee)
- Oxford University Law Faculty (Visiting Professor)

Lesley Knox OBE
Senior Independent Director

Appointed June 2016; Senior Independent Director from September 2023

Contribution to the Board:
International, strategic and financial services experience.

Experience:
Lesley has spent over 18 years in senior roles in financial services, including with Kleinwort Benson, the Bank of Scotland and British Linen Advisors. Lesley previously served as Chair of Alliance Trust Plc and as Senior Independent Director at Hays Plc.

Other appointments:
- L&G – Asset Management Limited (Non-Executive Director)
- 3i Group Plc (Senior Independent Director)
- Genus Plc (Senior Independent Director)
- Dovecot Studios Limited (Non-Executive Director)
- Grosvenor Group Limited Pension Fund (Trustee)

George Lewis
Independent Non-Executive Director

Appointed November 2018

Contribution to the Board:
Financial services, asset management and international experience.

Experience:
George joined the Royal Bank of Canada (RBC) in 1986, serving in various financial and wealth management roles across Canada, Asia, US and the UK. He was a member of RBC's Group Executive Board from 2007 – 2015, with responsibility for RBC's wealth, asset management and insurance segments.

Other appointments:
- Legal and General Assurance (Pensions Management) Limited (Chair)
- Ontario Teachers' Pension Plan (Non-Executive Director)
- AOG Group (Non-Executive Director)
- South Bow Corporation (Non-Executive Director)
- James Richardson & Sons, Limited (Director)

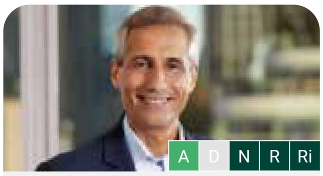
Ric Lewis
Independent Non-Executive Director

Appointed June 2020

Contribution to the Board:
Asset management, real estate and US experience.

Experience:
Ric has more than 25 years of experience in the real estate sector, including as the Founder and Executive Chair of Tristan Capital Partners, an investment manager specialising in real estate investment strategies across the UK and continental Europe.

Other appointments:
- Tristan Equity Pool Partners (GP) Limited and Tristan Equity Partners (GP) Limited (Director)
- Dartmouth College (Trustee)
- Royal National Children's SpringBoard Foundation (Director)
- Black Heart Foundation (UK) Limited (Trustee, Chair and Founder)
- Black Equity Organisation (BEO) (Trustee)
- Imperial College London (Council Trustee)



Tushar Morzaria
Independent Non-Executive Director

Appointed May 2022

Contribution to the Board:
Financial services, investment banking and accounting experience.

Experience:
Tushar has extensive experience in strategic financial management and risk management, as well as experience in the US. He is a Chartered Accountant and was previously Group Finance Director at Barclays PLC and, prior to that, he was the Chief Financial Officer of Global Investment Banking at JP Morgan Chase & Co.

Other appointments:
- BP Plc (Non-Executive Director)
- BT Group Plc (Non-Executive Director)

Laura Wade-Gery
Independent Non-Executive Director

Appointed January 2022

Contribution to the Board:
Digital, strategic transformation and customer experience.

Experience:
Laura's previous executive roles include her position as Director of Multi-Channel, a main board member at Marks and Spencer Group Plc and as Chief Executive Officer of Tesco.com. Laura served as Chair of NHS Digital and Moorfields Foundation and has served as a Non-Executive Director of NHS England. She was previously a Non-Executive Director of the John Lewis Partnership and British Land Company Plc. Laura is the Board's Consumer Duty Champion.

Other appointments:
- Britten Pears Arts (Trustee and Chair of Trading Subsidiary)

Geoffrey Timms
Group General Counsel and Company Secretary

Geoffrey has been the Group General Counsel since 1999 and, in addition, the Group Company Secretary since 2008.

Group Management Committee

Our Group Management Committee has the appropriate balance of skills, knowledge and experience to successfully lead the execution of the Group's strategy.

António Simões
Group Chief Executive Officer

Jeff Davies
Group Chief Financial Officer

Eric Adler
Chief Executive Officer, Asset Management

Emma Hardaker-Jones
Chief Transformation and People Officer

Andrew Kail
Chief Executive Officer, Institutional Retirement

Chris Knight
Group Chief Risk Officer

Laura Mason
Chief Executive Officer, Retail

Geoffrey Timms
Group General Counsel and Company Secretary

Katie Worgan
Group Chief Operating Officer
Appointment effective March 2025

Group Management Committee changes throughout the year

A number of changes were made to the Group Management Committee this year to ensure our leadership team, operating model and structure continue to be set up for success to deliver our strategic vision of a simpler and better-connected L&G:

Eric Adler joined as the CEO of Asset Management, following the Group's announcement that it would bring together its public and private markets businesses as a unified global asset manager at its Capital Markets Event in June 2024. Michelle Scrimgeour stood down as CEO of the former Investment Management business, effective December 2024, following a handover period.

Katie Worgan will join as our Group Chief Operating Officer in March 2025. This newly created role will ensure we have joined-up, sharply focused business operations that enable us to work together with ease and deliver for our customers and clients.

Laura Mason, previously CEO of our Private Markets business, was appointed as CEO, Retail in December 2024, replacing Bernie Hickman.

Emma Hardaker-Jones, previously HR Director, was appointed as Chief Transformation and People Officer in March 2024, combining her people experience and the Group's transformation agenda.

Our executive governance framework

Towards the end of 2023, a group-wide project was initiated to explore how we could best optimise executive decision making across the Group and enhance collaboration across executive management, while simultaneously promoting appropriate divisional and functional accountability and autonomy. Following this, a new executive governance framework was implemented from January 2024.

Group Chief Executive Officer (Group CEO)

Group Management Committee (GMC)
The GMC is a formal committee of the Group CEO. Its purpose is to support the Group CEO in the discharge of those things within his authority as delegated to him by the Group Board, in particular in relation to group-wide strategic and material matters, and to identify matters required for escalation to the Board.

Investment Committee
Provides oversight and, where appropriate, approval of Group transactions.

Executive Risk Committee
Provides oversight of the management of key risks, sets risk appetites and mandates, and identifies matters which require escalation to the Group Risk Committee.

Disclosure Committee
Oversees the management of inside information, and manages the content and requirements of material announcements to the market.

Executive Data and Technology Committee
Oversees technology and data management and provides strategic guidance to ensure alignment with business goals.

Governance report

The 2018 UK Corporate Governance Code (the 'Code') – 2024 Compliance Statement

The Code emphasises the role of good corporate governance in achieving long-term sustainable success. The principles of the Code are the standards against which we are required to measure ourselves. Each year, the Board reviews the Group's governance framework and compliance with the Code. We are pleased to report that we have applied the principles and complied with each of the provisions of the Code for the year ended 31 December 2024. A Code compliance reference table can be found on page 55. Following the publication of the revised UK Corporate Governance Code in January 2024, which will primarily apply to financial years beginning on or after 1 January 2025, the Board has reviewed the results of a gap analysis exercise conducted against the new requirements and will continue to oversee the work required to comply with the new requirements from the relevant effective dates.

Our governance framework

Our governance framework supports robust decision making by providing a clear framework of delegations and responsibilities within which decisions can be made to deliver our strategy. Our framework also ensures that decisions remain within the risk appetite set by the Board and are undertaken with appropriate Board oversight.

Board of Legal & General Group Plc
The Board is collectively responsible for the long-term sustainable success of the Company.

Chair
Leads the Board and, in consultation with the Group CEO, sets the agenda for Board meetings. Creates the conditions for overall Board and individual director effectiveness.

Senior Independent Director (SID)
Acts as a sounding board for the Chair, as well as being available to shareholders and independent directors if they have concerns which cannot be resolved through the normal channels.

Independent Non-Executive Directors
Scrutinise and hold to account the performance of the executive against agreed goals and objectives. Constructively challenge and contribute to the development of strategy.

Group Chief Executive Officer (Group CEO)
Responsible for the day-to-day management of the Company and the successful execution of the strategy.

Group Chief Financial Officer (Group CFO)
Responsible for supporting the Group CEO in establishing group-wide financial and strategic objectives and supporting successful execution against those objectives.

Committees of the Board
Each Committee Chair reports to the Board on key discussion topics and decisions taken after each meeting.

Audit Committee
Responsible for oversight of the Group's financial statements and reporting and the adequacy and effectiveness of the internal control environment, including financial control. Oversees the relationship with the external auditor and the activities of the Internal Audit function.

Read more on pages 74 to 78

Data and Technology Committee
Responsible for oversight of all aspects of information technology, cyber security (including IT and information security) and data and analytics across the Group.

Read more on page 79

Nominations and Corporate Governance Committee
Responsible for the overall composition of the Board and its Committees. Oversees Board and executive succession planning. Responsible for overseeing the Group's governance framework.

Read more on pages 80 to 85

Remuneration Committee
Responsible for overseeing the remuneration of executive directors and other designated individuals, as well as the Group's remuneration policy.

Read more on pages 88 to 113

Risk Committee
Provides guidance to the Board on the Group's risk appetite, advice on what constitutes acceptable risk taking and oversight of the Group's risk management policies and procedures.

Read more on pages 86 to 87

UK Corporate Governance Code (2018)
A full version of the Code can be found on the Financial Reporting Council's website:

Discover more online frc.org.uk

To read more on the roles and responsibilities of our Chair, SID and Group CEO.

Read more on page 63

Role and leadership

The Board is responsible for the overall leadership of the Group; it is charged with setting the Group's values and standards. The role of the Board is to promote the long-term sustainable success of the Company, while simultaneously generating value for shareholders and contributing to wider society. Our section 172(1) statement on pages 70 to 73 sets out in detail how the Board has achieved this throughout 2024. The Board is committed to maintaining the highest standards of corporate governance across the Group to support the delivery of our strategy, the fostering of positive stakeholder relationships and the creation of long-term sustainable value for shareholders.

The specific parameters of the Board's role and responsibilities are set out in the Matters Reserved for the Board and are separated into eight broad categories: strategy and management; structure and capital; financial reporting and dividends and capital returns; risk and internal control; corporate governance; key personnel and remuneration; product distribution and pricing; and brand.

The Matters Reserved for the Board outline the decision making powers reserved for the Board which underpin the governance framework across the Group. It is reviewed and approved as part of an annual corporate governance review, and otherwise as required, to ensure the role and responsibilities of the Board remain appropriate and up to date.

The Board is supported by the Group General Counsel and Company Secretary and the Group Company Secretariat team to ensure that accurate and timely information is disseminated to the Board. All directors have access to the advice of the Group General Counsel and Company Secretary as well as independent professional advice at the expense of the Company.

The Board, as well as the boards of the Group's principal operating subsidiaries, operate within a clearly defined, and fully embedded, delegated authority framework. The delegated authority framework ensures that there is an appropriate level of Board oversight of, and contribution to, key decisions and that the day-to-day business is managed effectively. It also enables an appropriate level of debate, challenge and support in the decision making process.

Those matters which are not reserved for the Board's consideration are delegated by the Board to group level Committees and the Group CEO. The Board has delegated the day-to-day management of the Company, and the responsibility of the successful execution of the strategy, to the Group CEO. Upon his appointment as Group CEO in January 2024, António Simões implemented a new executive governance framework, designed to optimise decision making and enhance collaboration at an executive level, while simultaneously promoting appropriate divisional and functional accountability and autonomy. The Group Management Committee will continue to keep the executive governance framework under review to ensure that it remains fit for purpose and continues to provide the right level of centralised oversight and control over material group-wide matters. The Group Management Committee supports the Group CEO in discharging those things within his authority as delegated to him by the Board, in particular in relation to group-wide strategic and transformation matters. The Group CEO delegates further decision making onwards to the executive decision making forums of the Investment, Executive Risk, Executive Data and Technology, and Disclosure Committees, as well as to his direct reports.

Although the Board delegates the day-to-day management of the Company, it is accountable for the long-term sustainable success of the Company and therefore continues to oversee the Group's strategic objectives and monitor performance against those objectives. The Board meets formally on a regular basis and at each meeting considers business performance, strategic proposals and execution, material transactions and critical projects in the context of the Group's strategy, risk appetite, the interests of the Group's stakeholders and wider social purpose.

The Board is supported in its work by its Committees, each of which is governed by its own terms of reference, which clearly outline its remit and decision making powers. The Committees of the Board, and their core responsibilities, are set out in the governance framework which can be found on page 61, and each of the respective Committee reports on pages 74 to 113.

Composition, independence, and effectiveness

As at the date of this report, the Board is comprised of the independent non-executive Chair, two executive directors and ten independent non-executive directors. At least half of the Board, excluding the Chair, are independent non-executive directors, in accordance with provision 10 of the Code. Upon appointment, the Chair was identified by the directors as being independent in accordance with provisions 9 and 10 of the Code.

When considering the appointment of new directors, the Board is mindful of the contribution and skillset that each new appointee will bring to the Board. The Board has an established skills matrix which supports Board succession planning and, each year, the Board reviews its own composition to ensure it maintains a well-balanced and diversified Board, with the right mix of individuals who can apply their wider business knowledge and experiences to the setting and oversight of delivery of the Group's strategy.

Following an extensive search and selection process, Clare Bousfield was appointed to the Board in December 2024 as an independent Non-Executive Director. Clare brings to the Board deep experience in insurance and broader financial services following a 20-year career in the industry.

A Board effectiveness review is conducted on an annual basis. In line with the requirements of the Code and our review cycle, this year's review was conducted internally, with external facilitation provided by Clare Chalmers Limited. As part of this review, the Board and its Committees are assessed on, among other things, composition and expertise, culture, dynamics and decision making, agendas and Board support. Given this was the first year with a new Group CEO, and a new strategy, the Board effectiveness review also covered in detail how the new Group CEO was embedding into the Company, and the Board's contribution to and oversight of the strategy.

Further information relating to the composition of the Board, including the Board's Diversity and Inclusion Policy, the non-executive director appointment process and the Board effectiveness review can be found in the Nominations and Corporate Governance Committee report on pages 80 to 85.

Committee terms of reference
All Committee terms of reference can be found on our website:

Discover more online group.legalandgeneral.com/groupboardcommittees

Diversity and inclusion (D&I)

At L&G, we are building an inclusive culture that celebrates diversity and creates fair opportunities for everyone. Diversity is highly important to the Board, and the Group as a whole, because it generates a wider pool of talent by reflecting the broadest range of human attributes, experience and backgrounds, while simultaneously supporting good decision making and reducing the risk of groupthink. It is important for our Board to have a broad range of insights and perspectives to help us make better decisions as a business and create an inclusive culture for our people. D&I continues to be an area of focus for both the Board and the Nominations and Corporate Governance Committee. More information on the Board's commitments to D&I can be found in our Nominations and Corporate Governance Committee report on pages 80 to 85.

Division of responsibilities

In line with the provisions of the Code, there is a clear division of responsibilities between the leadership of the Board and the executive leadership of the Company's business, as illustrated in the table to the right. The role and responsibility statements for each of the Chair, Group CEO and Senior Independent Director are reviewed annually to ensure they remain relevant and accurately reflect the requirements of the prevailing Code, other law and regulation, and industry best practice.

You can read more about the skills and experience of the Board in their biographies:

Read more on pages 58 to 59

The Role and Responsibilities document can be viewed on our website:

Discover more online

group.legalandgeneral.com/en/about-us/corporate-governance

Role on the Board

Chair

Sir John Kingman

Responsibilities

As Chair, Sir John Kingman is responsible for:

- establishing a close relationship of trust with the Group CEO and providing support and advice
- upholding the highest standards of integrity and probity and setting clear expectations concerning the style and tone of Board discussions
- ensuring the Board has effective decision making processes and applying sufficient challenge to major proposals
- with the support of the Group Company Secretary, ensuring the Board receives accurate, timely, high-quality and clear information
- ensuring effective communication with shareholders and stakeholders, as well as ensuring an appropriate balance is maintained between the interests of shareholders and other stakeholders
- promoting a culture of openness and debate
- promoting effective relationships and open communications between directors
- promoting the highest standards of corporate governance and ensuring that all directors are aware of their responsibilities
- ensuring a clear structure for the effective running of the Board's Committees.

Group CEO

António Simões

Responsibilities

As Group CEO, António Simões is responsible for:

- proposing the Group strategy and delivering the strategy as endorsed by the Board
- upholding the highest standards of integrity and probity and thereby setting the style and tone for the Group Management Committee and the rest of the Company
- embodying the Group's behaviours and promoting an inclusive culture across the Group
- promoting the highest standards of corporate governance and managing a clear legal and operating structure that reports to the Group Board and its Committees
- ensuring that the Group maintains high standards of adherence to, and alignment with, regulatory requirements and standards
- developing and retaining the confidence of the Board, the executive and all other stakeholders.

Senior Independent Director

Lesley Knox

Responsibilities

As Senior Independent Director, Lesley Knox is responsible for:

- providing support to the Chair in the delivery of his objectives and being a trusted channel of communication to the Chair for the other directors
- being available to shareholders and other non-executive directors for any concerns which cannot be resolved through the normal channels
- attending meetings with major shareholders to listen to their views and develop a balanced understanding of issues and concerns and ensure that they are being considered by the Chair
- leading the annual evaluation of the performance of the Chair.

Conflicts of interest and time commitment

The identification and management of Board members' conflicts of interest is defined and governed by the Company's Articles of Association, law and regulation, best practice and a number of internal policies which are reviewed and approved annually by the Board. The Company maintains a record of each Board member's disclosed directorships and appointments to facilitate identification and management of potential conflicts of interest. In line with our directors' conflict of interest policy, any actual or potential conflict of interest must be declared by the relevant director, considered by the Board and, if authorised, maintained in a formal record. Each Board member is required on an annual basis to formally approve and sign their conflicts of interest register, confirming that all directorships and appointments contained within are accurate and up to date.

All non-executive directors' letters of appointment outline the time commitment expected of them throughout their tenure on the Board, and non-executive directors' time commitments are considered annually by the Nominations and Corporate Governance Committee as part of its ongoing assessment of the Board's composition. Directors' time commitments are also assessed in detail ahead of the Nominations and Corporate Governance Committee approving any external director appointments. In 2024, the Committee was satisfied on all external appointments for its directors that they did not give rise to a conflict of interest and would not impact the directors' time commitment to the Company. Upon making new appointments to the Board, the Committee considered whether prospective candidates are able to devote sufficient time to fulfil their responsibilities and duties to the Company, and the Committee was comfortable that Clare Bousfield and Mark Jordy were able to do so. The significant commitments of each director are detailed in their biographies on pages 58 to 59.

The Board, on the recommendation of the Nominations and Corporate Governance Committee, is satisfied that each non-executive director serving at the end of the year remains independent, effective and continues to have sufficient time to discharge their responsibilities to the Company.

Purpose and culture

Following the implementation of our new group-wide strategy in June 2024, a review of the Group's purpose was conducted to ensure it remained appropriate and was suitably aligned to the new strategy. In developing our purpose, we considered its value and identified what could be enhanced to ensure the purpose remained relevant for the coming decade of transformation. Our refreshed purpose represents the culmination of an extensive stakeholder engagement process in which we tested various versions of our refreshed purpose statement with employees across the Group and with customers and clients across our three businesses. Our refreshed purpose, 'Investing for the long term. Our futures depend on it', is our new way of describing our ongoing commitment to putting capital to work for good, alongside generating a financial return.

In addition, we refreshed our three core 'behaviours'. The Company's revised behaviours are Challenge positively, Commit together and Act decisively. Collectively, these behaviours are designed to guide how we work together, creating a culture of accountability, effectiveness, and pace to deliver our strategy and stay true to our purpose. Looking ahead, the Board will monitor how our refreshed purpose and behaviours are embedded across the organisation.

Our behaviours are the foundations of our long-term sustainable success and define how we do what we do. Over the last few years, we have taken steps to enhance our culture. In 2023, we assessed our performance culture and reinforced a balance between the 'what' in terms of our achievements, and the 'how' in terms of demonstrating our core behaviours while achieving our goals. In 2024, we made several improvements to our employee benefits, designed with the different needs of a diverse workforce in mind, demonstrating our continued commitment to supporting our employees' health and wellbeing and fostering an inclusive culture. In addition, a culture review is conducted on an annual basis to assess the impact made by executive management in positively evolving L&G's culture across a number of areas, including shared vision and leadership, ownership and accountability, and execution capability.

The Board receives updates on the Voice survey which provides insights into employee sentiment. The survey includes questions on purpose, culture and wellbeing to enable the Board to understand whether these areas are aligned to the three key pillars used to measure satisfaction: engagement, culture and productivity, and enablement. The results from this year's Voice survey indicate that the vast majority of our employees feel proud to work at L&G and would recommend the Company as a great place to work. Against a backdrop of organisational transformation, the 2024 Voice survey has highlighted a number of focus areas for the Group Management Committee and the Board to act on for the year ahead, including support to deliver against the strategy, and the development of our behaviours and corporate purpose. More information on the Company's culture and refreshed purpose can be found on pages 10 to 13.

Our whistleblowing policy is available to all employees on our intranet, which details the process for employees to confidentially raise matters of concern. Further information on whistleblowing and other employee policies can be found in our Social impact report.

Throughout the year, Board members attended various offices which enabled our directors to meet with employees and gain insights into our culture and behaviours in action. In addition, Nilufer Kheraj, in her role as Designated Workforce Director, as well as other Board members, meet regularly with smaller groups of employees to speak directly with them, both with and without senior management present, and hold events to answer questions from employees. The executive management team also held numerous town hall events at various locations throughout the year to update the workforce on topical issues. Employees are offered the chance to ask the management team questions throughout these sessions. These events are run as hybrid events to maximise engagement. Over 5,000 employees virtually attended our full year results town hall in March 2024, and our Capital Markets Event town hall in June 2024.

For more information:

On our workforce, please refer to our Social impact report:

Discover more online

group.legalandgeneral.com/SocialImpactReport2024

Induction, training and development

The Board places great value on training and development, and all new executive and non-executive directors are invited to participate in a comprehensive, formal and tailored induction programme upon joining the Board. Induction programmes provide new directors with the knowledge and understanding of the Company and its business to enable them to provide effective contribution to Board discussions, effectively challenge the executive and properly fulfil their statutory duties. Both António Simões and Clare Bousfield received comprehensive and tailored inductions upon their appointment.

All Board members receive regular training throughout the year; the Board believes that continual director training and development is important to maximise the effectiveness of the Board and ensures the Board can effectively challenge the executive. The training programme is generated on an annual basis, based on the needs of the Board, and internal and/or external circumstances, including any recommendations from the annual evaluation of the Board and its Committees. It is the responsibility of the Chair to help ensure that directors continually update their skills, knowledge and familiarity with the Group, and the Chair does so with input from the Board and the Group Company Secretary. In 2024, the Board received specific training and/or deep-dive sessions on various topics, including investment stewardship, longevity assumptions and crisis management.

In addition, Board and Committee meetings are used to update the Board on developments in the areas in which the Group operates. As part of their ongoing training and development, Board members are invited to attend visits to the Group's various offices, developments and investments, with the aim of widening Board members' knowledge of the business, gaining first-hand insights and providing Board members with the opportunity to meet personally with our employees and experience the culture across the Group first-hand. This year, Board members visited the Chicago office of our Asset Management division, and members of the Board also visited our offices in Cardiff, Hove, Barnsley, Solihull, Bermuda, Frederick, Stamford, Tokyo, Hong Kong and Singapore.

Subsidiary boards

At L&G we have benefited from a strong governance framework operating at subsidiary level for many years now. Henrietta Baldock and Lesley Knox continue in their roles on the boards of two of our principal operating subsidiaries: Henrietta as Chair of Legal and General Assurance Society Limited (LGAS) and Lesley as Non-Executive Director of L&G – Asset Management Limited. George Lewis also continues in his role as Chair of Legal and General Assurance (Pensions Management) Limited and Carolyn Johnson was appointed as Chair of Legal & General America Inc. (LGA) in March 2025, having been a Non-Executive Director since September 2023. In addition, as announced in December 2024, Mark Jordy, Chair of the L&G – Asset Management Limited board, will join the Group Board in July 2025. This crossover of directors on our Group Board, principal operating subsidiaries and other key subsidiary boards allows greater interactions, information flows and promotes enhanced collaboration throughout the Group.

Employee engagement

Following his appointment as Group CEO in January 2024, António Simões hosted a number of group-wide and divisional hybrid town hall events to provide employees with the opportunity to hear directly from the new Group CEO and ask questions, fostering open communication and engagement across the Company. In addition, António launched a group-wide CEO series of the employee Voice survey to collect employee feedback and insights.

See pages 68 to 73

for further examples of Board engagement with employees.

Investor engagement

In December 2024, investors were invited to attend an Institutional Retirement deep dive with António Simões, Group CEO, Jeff Davies, Group CFO, and Andrew Kail, CEO, Institutional Retirement. Employees were also invited to join the event virtually. This was the first in a series of investor and analyst events to explore each of our three divisions in depth. In 2025, further deep-dive events will take place, providing investors with the opportunity to attend sessions focused on our Retail and Asset Management divisions.

See page 70 to 73

for further examples of Board engagement in our section 172(1) statement.

How the Board spent its time in 2024

The Board meets regularly to oversee the delivery of the Group's strategic objectives to ensure it continues to promote the long-term sustainable success of the Company. Throughout 2024, the Board held 12 Board meetings, including one strategy event, and one office visit. Board sub-Committees were also constituted on a number of occasions in order to deal with particular matters arising outside of the formal schedule of meetings. This was particularly pertinent during 2024, as the Board oversaw the development and implementation of the new Group strategy. The non-executive directors have private meetings without the executives present before and after each Board meeting, and otherwise as required.

Board members meet informally with the executive directors and Group Management Committee on a regular basis outside of the formal meeting schedule. Members of the Group Management Committee and, as appropriate, individuals from the relevant business areas are also invited to attend Board meetings in relation to key items, allowing the Board the opportunity to debate and challenge initiatives directly with the senior management team.

The Board informs itself of the views of shareholders on a regular basis through updates at each Board meeting from the Group CEO and Group CFO, periodic updates from the Investor Relations team, and an annual update from the Chair following his annual schedule of investor meetings.

The Board has established the Company's purpose, values and strategy, and has satisfied itself that these and its culture are aligned. The regular Board agendas are set by the Chair, with input from the Board and Group CEO, and consist of regular reports on the following:

- business performance and shareholders, people and culture, customers, clients and brand, and other key stakeholders from the Group CEO
- detailed business performance from the Group CFO
- material matters from each business division, including business performance and progress against strategy, key business initiatives, customers, clients, employee and regulatory engagement, the control environment and culture
- group-wide strategic ambitions, material transactions and other material initiatives
- Consumer Duty and, more broadly, customer outcomes, including updates from the Consumer Duty Board Champion on discussions from the Customer Outcomes Forum
- updates from the Chief Transformation and People Officer on group-wide transformation projects
- risk and compliance matters, including a report from the Chair of the Risk Committee
- audit matters, including a report from the Chair of the Audit Committee
- business of the Remuneration and Data and Technology Committees from the Committee Chairs
- legal and governance matters from the Group General Counsel and Group Company Secretary
- people, culture, and employee engagement matters, including updates from the Designated Workforce Director and updates on the results of the employee Voice survey
- the Group's relationship with various stakeholder groups.

For more information on the Board's stakeholder engagement throughout the year, see pages 70 to 73.

Board meeting attendance during 2024

Director	Scheduled	Ad hoc
Non-executive directors		
Henrietta Baldock[1]	8/8	2/3
Philip Broadley[1]	8/8	3/4
Clare Bousfield[2]	1/1	
Carolyn Johnson[3]	8/8	3/4
Nilufer Kheraj OBE	8/8	4/4
Lesley Knox	8/8	4/4
George Lewis[3]	8/8	3/4
Ric Lewis[1]	8/8	3/4
Tushar Morzaria[1]	7/8	4/4
Laura Wade-Gery[1]	8/8	3/4
Chair and executive directors		
Sir John Kingman	8/8	4/4
Jeff Davies	8/8	4/4
António Simões	8/8	4/4

1. Unable to attend Board meeting due to prior commitment.
2. Appointed to the Board with effect from 1 December 2024.
3. Unable to attend Board meeting due to pre-agreed travel arrangements.

Link to strategic priorities

Sustainable Growth | Shaper Focus | Enhanced Returns

Jan

Appointed António Simões as Group Chief Executive Officer

Discussed the Group CEO's first impressions of the Company and initial thoughts on future strategic direction

Feb

Received a deep-dive session on investment stewardship

Mar

Approved the full year financial results, Annual report and accounts and final dividend recommendation

Endorsed the establishment of a Transformation Office to facilitate the delivery of the future Group strategy

Apr

Held an off-site strategy event with the Group Management Committee to discuss the future Group strategy

May

Hosted the Group's Annual General Meeting

Hosted the first 'talent dinner' of 2024 with colleagues who have demonstrated potential to progress into senior roles within the business

Jun

Approved and announced the Group's new strategy and financial targets

Commenced a £200 million share buyback programme

Jul

Announced the launch of the L&G Private Markets Access Fund

Approved a £1.1 billion full buy-in with the Deutsche Bank (UK) Pension Scheme, securing the benefits of approximately 4,000 members

Aug

Approved the half year financial results and interim dividend

Received a presentation from the PRA on the 2024 Periodic Summary Meeting Letter

Approved the Company's first Consumer Duty Annual Board report, in compliance with the new Consumer Duty Regulation

Approved the appointment of Clare Bousfield as a Non-Executive Director of the Board

Sept

Approved and announced the sale of CALA Group

Approved the appointment of Eric Adler as CEO of Asset Management

Approved the appointment of Katie Worgan as the Group Chief Operating Officer

Announced the new L&G headquarters in London

> "The sale of CALA Group demonstrates continued momentum in executing our strategy, simplifying our portfolio to enable a sharper focus on our core, synergistic businesses. The sale will provide capital to deliver our strategic goals of sustainable growth alongside enhanced returns for shareholders."
>
> **António Simões**
> Group CEO

Oct

Received a deep-dive session on longevity assumptions

Hosted the second 'talent dinner' of 2024 as part of ongoing executive succession planning

Nov

Completed the £200 million share buyback programme

Held an offsite event in our Asset Management office in Chicago

Hosted a town hall event for Asset Management colleagues in Chicago, with Board members

Hosted the third 'talent dinner' of 2024 in Chicago

Dec

Approved the Group Financial Plan for years 2025 – 2029

Approved the Company's refreshed corporate purpose

Approved the appointment of Mark Jordy as a Non-Executive Director of the Board

Approved the appointment of Henrietta Baldock as Senior Independent Director designate

Approved the appointment of Carolyn Johnson as the Designated Workforce Director designate

In February 2025, the Company announced the sale of its US protection business to Meiji Yasuda, and the creation of a long-term strategic partnership for a sale price of $2.3 billion.

See page 70

for more information

Employee engagement

"I have thoroughly enjoyed my time as Workforce Director and recognise that our success is driven by our people."

Nilufer Kheraj
Designated Workforce Director

The wellbeing of our employees remains a key priority for the Board and we recognise that our success is driven by our people. My role as Designated Workforce Director is to gain insights into, and understand the culture and concerns of, the business through regular engagement activities, encouraging meaningful two-way dialogue.

I support our people by sharing those insights and ideas with senior management and the Board, encouraging employee perspectives to be incorporated into discussions of strategic issues.

At the end of 2023, with input from employees across divisions, Human Resources leadership and the Board, we established my 2024 programme for engagement with our people based around three pillars:

- diversity, inclusion and wellbeing
- collaboration
- performance and capability.

A new focus on performance and capability has provided an opportunity to explore our performance culture and impacts on employee engagement. All three pillars were relevant to our business and aligned with the priorities established by wider management and the Board. Engagement with employees during 2024 was structured around these pillars and we tracked the impact and outcomes of my engagement.

Some of my 2024 activities

Through meeting people at our business locations in Cardiff, Chicago and London, I have been able to focus on issues specific to business areas and location, building on all three pillars of my programme.

I have participated in various events across the business. These have included hosting a talent discussion panel at the Institutional Retirement Grade 5 careers event, providing an opportunity for employees typically at a middle-management level to understand the diversity of career paths based on the individual panellist experiences. In addition, I have attended several events, including one focused on Black Women in Asset Management, and divisional leadership team meetings, to understand the ambition, successes and challenges our employees are facing.

I received regular updates on diversity, inclusion and wellbeing and employee listening activities, including the Voice survey results, and actions being taken following such results. I met with the Human Resources directors to understand the divisional context of these topics and to share key updates from the Board, driving the two-way dialogue.

My relationships with Unite and the Management Consultative Forum (MCF) are critical. During 2024, I met with representatives from both organisations every quarter. These meetings provide an opportunity to gather the views and concerns of a range of employees at a variety of grades across the Group, which I then share with wider management and the Board, with the aim, where relevant, of seeking suitable solutions or outcomes.

Key responsibilities

In consultation with Human Resources, my key responsibilities include:

- active participation in a programme of workforce engagement to enhance meaningful two-way dialogue
- regular review of the methods and outcomes of workforce engagement activities to assess their effectiveness
- review of insights from activities and other data sources that monitor the Group's culture
- reporting to the Board on workforce engagement activities, including any key insights or observations gained, and any areas of workforce concern.

"Nilufer embodies our collaborative approach to positive employee relations, embracing Unite and our unique and authentic partnership. This leads to genuine, positive impacts on our colleagues."

Pam Edwards
Head of Unite

Nilufer's engagement during 2024:

Collaboration:

- quarterly engagements with Unite and the MFC
- bi-annual meetings with the Employee Listening team
- bi-annual engagements with Human Resources directors across the L&G Group
- presented at the first group-wide town hall event alongside António Simões following his appointment as Group CEO in January 2024.

Diversity, inclusion and wellbeing:

- quarterly engagements with Group Head of Diversity, Inclusion and Wellbeing
- attendance at the Black Women in Asset Management event.

Performance and capability:

- attended and presented at an Institutional Retirement Grade 5 careers event
- attended Retail Leadership Team event
- discussed new assessment measures with Unite, MCF and wider management.

Strengthening the employee voice

At each Board meeting, I report on my activities as Designated Workforce Director since the last meeting and provide relevant feedback and updates against my programme for engagement, including any issues raised and potential responses or changes.

Not all issues require discussion with the Board and so I decide in each case whether it is more appropriate to raise issues with the relevant member of the executive team and then report to the Board on any action taken.

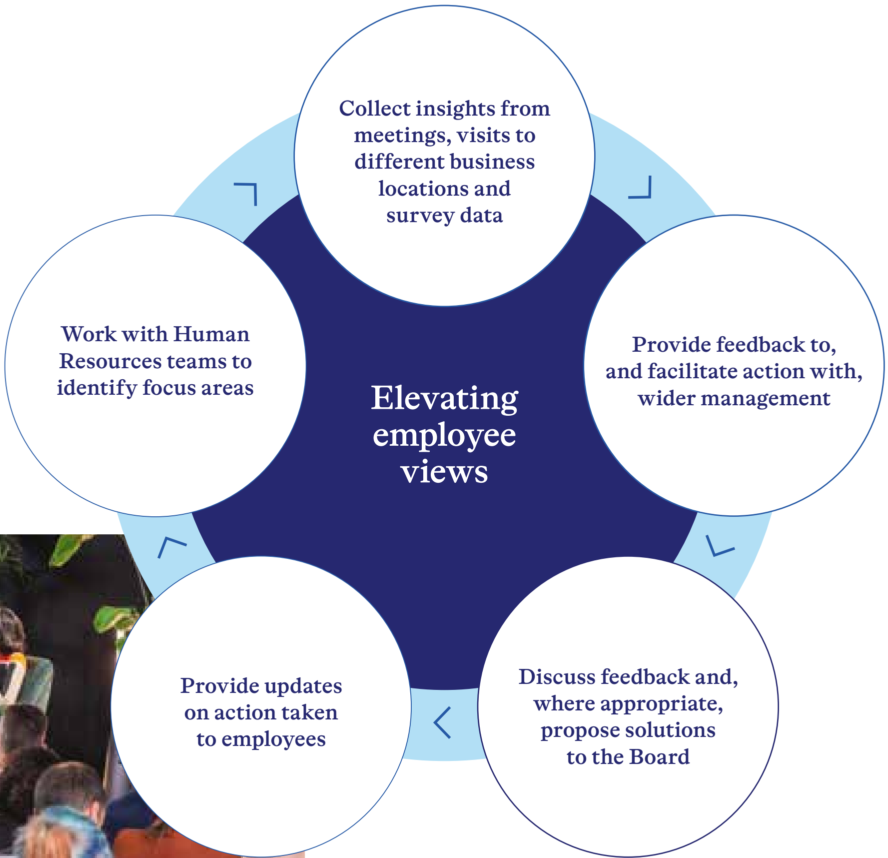
The key focus is always to ensure that what matters most to our people is communicated and, where appropriate, addressed, while providing our people with transparency of relevant Board activities.

Voice

I interrogate the Voice survey data to understand how our people feel, and this is discussed by Board members at the Nominations and Corporate Governance Committee, together with any appropriate actions to take in response. In September 2024, we reported an Employee Engagement Index of 80%. Work is underway to improve this in 2025, through our revised Employee Listening Strategy.

2025

2024 was the final full year of my role as the Designated Workforce Director, and I will hand over to Carolyn Johnson in April 2025. I would like to thank all the employees with whom I have spent time over the last three years. Their openness in talking about working at L&G and their suggestions have helped make it a better place for everyone to work.



António Simões and Nilufer Kheraj at a hybrid town hall event in January 2024.

Section 172(1) statement and stakeholder engagement

Statement on Section 172(1) of the Companies Act 2006 (the 'Act')

Section 172(1) of the Act requires directors to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so, have regard to a non-exhaustive list of factors to ensure that the broader implications and interests of stakeholders are considered in their decision making.

The Board recognises the importance of nurturing its positive relationships with its key stakeholders and is committed to maintaining strong engagement with them. The Board believes that this engagement provides meaningful insights into the views, priorities and issues facing its key stakeholders which can then be considered as part of the Board's strategic decision making and planning.

The Board has reflected on its engagement mechanisms throughout 2024 and concluded that they remain effective and have provided the Board with a comprehensive understanding of the interests of its key stakeholders.

A summary of the Board's major decisions and activities during 2024 can be found below. This, combined with our key engagement activities on page 73, makes up our section 172(1) statement. Further information on our key stakeholders and their importance is set out on pages 42 and 43.

Major activities and decisions during 2024

The following examples of major activities and decisions during the year illustrate how the Board considers different stakeholders' interests in its decision making and how the outcomes of these decisions support the implementation of the Group's long-term strategy and its strategic priorities (as set out on pages 10 to 13).

We believe that major decisions are those that are both material to the Group and to its key stakeholders. While not all decisions affect every stakeholder group, the Board and its delegated decision-making forums endeavour to balance the sometimes conflicting needs of our stakeholders to ensure that all are treated consistently and fairly.

Major decisions

Approval of the sale of our US protection business to Meiji Yasuda, and the creation of a long-term strategic partnership, for a sale price of $2.3 billion

Sustainable Growth

Sharper Focus

Enhanced Returns

In February 2025, the Board approved the sale of the Company's US insurance entity, comprising its US protection and US PRT businesses, to Meiji Yasuda Life Insurance Company, a Japanese mutual life insurance company, for a sale price of $2.3 billion (£1.8 billion). The approval also marks the formation of a long-term strategic partnership with Meiji Yasuda to support L&G's growth ambitions in US PRT, as well as growing our Asset Management business through the outsourcing of the investment management of the US PRT and protection assets to L&G.

The sale demonstrates our continued momentum in executing the Group's new strategy, by sharpening our focus on core businesses, leveraging the synergies between them, and driving sustainable growth to enhance shareholder returns.

Key stakeholder considerations

Shareholders: Throughout the year, the Board considered the sale with a view to addressing the best outcome for shareholders. In line with the Group's capital allocation framework, it is the Board's current intention, subject to market conditions and regulatory approval and following completion of the sale, to return £1 billion to shareholders, representing more than half of the sale proceeds. When approving the sale, a key consideration for the Board was that the sale would drive sustainable growth, to enhance future shareholder returns.

Regulators: In line with our continuous strong and positive regulatory engagement, we were in regular dialogue with the Prudential Regulation Authority (PRA) on the sale (and the proposed share buyback) throughout the duration of the negotiations. Regulators in the US, Bermuda and Japan were also engaged at the appropriate points, as was the FCA. We will continue to engage with the relevant regulators throughout 2025.

Employees: The Board spent considerable time considering the impact of the sale on employees in both the US protection and PRT businesses, as well as across the wider L&G workforce. This included ensuring that colleagues were appropriately aligned to make certain that the long-term strategic partnership was set up for success. The Board reviewed and input into the detailed and bespoke communications plans for each of the employee groups affected.

Clients and intermediaries: The Board also considered the impact of the sale on the clients and intermediaries of the US protection and PRT businesses, and were supportive of the proactive and detailed communication plans for these stakeholder groups.

Major decisions continued

Approval of L&G's share buyback programme

Enhanced Returns

As part of its vision for a growing, simpler and better-connected business, this year the Board approved and completed a share buyback programme as the first step of its plan to increase returns to shareholders over the long term.

As announced at the Capital Market Events in June 2024, the Board intends to return more to shareholders over 2024 – 2027 , through a combination of dividends and buybacks, with 5% DPS growth to FY24 and a £200 million share buyback in 2024, followed by 2% DPS growth per annum out to FY27 and further similar buybacks.

Key stakeholder considerations

Shareholders: The decision to commence a share buyback programme marks the Board's intention to increase returns to our shareholders over the longer term through a combination of dividends and buybacks.

Regulators: Our regulators were engaged in advance on our plans to update our capital allocation policy and to commence a share buyback programme. Our regulators were also kept up to date on the progress of the share buyback programme up until its completion in November 2024.

Approval of a £1.1 billion buy-in with the Deutsche Bank Pension Scheme and approval of gilts-based investment strategy

Sustainable Growth

Sharper Focus

Enhanced Returns

The Board approved a £1.1 billion full buy-in with the Deutsche Bank (UK) Pension Scheme (sponsored by a subsidiary of Deutsche Bank AG) (the 'DB Scheme') in the amount of £1.1 billion, securing the benefits of around 4,000 members.

The DB Scheme is a long-standing client of our Asset Management division and this transaction was the DB Scheme's third buy-in with L&G. The DB Scheme transacted under an umbrella agreement with L&G which ensured a smooth agreement of commercial terms. The transaction also included a facility to accommodate new benefits for the 250 active employee members as they accrue additional service.

As part of its approval of this PRT transaction (as well as others), the Board carefully considered and approved the use of a gilts-based investment strategy. This pivot in investment strategy in 2024 has provided L&G with additional flexibility to meet the needs of our clients (and also their members).

For more information on our Institutional Retirement business, please visit pages 24 to 25.

Key stakeholder considerations

Customers: This transaction secured the benefits of around 4,000 members and has also cemented our partnership with the DB Scheme on a long-term basis. As populations live longer, their pensions last longer too. By delivering on a carefully considered and well-established plan, we helped maximise the outcomes of the DB Scheme's members for the long term.

Shareholders: The global PRT market is growing, and the Group is well positioned to continue to seize the opportunity. In 2024, Institutional Retirement wrote global PRT volumes of £10.7 billion contributing towards the division's target operating profit CAGR of 5 – 7% (FY23 – FY28).

Regulators: We continue to maintain strong and positive regulatory engagement with the PRA who are regularly updated on our pipeline of PRT transactions.

Major activities

Relocation of headquarters

Sustainable Growth

Throughout the year, the Board was updated on the progress of securing a 15-year lease to occupy 10 Coleman Street, our new London headquarters, from 2027. Our aim was to offer a modern and enhanced workplace, helping to further our ambition for a better-connected L&G, with increased collaboration and employee wellbeing offerings, as well as a strong focus on sustainability.

L&G's decision to move to 10 Coleman Street is a reflection of the building's impressive facilities, but also its desirable location and sustainability credentials. In addition, the refurbished building provides the room to meet the emerging needs for flexible connection and collaboration space, and will provide a significant amount of reimagined and sustainable workspace, as well as space for food and beverage operators, and extensive ground-floor public realm on Basinghall Street and Coleman Street.

Key stakeholder considerations

Employees: Our workforce is vital to our success. To support our inclusive company culture, and to help us understand the views of our employees, London-based employees were invited to answer questions and provide their views and preferences on their future working environment. Engagement with employees will continue to be conducted throughout the planning and fit-out stages to ensure that we make the most of the new workspace.

Communities and environment: 10 Coleman Street has been designed for sustainability, wellbeing and inclusivity. The new office has been developed using a climate-focused approach and supports the delivery of our sustainable growth agenda. The building is set to be net zero in construction and is on track to achieve a Building Research Establishment Environmental Assessment Methodology (BREEAM) 'Outstanding' rating and a 4.5 star National Australian Built Environment Rating System (NABERS) rating. These strong sustainability credentials align with L&G's target to become net zero in its operational carbon footprint by 2030. The landscaped outdoor spaces will also provide urban greening, biodiversity and first-class public realm for both the occupiers and the local community.

Launch of the L&G Private Markets Access Fund

Sustainable Growth

Sharper Focus

The Board oversaw the launch of the L&G Private Markets Access Fund (the 'Fund') in July, offering our 5.2 million defined contribution (DC) members the opportunity to access the benefits of diversified private markets exposure.

The launch of the Fund marked a significant milestone for UK pensions, providing DC investors with access to the long-term growth potential of private markets and greater diversification through exposure to investments that are not typically accessible through public markets. The Fund offers DC investors a single point of access to a diversified portfolio of private market assets across L&G's own private markets capabilities, as well as those available through individual securities and third-party strategies, providing exposure to investment themes such as clean energy, affordable homes, university spin-outs and critical infrastructure.

The Fund demonstrates our synergistic model as a competitive advantage, by bringing together our public and private markets capabilities in a single Asset Management division, while also targeting growth in our workplace DC pensions business.

For more information on the Fund, see page 12.

Key stakeholder considerations

Customers: L&G anticipates the Fund will drive greater engagement amongst DC members with their pension. The Fund offers DC scheme savers access to high-growth investment opportunities, supporting people to build the savings they need for retirement.

When developing the Fund, we spent a lot of time talking to customers about what is important to them, ensuring that the assets available align to our members' long-term investment horizons, while delivering value for money.

Communities and environment: Not only do we think access to private markets will help to grow our retirement savers' pension pots, but we believe they could unlock opportunities to support local communities and the environment too. For example, by investing in the L&G NTR Clean Power Europe Strategy, the Fund enables a pension scheme to directly fund the development of a wind or solar farm, contributing to the green energy transition. Similarly, through the Fund's allocation to L&G's Affordable Housing initiatives, which aim to significantly improve the supply, sustainability and quality of affordable homes, a scheme could make a positive contribution to local communities.

Regulators: We continued to maintain strong and positive regulatory engagement with the FCA throughout the regulatory application process for the Fund.

Key stakeholder engagement during the year

Stakeholder	Key engagement activities throughout the year
Shareholders	• The Chair, Group CEO and Group CFO attend numerous investor roadshows throughout the year with our key institutional investors to understand their views on areas such as our strategy, financial performance, AGM voting and the macroeconomic environment. • Following the release of our full and half year financial results, the Group CEO, Group CFO and divisional CEOs meet with investors and analysts. In addition, a webcast of each results presentation is made publicly available on the corporate website to enable accessibility for our shareholders. • The Group CEO, Group CFO and divisional CEOs also met with investors and presented the Group's strategy in June 2024 at the Capital Markets Event. A live presentation webcast was also made available. • The AGM continues to provide an important opportunity to engage with all shareholders, particularly our retail shareholders. • In December 2024, we held the first in a series of deep dives for investors to find out more about our Institutional Retirement business. • As at February 2025, L&G's shareholder tracing programme had reunited shareholders with over 1.2 million shares and led to the reissue of over £1 million of dividend payments.
Suppliers	• The Group CFO and members of the senior management team meet with key suppliers during the year to discuss performance and strategy. • The L&G Resources Limited board, our main contracting entity for suppliers, is responsible for reviewing and monitoring the Group's key supplier relationships and receives an update at each board meeting on our relationships with suppliers and their performance. • The Executive Risk Committee, Group Risk Committee and Group Data and Technology Committee receive reports relating to suppliers' operational and cyber security resilience. • The Group Environment Committee also receives updates on suppliers in the context of setting environmental targets aligned with our net zero ambitions. More information on the sustainability of our suppliers can be found in the Social impact report and the Climate and nature report.
Regulators	• Board members engage with our regulators on a regular basis in an open and transparent manner, including discussion on supervisory priorities. • Regular meetings continue to take place between senior management and our regulators, the outcomes of which are reported to the Board and relevant Board Committees. • Periodic meetings continue to take place between management, trustees of our master trust pension scheme and The Pensions Regulator, the outcomes of which are reported to relevant subsidiary boards, as appropriate.
Communities and environment	• Through organised site visits, Board members are able to see first-hand how the Group's direct investments in infrastructure positively impact local communities by delivering socially and environmentally positive housing and workplaces at scale. • Our Group Sustainability function is responsible for developing areas of focus for sustainability activity, as well as forming charitable partnerships and enabling our employees' fundraising and volunteering endeavours. • Our Group Environment Committee is responsible for overseeing and monitoring progress of the Group's environmental commitments. • For information on the Group's climate commitments, see the Climate and nature report.
Customers	• Laura Wade-Gery, in her role as Consumer Duty Champion, continues to lead on providing Board oversight of the implementation of the Consumer Duty regulation across the Group to ensure that we continue to deliver good outcomes for retail customers. Laura chairs the Customer Outcomes Forum, which was established to oversee the implementation and subsequent embedding of the Duty across the Group. • The Board receives detailed customer management information at each meeting to ensure that customer outcomes are robustly monitored. • We hold annual member forums for thousands of members of our pension schemes which allow members to ask questions in a live Q&A environment. • We launched the L&G app, providing our workplace members with easy access to pension, savings, and retirement tools in one user-friendly platform.
Employees	• Nilufer Kheraj continues to engage with our workforce through her position as our Designated Workforce Director. Further details of Nilufer's engagement can be found on pages 68 and 69. • Members of the Board host numerous employee town halls throughout the year at our various office locations, including following the announcement of full year and half year results, which provide an opportunity for the Board to increase employee awareness of the factors affecting the performance of the Company, as well as supporting direct engagement through live Q&A sessions.

Other considerations in the Act

Likely consequences of decisions in the long term
When setting the Group's strategy, the Board aims to drive the ongoing and sustained success of the Group's businesses, while also considering the long-term impacts of its decisions and actions on its stakeholders.

For more information on our strategic priorities:

Read more on pages 10 to 13

Maintenance of a reputation for high standards of business conduct
The Board is cognisant of maintaining the Company's reputation and maintaining high standards of business conduct throughout the Group.

For more information on the sustainability of our business and our risk management framework:

Read more on pages 30 to 39 and 44 to 53

Audit Committee report

Committee overview

Committee meetings and membership

The Committee met six times during the year. The Committee comprises only independent non-executive directors and fulfils the experience and expertise criteria required by the UK Corporate Governance Code and the FCA's Disclosure and Transparency Rules.

Meeting attendance

Member	Scheduled	Ad hoc
Tushar Morzaria (Chair)	5/5	1/1
Philip Broadley	5/5	1/1
Carolyn Johnson	5/5	1/1
Nilufer Kheraj OBE	5/5	1/1
George Lewis	5/5	1/1

The role of the Committee

The Committee monitors the integrity of the Group's financial reporting (including climate and other ESG-related disclosures) and provides oversight of the control environment. In addition, the Committee monitors the adequacy and effectiveness of the Group's system of risk management and internal control as well as the Group's internal and external audit processes.

Key responsibilities

- Consider the integrity of the Group's financial and non-financial reporting, formal announcements and regulatory information in relation to the Group's financial performance.
- Assess the going concern assumption and the longer-term viability statement.
- Advise the Board on whether the Annual report and accounts is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.
- Review the Group's accounting policies, including any proposed changes, and review the appropriateness of significant accounting policies and judgements.
- Review and make a recommendation to the Board on the adequacy and effectiveness of the Group's system of internal control over financial reporting.
- Oversee the appointment, reappointment, remuneration, independence and effectiveness of the external auditor.
- Oversee the work of Group Internal Audit (GIA) including the independence and effectiveness of the function.
- Oversee the audit committees of the Company's principal operating subsidiaries.

Committee's terms of reference
The Committee's terms of reference can be viewed on our website:

Discover more online

group.legalandgeneral.com/groupboardcommittees

I am pleased to present my report as Chair of the Audit Committee for the year ended 31 December 2024. The Committee has continued to assist the Board in fulfilling its core responsibilities this year, including monitoring the integrity of the Group's financial reporting, the adequacy and effectiveness of the internal control environment and the performance and objectivity of both the internal and external audit functions.

During a year of change for the Company, the Committee has continued to oversee, scrutinise and challenge key issues and management judgements as part of its monitoring and assessment of the integrity of the Group's financial and non-financial reporting. This was particularly pertinent as we oversaw the accounting implications of the Group's new strategy and subsequent divisional restructure, as well as a number of material transactions that occurred during and after the year end. The Committee has also focused on the internal control environment and receives regular updates from management on the effectiveness of the controls in place for financial reporting, while also examining the progress of remediation for any deficiencies identified throughout the year. In particular, following the implementation of IFRS 17 and IFRS 9 in 2023, the Committee has continued to oversee the embedding of these complex new accounting standards into financial reporting processes and controls, and has been pleased to see the speed and quality of progress made in this regard. The Committee has also received regular updates on the changing legislative and regulatory environment and the implications of this in respect of reporting, including the new requirements of the 2024 UK Corporate Governance Code.

Committee membership and skills

The Board considers that the Committee, as a whole, has a balance of skills and experience to deliver its responsibilities and has competence relevant to the sector and broader financial services industry. In addition, the Board considers that I, as Chair of the Committee, have recent and relevant financial experience and am competent in accounting and auditing.

All members of the Committee are also members of the Risk Committee, which ensures that there is appropriate identification and management of any issues that are relevant to both committees. The full biographies of all Committee members can be found on pages 58 and 59. Between meetings, I meet regularly with senior management across the Group's Finance, Tax and Internal Audit functions, as well as with the lead external audit partner.

Financial and non-financial disclosures

The Committee reviewed the half year and annual financial statements, which focused on the integrity, accuracy and clarity of disclosure, application of accounting policies and judgements and compliance with legal and relevant reporting standards. As part of its review, the Committee received regular updates from management and the external auditor and was able to place reliance on the updates provided by management throughout the year on internal controls in relation to financial and non-financial reporting. For more information relating to the application of accounting policies, please refer to Note 1 of the financial statements.

As part of its review of financial disclosures, the Committee also considered whether the annual report was fair, balanced and understandable (FBU) and whether it provided the information necessary for shareholders to assess the Company's position, performance, business model and strategy, as well as the risks facing the business including in relation to increasingly important ESG and climate considerations. The Committee reviewed the FBU assessment taking into consideration the impact of market volatility and the changing interest rate and inflationary environment and giving due attention to the use of Alternative Performance Measures (APMs) in increasing the level of information available to investors on the Company's underlying performance and the effects of one-off financial events. As a result of the launch of the Group's new strategy in June 2024, a number of new APMs have been introduced, and the Committee has considered the appropriateness of their incorporation into the Group's suite of external reporting documents from an FBU perspective, as well as their alignment with the guidelines of the European Securities and Markets Authority (ESMA) in relation to APMs. In conjunction with verification processes, management assurance and a report from the external auditor, the Committee recommended to the Board that the Annual report and accounts, taken as a whole, is fair, balanced and understandable.

The Audit Committee, together with the Risk Committee, reviewed the key assumptions and methodologies of the risk-based capital model, Solvency II disclosures and disclosures made in relation to internal control and risk management, as well as the principal risks and uncertainties the Group faces. The Committee can confirm that the key judgements and significant issues considered in relation to the 2024 financial statements are consistent with the disclosures of key estimation uncertainties and critical judgements as detailed in Note 1 on page 134. The statement is underpinned by the Committee's belief that all important information has been disclosed and that the descriptions and reviews of the Group's business and performance as set out in the Strategic report are consistent with the financial reporting in the Group's financial statements.

Internal control

The Committee has the primary responsibility for the oversight of the Group's system of internal controls including controls over financial reporting and the work of the Internal Audit function. The Committee, in collaboration with the Risk Committee, seeks to ensure that the Group operates within a framework of prudent and effective controls that allow risks to be identified, assessed and managed. The Committee has received regular updates on the Group's overall control environment throughout the year as well as further in-depth updates focused on the Group's divisions and where areas for improvement in the control environment have been identified.

Policies and manuals in relation to International Financial Reporting Standards (IFRS) and Solvency II reporting requirements and a Financial Control Framework (FCF) are in place across the Group. FCF is a first line framework that supports the Committee in enabling it to understand and assess the design and effectiveness of controls over financial reporting (covering IFRS, APMs, and Solvency II) and climate and other non-financial reporting. FCF is a risk-based approach with management identification, documentation, testing, remediation (as required), reporting and certification over key reporting-related controls.

The Committee, together with the Risk Committee, monitored the effectiveness of the systems of internal control over financial and non-financial reporting that support the integrity of the Group's financial and non-financial disclosures, in accordance with the requirements of the guidance on risk management, internal control and related financial and business reporting published by the FRC. During this review, the Committee did not identify any weaknesses which were determined to be significant to the preparation of the financial statements. Where areas for improvement were identified, processes are in place to ensure that the necessary actions are taken, and progress is monitored by the Committee.

In January 2024, the FRC announced the publication of the 2024 Code. The Committee, together with the Risk Committee, will oversee and make recommendations to the Board in relation to the changes to Provision 29 of the Code, which will come into force from 1 January 2026. The changes bring a greater level of transparency as to how the Board is fulfilling its broader requirements in relation to audit, risk and internal control, and will require the Board to make a specific declaration on the effectiveness of material controls at the balance sheet date. The Committee is overseeing any work that is required to enable the Board to make such a declaration, which will be in the Annual report and accounts for the year ended 31 December 2026.

Audit quality

It remains an important aspect of the Committee's work to keep under review the independence and effectiveness of the internal and external audit process.

Internal audit

The Committee continued to oversee and support the work of the GIA during the year. The Group Chief Internal Auditor presents a report at each scheduled Committee meeting, to update the Committee on the results of audits since the previous meeting. The report includes: GIA's assessment of the overall control environment for each of the Group's divisions; details of any significant audit reports issued; and an update on the status of open and overdue issues to address audit findings and key themes and trends.

Key areas of GIA's work reported to the Committee during the year included: processes and controls supporting financial reporting under IFRS 17; processes and controls supporting solvency capital requirements; management of liquidity and market risk; data, cyber and physical security; technology resilience; third party risk management; implementation and embedding of the FCA's Consumer Duty; processes and controls to prevent and detect financial crime; governance and processes supporting the Group's strategic change programme; and various audits of key operational processes.

GIA continues to evaluate the risk and control culture across the Group and includes specific reporting to the Committee on the results of this work. The Committee approved GIA's risk-based audit plan for the year and monitored the delivery of the plan throughout the year as well as the associated key performance metrics. GIA retained EY as a strategic co-source partner and Deloitte for the provision of independent quality assurance (QA) over a sample of audits completed during the year. The results of the independent QA activity were reported to the Committee.

The Committee continued to meet with the Group Chief Internal Auditor in private throughout the year. In accordance with the Chartered Institute of Internal Auditors' Financial Services Code of Practice, the Committee conducted its annual review of the independence and objectivity of the Group Chief Internal Auditor and concluded that independence and objectivity had been maintained throughout the year. The Committee undertook its annual review of, and approved, the GIA Charter, which includes GIA's mandate and its role in the organisation, which was to help the Board and senior management to protect the assets, reputation and sustainability of the organisation through the provision of independent, risk-based and objective assurance, advice and insight. The Committee also undertook a regular review of key performance indicators, including: audit plan delivery progress; resourcing and skill levels; and progress by GIA in completion of its strategic development actions.

Based on regular internal audit reporting, private sessions with the Group Chief Internal Auditor, and taking into consideration the independent QA activities over GIA's audits, the Committee is satisfied with the effectiveness of the GIA function, the independence of the Group Chief Internal Auditor, its positive impact upon the effectiveness of governance, risk management and controls across the organisation; and the appropriateness of its resources.

External audit

The Committee has the primary responsibility for overseeing the relationship with, and performance of, the external auditor. This includes making recommendations for their appointment, reappointment, removal and approval of remuneration. The Committee reviews and approves the terms of engagement of the external auditor and monitors its compliance with the independence criteria in the UK Corporate Governance Code.

The Committee meets regularly and privately with the external auditor. These meetings allow for regular and open dialogue of any issues relevant to the Committee's work. Audit Committee members also meet regularly with management outside of formal Committee meetings to discuss the relationship with the external auditor and the efficiency of the audit process. Throughout the year, the Committee has received updates on the quality of the external audit process and has continued to work with, and challenge, management and KPMG on efficiency gains and ensuring that audit fees are fair and proportionate to the audit work required for the Group.

Appointment

The Company confirms that it has complied with requirements governing the appointment of an external auditor, notably the requirements of the Competition & Markets Authority contained in the Statutory Audit Services for Large Companies Market Investigation (Mandatory Uses of Competitive Tender Process and Audit Committee Responsibilities) Order 2014, including requirements for mandatory audit firm rotation. Following a competitive tender carried out in 2016, KPMG was appointed as the Group's external auditor with effect from the financial year ended 31 December 2018. In May 2024, KPMG was reappointed as the Group's external auditor for the financial year ended 31 December 2024, which is their seventh year as the Group's external auditor.

The Committee considers the quality and effectiveness of the external audit and recommends to the Board, on an annual basis, whether to recommend the reappointment of the external auditor for shareholder approval. On the basis that KPMG continue to maintain their independence and objectivity, and the Committee continues to remain satisfied with their performance, there are no plans as at the date of this report to conduct a tender exercise for external audit services in relation to reporting periods before the end of the current required period of 10 years. The Committee believes it would not be appropriate to tender before the end of this period as it recognises that, while it is important to ensure the audit firm remains objective and does not become overly familiar with management, there is an important balance to be struck with the investment of time required both from management and any completely new audit team for them to gain sufficient understanding of a large and complex organisation, such as L&G, to ensure a high quality audit.

Assessment of independence and effectiveness

The Committee is responsible for assessing the effectiveness, objectivity and independence of the external auditor. This assessment is ongoing throughout the year and concludes with a formal, internal, effectiveness review, which was conducted in December 2024. The 2024 audit effectiveness review was undertaken to assist the Committee in assessing the quality of external auditor services provided to the Group through completion of a questionnaire by the Committee, senior management, and members of the Group's finance teams. As part of the ongoing assessment and effectiveness review, the Committee assesses the external auditor against a number of criteria, including but not limited to: delivery of an efficient and effective audit; the quality of judgements and audit findings; the ability to meet objectives within agreed time frames; provision of timely and accurate industry-specific and technical knowledge; and maintaining a professional and open dialogue with the Audit Committee Chair and members at all times. The Committee holds regular private meetings with the external auditor to discuss the audit process and relationship with management.

The Committee and management have a regular and open dialogue with KPMG and the audit partner regularly attends Committee meetings. The Committee also receives reports from the external auditor on the progress of its audit activities and updates on its risk assessment. The Committee reviews the content of these reports and the level of professional scepticism and challenge of management assumptions demonstrated by the external auditor and, where appropriate, requests that management respond to that challenge and tracks management responses to ensure a satisfactory outcome to the challenges raised.

The Committee was provided with the findings of the FRC's Audit Quality Review (AQR) inspection of KPMG and other large firms which largely covered the years ending between June 2022 and May 2023, and discussed these with KPMG. No specific actions were required as a result of the AQR. The AQR provided further external evidence to the Committee of the robustness and quality of the external audit process.

Overall, the assessment of KPMG remains positive and, where opportunities for improvement have been identified through the effectiveness review, KPMG were asked to consider that feedback in future audit cycles. Taking into account the result of the formal evaluation and the ongoing assessment throughout the year, the Committee concluded that KPMG maintained its independence and objectivity and that the audit process was effective. Upon the Committee's recommendation, the Board has recommended that KPMG be reappointed as the Company's auditor, by shareholders, at the 2025 AGM.

Non-audit services

In order to safeguard the auditor's independence and objectivity, the Group has in place a policy setting out the circumstances in which the external auditor may be engaged to provide services other than those covered by the audit. The policy applies to all L&G subsidiaries and other material entities over which the Group has significant influence. The core principle of the policy is that non-audit services (other than those legally required to be carried out by the Group's auditor) should be performed by the auditor only in certain controlled circumstances. The policy sets out those types of services that are permitted (permitted services) and those types of services which are not permitted. The policy pre-approves a number of the permitted services, provided the fee is below a certain threshold; all other permitted services must be specifically approved in advance by the Committee.

The policy is reviewed on an annual basis to ensure that it is fit for purpose and that it reflects applicable rules and guidelines. The policy is aligned with the FRC's requirements and includes the requirement to consider the self-review test under the International Ethics Standards Board for Accountants (IESBA) Code of Ethics, applicable for periods beginning on or after 15 December 2022, before a proposed engagement is assigned. It is also aligned with KPMG's own internal policy on non-audit services for FTSE 350 companies, which broadly restricts non-audit work to services that are 'closely related' to the audit. Any changes to the policy are required to be approved by the Committee. This is in accordance with laws applicable in the UK and FRC guidance, pursuant to which audit committees of Public Interest Entities are required to approve non-audit services provided by their auditors to such entities; and subsidiary Public Interest Entities in the UK – such as Legal and General Assurance Society Limited (LGAS) – can rely on the approval of non-audit services by the ultimate parent board's Audit Committee.

Audit fees

The Committee assesses the external auditor's fee structure, resources and terms of engagement annually. Total fees paid to the auditor for the year were £19.8 million (2023: £23.1 million), of which £2.3 million (2023: £1.9 million), was spent on other audit-related and non-audit other assurance services. £1.8 million (2023: £1.6 million) was spent on audit-related services required by legislation, which is excluded from any calculation of the ratio of non-audit to audit fees in accordance with the UK FRC Revised Ethical Standard for Auditors (2019). Further details can be found in Note 31 to the consolidated financial statements. The non-audit fee represents 6% of the total audit fee for 2024. The Committee continues to work with KPMG to ensure costs remain appropriate and proportionate to the services provided.

	2024 £m	2023 £m	2022 £m
Audit	15.7	19.6	14.2
Audit-related required by legislation	1.8	1.6	1.6
Other audit-related	1.2	1.0	0.9
Non-audit other assurance	1.1	0.9	0.8
Total	19.8	23.1	17.5

Tushar Morzaria
Chair of the Audit Committee

Key accounting and reporting judgements

Throughout the year, the Committee was briefed at each meeting on the Group's key accounting and reporting judgements by management and KPMG. The Committee's response to each issue can be found below, and the Committee is satisfied that the financial statements appropriately address the key accounting judgements and estimates in respect of both the amounts reported and disclosures made.

Issue	Committee's response
Valuation of insurance contract liabilities – retirement: The insurance liabilities for retirement products are significant in size and their estimation is inherently judgemental.	The Committee evaluated the significant judgements that have an impact on the valuation of insurance liabilities for retirement products. This included considering: Longevity assumptions – which estimate how long policyholders receiving annuity payments will live. The challenge around the setting of longevity assumptions was a particularly significant area for review as the judgements made could be expected to have a material impact on the Group's results. The Committee considered the effectiveness of the controls over the accuracy and completeness of the data used in determining the longevity assumption and the validity of independent industry data supporting those assumptions. The Committee also reviewed available data illustrating recent trends in mortality experience in the UK population and the mortality experience on different blocks of our business, taking account of the uncertainty in more recent data as a result of Covid-19. Valuation interest rates – which are used to discount the liabilities. These are sensitive to judgements made, for example, on credit default of the backing assets, as well as the investment data used to calculate the internal rate of return. The Committee focused on management's proposed changes to reserving assumptions, other modelling changes, and the determination of the credit default assumption. This included analysis of internal historical data and external market experience. Directly attributable expense assumptions – which determine the specific future expenses that are incorporated in the calculation of the IFRS insurance liabilities. The Committee considered the allocation between servicing new and existing business and the consistency of approach applied. The Committee concluded that the retirement insurance contract liabilities are appropriate for including in the financial statements, reflecting the asset risks and the available data on policyholder longevity.
Valuation of complex investments: Mark to model investments can involve significant judgement and can produce valuation challenges for investments in new classes. Mark to model valuations inherently include assumptions that lead to the existence of a range of plausible valuations for financial instruments (known as valuation uncertainty). Certain assets are subject to a higher degree of valuation uncertainty, particularly where valuations are modelled using no market inputs or the valuations are affected by other factors such as the illiquidity of the asset.	The Group balance sheet carries exposure to complex investments (typically classified as Level 3 in the fair value hierarchy), in line with the Group's strategy and risk appetite. The valuation of these investments, including property assets, lifetime mortgages and private credit, requires the use of complex models and management judgement. The Committee seeks to ensure that the valuation process for these investments is robust. These harder to value assets remain a key area of focus, partially heightened in 2024 as a result of macro-economic volatility and geopolitical events. The valuation of a number of asset classes is sensitive to varying interest rates and inflation, and these have therefore been areas of enhanced challenge and review by the Committee. The Committee has continued to review the processes and controls over investment valuations, and in particular the valuation uncertainty policies and governance which include management's assessment of valuation uncertainty by asset type. While we do not currently see any material impact on the valuation of our asset portfolio arising from climate change, this continues to be an area of increased consideration along with other ESG factors in both internal and third-party valuations. The Committee concluded that there are appropriate controls surrounding the valuation of complex assets and that they are valued appropriately for inclusion in the financial statements.
Valuation of insurance liabilities – protection: The insurance liabilities for protection contracts are an important driver of the profitability for this line of business and require judgements to be made regarding the assumed rates of mortality and persistency. The Company makes extensive use of reinsurance to reduce mortality risk.	The Committee has reviewed the methodology for calculating reserves including the allowance made for payments to and from reinsurance counterparties. The assumptions for the rate of future mortality and morbidity (how many customers will die or become ill during the policy term) and persistency (how many customers will discontinue cover) are based on the Company's internal experience and use judgement about how experience may vary in the future. During 2024, the Committee has spent time reviewing the findings and judgements in respect of the continuing elevated levels of mortality experienced in the UK and the US, reflecting indirect impacts of Covid-19 related illness, and potentially reflecting the deferral of diagnostics and medical treatments for other conditions. The Committee reviewed the judgements underlying the directly attributable expenses included in the insurance liabilities and considered the effectiveness of controls in place over valuation models. The Committee concluded that the insurance liabilities of the Group's insurance businesses are appropriate for inclusion in the financial statements.
Alternative performance measures (APMs): APMs offer investors and stakeholders additional information on the Company's performance and the financial effect of 'one-off' events, and the Group uses a range of these metrics to enhance understanding of the Group's performance.	As part of its consideration of whether the Annual report and accounts is fair, balanced and understandable, the Committee has paid particular attention to the use of APMs in reporting the Group's performance. The Committee has reviewed the addition of new APMs following the launch of the Group's new strategy in June 2024, namely Core operating profit, Core operating earnings per share and Operating return on equity. Specifically, the Committee has considered the incorporation of these APMs into the Group's suite of external reporting documents to ensure that they are aligned to both the Group's disclosed policies on these APMs and the underlying principles of fair and consistent reporting. Where appropriate the Committee has reviewed additional disclosures provided to enhance transparency in respect of the Group's APMs. The Committee concluded that the use and disclosure of APMs, including the clarity of labelling the prominence of APMs versus statutory measures, are appropriate for inclusion in the Annual report and accounts.

Data and Technology Committee report

Committee overview

Committee meetings and membership

The Committee met five times during the year. The Committee is comprised entirely of independent non-executive directors. As well as the Committee members, the Group CEO, the Group CFO, the Group CRO and the Group Chief Technology Officer are expected to attend each meeting. The Committee is advised by independent Cyber Security and Information Technology advisors, who also attend each meeting.

Meeting attendance

Member	Scheduled	Ad hoc
Laura Wade-Gery (Chair)	4/4	1/1
Clare Bousfield[1]	1/1	
Philip Broadley	4/4	1/1
Carolyn Johnson[2]	1/1	1/1
Nilufer Kheraj OBE	4/4	1/1

1. Appointed to the Committee with effect from 1 December 2024.
2. Appointed to the Committee with effect from 1 September 2024.

The role of the Committee

The role of the Committee is to provide assurance to the Board on the management of data and technology and associated change programmes, and to ensure that the Group is operating within its targeted information security and cyber risk appetite.

Key responsibilities

- Provide oversight of, and guidance to, the Board with regards to all aspects of information technology, data and analytics and cyber security (including IT and information security) across the Group.
- Review and endorse the Group information technology and digital strategy, Group data strategy and Group cyber security strategy, and their respective implementation plans.
- Oversee technology and data aspects of major change programmes and understand their strategic contribution and risks.
- Review and endorse the operating model in place for information technology, data and analytics and cyber and information security, and subsequently consider its ongoing suitability.
- Review and approve any proposed technology projects and contracts within its remit of responsibility.
- Consider current capabilities relating to technology, data, cyber and digital skills and plans to address any gaps.
- Consider the adequacy, resilience and performance of suppliers and supply chains for IT and cyber.

Committee's terms of reference
The Committee's terms of reference can be viewed on our website:

Discover more online

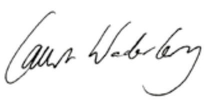
group.legalandgeneral.com/groupboardcommittees

I am pleased to present my report as the Chair of the Data and Technology Committee. The Committee's membership has been further strengthened this year through the appointments of Carolyn Johnson and Clare Bousfield, both of whom have previous experience in technology and organisational transformation.

The Committee's focus during the year has been on overseeing the development, design and implementation of the group-wide technology strategy. At this year's Board strategy event, the Board identified technology as a major opportunity to support growth, simplify complexities and costs, improve capabilities and enhance the Group's overall operating model. Alongside the Group Management Committee, the Committee has therefore overseen the implementation of the technology strategy to realise the benefits identified, which has included changes to IT functional leadership and accountability across the Group, as well the design of a technology operating model. We have benefited from the continued support of our external advisors throughout this process, who have worked closely with the executive to ensure that the strategy is centred on the right capabilities to drive future business growth and efficiency. The wider data analytics strategy continues to be a consideration for the executive as the Group's transformation develops.

During the year, the Committee has received updates from each of the Group's divisions on their respective transformational and major change portfolios. This has provided a rich insight into the maturity of the divisions' innovation and use of data and technology to drive strategic growth and improve efficiencies. The Committee continues to work with the divisions to ensure that they thoroughly consider the full potential of the Group's technological capabilities. In addition, throughout the year the Committee approved various technology-related business case spends within its remit of Board-delegated responsibility, received regular updates on technology service performance, data and cyber from the Executive Data and Technology Committee, and oversaw improvements to the management of technology risks across the Group through the implementation of an improved IT control framework. The Committee also continued to provide oversight of technology-related major change programmes throughout the year.

Significant progress has been made on the use of GenAI across the Group, and throughout the year there has been positive collaboration between divisions on the use cases being developed. Further work is required to ensure that AI and data continue to be built into the Group's strategic and transformation plans, which the Committee will continue to oversee.



Laura Wade-Gery
Chair of the Data and Technology Committee

Nominations and Corporate Governance Committee report

I am pleased to present my report as Chair of the Nominations and Corporate Governance Committee.

One of the Committee's main areas of focus for the year was succession planning, at both an executive and non-executive level. On the executive side, we welcomed the appointments of Eric Adler, our new CEO, Asset Management, and Katie Worgan, our new Group Chief Operating Officer, both of whom joined the Group Management Committee on appointment. We also appointed Clare Bousfield as a Non-Executive Director to the Board, following a rigorous search process.

In addition, the Committee has continued its engagement with the Group's principal operating subsidiaries throughout the year, overseeing a number of changes to the composition of key subsidiary boards.

Sir John Kingman
Chair

Committee overview

Committee meetings and membership

The Committee met five times during the year. The composition of the Committee remains in compliance with the Code, the requirements of its terms of reference and comprises only independent non-executive directors.

Meeting attendance

Member	Scheduled	Ad hoc
Sir John Kingman (Chair)	4/4	1/1
Henrietta Baldock	4/4	1/1
Philip Broadley[1]	3/4	1/1
Clare Bousfield[2]	1/1	
Carolyn Johnson	4/4	1/1
Nilufer Kheraj OBE	4/4	1/1
Lesley Knox[3]	3/4	1/1
George Lewis	4/4	1/1
Ric Lewis	4/4	1/1
Tushar Morzaria	4/4	1/1
Laura Wade-Gery	4/4	1/1

1. Unable to attend for medical reasons.
2. Appointed to the Committee with effect from 1 December 2024.
3. Unable to attend for personal reasons.

The role of the Committee

The role of the Committee is to ensure that the Board's composition, and that of its Committees, is appropriate to discharge its duties effectively, and to oversee the Company's corporate governance framework and commitments to diversity and inclusion.

Key responsibilities

- Regularly review the structure, size and composition of the Board.
- Lead the process for new appointments to the Board, ensuring appointments bring the required skills, knowledge, background and experience to the Board to support the development and oversight of the Group's strategy, and taking into account the promotion of diversity and inclusion.
- Give consideration to succession planning for directors and senior executives.
- Oversee and monitor the Company's corporate governance framework, including its compliance with the UK Corporate Governance Code.
- Oversee and monitor the Company's commitment to diversity and inclusion across the Group.
- Oversee the process by which the Board, each Committee and individual directors assess their effectiveness.
- Review non-executive directors' time commitments and consider additional external appointments.

Committee's terms of reference
The Committee's terms of reference can be viewed on our website:

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Key activities during 2024

- Looking ahead to two long-standing directors coming to the end of their tenures in 2025, implemented succession plans for a number of key Board roles. This included:
  - leading the process for the search and appointment of our new Non-Executive Director, Clare Bousfield
  - appointing Mark Jordy, Chair of our principal operating subsidiary in the Asset Management division, L&G – Asset Management Limited, to the Group Board
  - appointing Henrietta Baldock as Senior Independent Director (SID) designate
  - appointing Carolyn Johnson as Designated Workforce Director designate.
- Oversaw the development of a diverse pipeline of talent for succession to the Group Management Committee across near- to long-term time horizons, including the appointments of the CEO, Asset Management, and the Group Chief Operating Officer.
- Considered director reappointments, external appointments and changes to the composition of the boards of our principal operating subsidiaries.
- Oversaw the development of, and progress against, the Group's diversity and inclusion workforce ambitions, including the annual review and approval of the Board's Diversity and Inclusion Policy.
- Considered the results of the employee Voice survey.

Corporate governance

The Committee is responsible for overseeing and monitoring the Company's corporate governance framework and compliance with the Code. The Company has complied with all provisions of the UK Corporate Governance Code (2018) throughout the year. Further details of the Group's corporate governance framework, including compliance with the Code, can be found on page 61.

Board composition, succession and other changes throughout the year

Key Board changes and succession

Looking ahead to two of our long-standing directors, Philip Broadley and Lesley Knox, coming to the end of their tenures in 2025, the Committee was focused throughout the year on implementing succession plans for both of these directors.

Cognisant of the timing of the end of Philip's and Lesley's tenures, around the same time, the Committee had discussed a phased approach to replacing them both on the Board. Philip brings deep life insurance expertise and Lesley extensive experience in asset management; Lesley is also a Non-Executive Director (and was previously Chair) of L&G – Asset Management Limited.

The first phase of the succession planning was a search process to replace Philip Broadley, which began in October 2023. Spencer Stuart was engaged as the external advisor to facilitate the search due to its depth of experience in insurance and financial services more generally, along with its track record of focusing on diversity. Spencer Stuart has no other connection with the Company or its directors and is a signatory to the Voluntary Code of Conduct for Executive Search Firms. The role specification had focused on the need for deep life insurance expertise, given the rationale behind the search was to replace Philip's knowledge and experience on the Board, and given the nature of the Group's business and balance sheet. A shortlist of preferred candidates was produced, each of whom were assessed against the role specification and on merit before meeting with the Chair, Group CEO, SID, Chief Transformation and People Officer and three of our non-executive directors for interview.

Following this, Clare Bousfield was unanimously the preferred candidate. Clare has extensive and deep life insurance experience, asset management experience (including in private markets, which is a growth area for the Company), and strong digital and customer experience. Further detail on Clare's skills and experience can be found in the director biographies on page 58. In addition, the Committee deemed Clare an excellent cultural fit and was satisfied that Clare would be independent on appointment and had sufficient time to meet the responsibilities of the Board. The Board approved Clare's appointment in August 2024, following the Committee's formal recommendation. Clare joined in December 2024 to allow for a sufficient period of overlap and handover before the end of Philip's term.

The second phase of the succession planning was for the Committee to consider who should replace Lesley Knox on the Group Board and who could step up to the role of Senior Independent Director.

On the first, the Committee considered that, in order to preserve the overlapping of knowledge and expertise on the Group and L&G – Asset Management Limited boards, and to ensure continued oversight by the Group Board of L&G – Asset Management Limited's business (and the Asset Management division more broadly), Mark Jordy would be a good fit to succeed Lesley as a Non-Executive Director. Given Mark's current role as Chair of the L&G – Asset Management Limited board and his extensive experience and deep expertise in asset management, he was considered an excellent candidate who would add great value and experience to the Group Board. Given the rationale for the appointment was to ensure appropriate overlap and oversight of L&G – Asset Management Limited business and the Asset Management division, an external search process was not initiated as the Committee considered that Mark was best-placed to take on the role, with the relevant expertise and experience required for this particular non-executive appointment. The Board approved Mark's appointment in December 2024, following the Committee's formal recommendation, and Mark will join the Board in July 2025, following a thorough handover and induction period. The Committee was satisfied that Mark would be independent on appointment and had sufficient time to meet the responsibilities of the Board.

On the second, the Committee ran an internal process to decide who would be best-placed to take on the role of Senior Independent Director once Lesley steps down from the Board. Following Committee and Group Board approval in December 2024, Henrietta Baldock will replace Lesley as SID with effect from 21 May 2025. Henrietta was considered an excellent candidate for the SID role due to her experience and expertise.

Having both joined the Board in 2016, Lesley and Philip have supported the Company through a period of significant evolution, and I would like to thank them for the significant contributions they have made to the Company during each of their tenures.

In 2024, the Committee considered succession planning for one additional key Board role, that of Designated Workforce Director, given that Nilufer Kheraj's three-year term in the role is scheduled to come to an end in April 2025. Following a Committee process, and as announced in December, Carolyn Johnson will succeed Nilufer as Designated Workforce Director from 1 April 2025. Carolyn was considered an excellent successor due to her depth and breadth of experience as an executive in leading large teams of people, in particular through times of company transformation. The Committee was satisfied that Carolyn has sufficient time to fulfil the additional duties and commitments of the Designated Workforce Director.

Board composition

The Committee undertakes a rigorous annual review of the Board's composition to support discussions on succession planning. This includes a capability assessment of Board members' knowledge, skills and experience in the context of the Company's short- and medium-term strategy, supported by a self-assessment analysis undertaken by each individual director, which forms part of an overall Board skills matrix. The skills matrix reflects the results of the assessment and is reviewed by the Committee on an annual basis to support discussions on composition and succession. This year, the list of skills included in the skills matrix was reviewed and refreshed to ensure the matrix remained fit for purpose in light of the Group's new strategy. Various other considerations, including the tenure of the Board as a whole, independence and diversity, are also considered by the Committee when reviewing the Board's composition. The outcome of the 2024 discussion on composition was that, overall, the Board was of an appropriate size and composition with relevant and deep skills and experience in the sectors in which the Company operates, and would continue to be so once all of the succession plans outlined on page 81 had been implemented.

The Committee also considered reappointments of directors to the Board, and directors' external appointments to the boards of other companies. Where the Committee approved new external appointments, it was satisfied that the appointments did not give rise to a conflict of interest and would not impact the directors' time commitment to the Company.

Subsidiary composition and succession

The Company benefits from a strong governance framework operating at subsidiary level. The continued strength of the boards of the Group's subsidiaries is vital for ensuring the Group's high standards are maintained and there is sufficient oversight of activity further down the Group, particularly in our principal operating subsidiaries. While succession planning remains the responsibility of each subsidiary board, it is nevertheless very important for the Committee to have continued oversight of its principal operating subsidiaries and to ensure orderly succession plans are in place.

Appointments to the Group's principal operating subsidiaries are made on the recommendation of the Committee. This year, the Committee recommended the reappointment of existing non-executive directors to the boards of two of our principal operating subsidiaries, LGAS and L&G – Asset Management Limited. The Committee also recommended the appointment of new non-executive directors to the boards of LGAS and L&G – Asset Management Limited during the year, following thorough consideration of the candidates' respective skills and experience.

Carolyn Johnson succeeded Sir Charles Roxburgh as Chair of the board of LGA in March 2025. The Committee endorsed the appointment, recognising the collaborative benefits of having cross-directorships between the Group Board and its key subsidiaries.

In addition, as part of the Committee's continued oversight of principal operating subsidiary succession, this year the chairs of the LGAS and L&G – Asset Management Limited boards attended a Committee meeting to provide a deep dive on the composition of their respective subsidiary boards. This included a review of their respective skills matrices. Following these updates, the Committee concluded that the boards of both subsidiaries continued to have appropriate and relevant skills, experience and capabilities.

The Chair of the Group Board also meets regularly with the non-executive directors of our principal operating subsidiary boards, without the presence of executive management, to gain direct feedback.

Executive succession and talent management

In addition to reviewing the Board's composition, throughout the year the Committee focused on executive-level succession across near- to long-term time horizons to ensure a credible pipeline of successors for executive roles is maintained.

In September 2024, the Board approved the appointment of Eric Adler as the new CEO of the Asset Management division, who joined the Company in December 2024. Eric was appointed due to his credible executive career and extensive experience in private markets across real estate, private credit and private equity, previous track record of successfully growing businesses, outstanding leadership capabilities and alignment to the Group's values.

In addition, the Board approved the appointment of Katie Worgan as the Group Chief Operating Officer, a new role for L&G, who joined the Group in March 2025. Katie was appointed due to her broad commercial background, large-scale operational leadership experience, success in delivering transformation programmes, and focus on customer experience.

Both executive appointments were made in support of the execution of our group-wide strategic vision for a growing, simpler and better-connected L&G. Eric will lead our Asset Management division, which brings together our public and private markets businesses to form a unified global asset manager with international growth ambitions. Katie will provide operational leadership and oversight for core service functions across the Group to ensure we have a joined-up, sharply focused approach that enables us to work together with ease and deliver for our customers and clients.

Throughout the year, the Committee was also consulted on various additional senior leadership changes, including the appointment of Laura Mason as CEO, Retail.

Social impact report
More information on the diversity of our workforce can be found in our Social impact report:

Discover more online

group.legalandgeneral.com/SocialImpactReport2024

Board Diversity and Inclusion Policy
The Board Diversity and Inclusion Policy is available here:

Discover more online

group.legalandgeneral.com/en/about-us/corporate-governance

Diversity and inclusion (D&I)

As a Group, we are working towards a more equitable workplace where all our people can realise their potential. We believe that diversity of experience and skills brings diversity of thought and perspective, which in turn drives greater proximity to our customers and promotes a more inclusive culture which more readily embraces innovation and creates fair opportunities for everyone. For more information on our group-wide D&I activity during 2024, including our progress on achieving our objectives, please see page 40 of this report.

D&I of the Board

As a Committee, we believe that diversity is important as it supports good decision making and reduces the risk of groupthink by providing different viewpoints, ideas and challenge. As part of this, we believe that it is important for our Board to be diverse in terms of gender, ethnic and social backgrounds and have a broad range of perspectives to help us make better strategic decisions and lead by example in creating an inclusive culture for our people.

We are proud to have a Board which is diverse, both in terms of gender and ethnicity. As at 31 December 2024, the Board comprised 46% women, and 23% of the Board was from an ethnically diverse background. Both of these percentages exceed regulatory requirements, the targets in the FTSE Women Leaders Review (Hampton-Alexander) and Parker Review, as well as the goals we set ourselves in our Board Diversity and Inclusion Policy.

The Board is also compliant with the board diversity targets in the Listing Rules and discloses its compliance in the prescribed format below. In addition, we have taken steps this year to introduce new processes to track broader socio-economic elements of the Board's diversity, to measure the Board's diversity in thought and background.

When making appointments to the Board, the Committee only engages executive search firms that are signatories to the Voluntary Code of Conduct for Executive Search Firms, which promotes gender diversity and best practice for corporate board searches.

D&I of senior management

A diverse senior leadership team is as important as a diverse Board, because we believe that executive decision making is more effective if it takes into account a wider range of views and opinions. As a Committee, we continue to review progress against our diversity objectives and goals, backed up by analysis of our workforce demographic, and review remediation plans for any shortfalls in performance.

During 2024, we made good progress towards our workforce ethnic representation goals of 17% of our senior roles and 17% of 'all grades' employees, being people from minority ethnicity backgrounds, by 2027. As at 31 December 2024, we have achieved this representation goal for all grades across our workforce, including at senior level, where 18.3% of this constituency is now from a minority ethnicity (2023: 17.3%). Our immediate focus ahead of the 2027 deadline will be to maintain our performance.

We continue to monitor the progress of our gender diversity goals of 40% female leadership by 2025 and a 50:50 gender balance across the workforce by 2025. The pace of change to meet our gender diversity goals remains slow, although we remain committed to them. We recognise that leaders are critical in achieving our goals due to their impact and influence across the Group, therefore we continue to support the work of the Group Management Committee and the D&I Council to challenge our leaders to take accountability for improving retention and embedding D&I into all areas of decision making, including hiring, talent sponsorship and talent development. As at 31 December 2024, our Group Management Committee comprised 33% women*, with 33% of our businesses led by a female CEO, and representation at the senior level was 38.5% women (2023: 37.2%). Our new Group Chief Operating Officer, Katie Worgan, joined in March 2025, and the Group Management Committee now comprises 43% women*.

Board D&I Policy

During the year, the Committee reviewed and approved the Board Diversity and Inclusion Policy, which complements the Group's wider workforce policies and values on D&I. The Board Diversity and Inclusion Policy sets out the approach to diversity and inclusion of the Board of Legal & General Group Plc, and its Committees, in compliance with the Disclosure Guidance and Transparency Rules (DTR). As part of the policy, the Board, upon recommendation from the Committee, has committed to building a diverse and inclusive Board and a more diverse and inclusive senior management team, as well as driving diversity and inclusion across the Group.

Listing Rule disclosure on diversity

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management*	Percentage of executive management*
Men	7	54%	3	4	67%
Women	6	46%	1	2	33%
Not specified/prefer not to say	–	–	–	–	–

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management*	Percentage of executive management*
White British or other White (including minority-white groups)	10	77%	4	6	100%
Mixed/Multiple ethnic groups	–	–	–	–	–
South Asian	2	15%	–	–	–
East Asian/Southeast Asian	–	–	–	–	–
Black/African/Caribbean/Black British	1	8%	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

* Exclusive of the Group CEO and Group CFO who are included in the number of Board members.

The information in this table was collected on a confidential and voluntary self-reporting basis and is accurate as at the date of this report. For the purpose of this disclosure, 'executive management' means the Group Management Committee as at 31 December 2024.

Assessing Board and Committee effectiveness

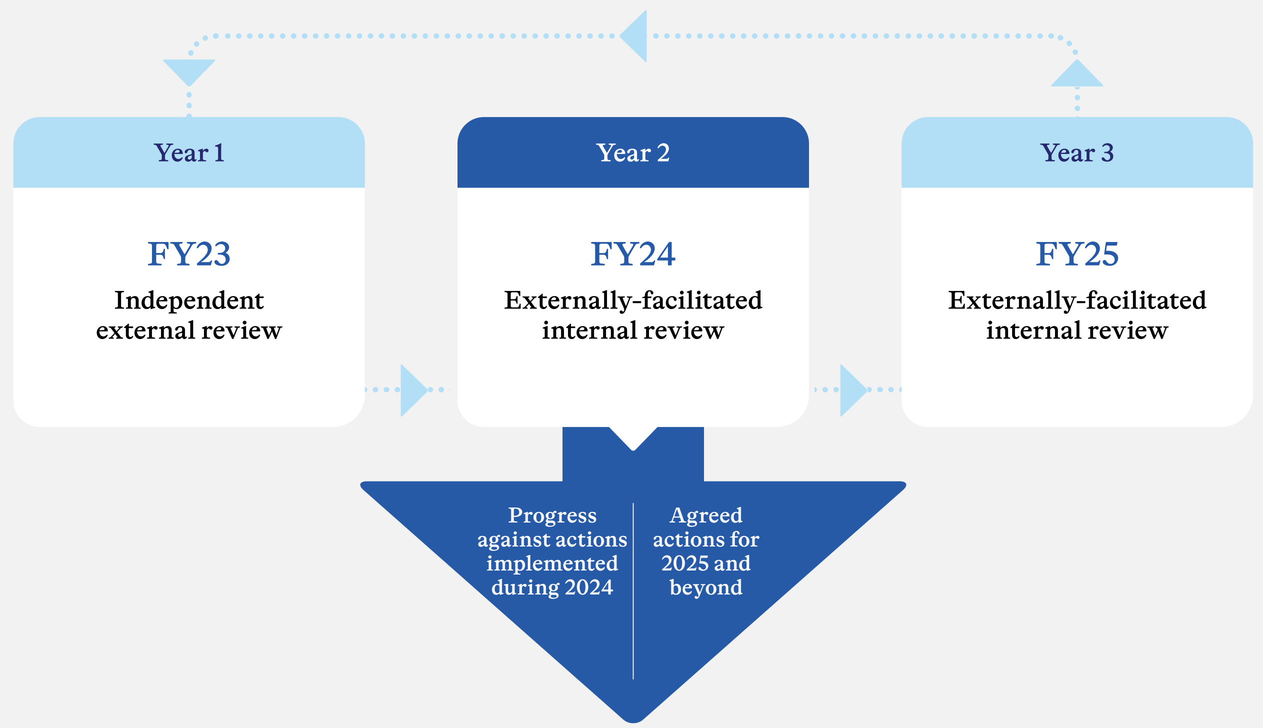
Another role of the Committee is to oversee the annual Board and Committees' effectiveness review. In line with best practice, a formal and rigorous review of the effectiveness of the Board and its Committees is conducted each year. The Board and its Committees undergo a full, independent external evaluation every three years, and an externally-facilitated internal evaluation on all other years, in line with the requirements of the Code.

This year was our externally-facilitated internal review. Clare Chalmers Limited was again chosen by the Board as the independent external reviewer to facilitate the 2024 evaluation. Clare was chosen due to her specialism in financial services firms. Clare Chalmers Limited has no other connection with the Company or individual director and is accredited as a member of The International Register of Board Reviewers.

Clare met with the Group Company Secretary to agree the scope and aim of the 2024 effectiveness review, which was to assess the effectiveness of the Board, both as a collective unitary Board and at Committee level. Clare met with each of the Board members and the Group Company Secretary to complete a questionnaire covering the performance of the Board and its Committees. The questions were developed by Clare in consultation with the Chair and Group Company Secretary and were designed to provide an overarching view of the effectiveness of the Board and its Committees, as well as build upon the themes identified in the prior year's review. The review focused on, amongst other things, the Board's composition and expertise, board dynamics, strategy, risk and culture.

Following these meetings, Clare produced a draft report on her independent review findings, which she discussed with the Chair and Group Company Secretary in the first instance. The Chair was identified as Clare's escalation point. The final written report was shared with the Board for discussion. No views were attributed to any individual in the final report.

Three-year board evaluation cycle



The tone of the feedback from the review was positive overall, and indicated that the Board, and each of its Committees, continued to operate effectively. The Board particularly welcomed the open and proactive engagement style of the new Group CEO, which was felt to have enhanced the potential for the Board to add value, as well as the dedication from the Board and senior management to developing the Group's new strategy. There was also positive feedback on the effectiveness of each of the Board's Committees, the Board's oversight of, and connection with, its principal subsidiaries and other key stakeholders, and the implementation of the Consumer Duty. The review highlighted that effort should continue to be made to ensure that succession planning processes remain robust and transparent and the importance of continuing to seek "lessons learnt" exercises from management.

The Board discussed the findings of the 2024 effectiveness review and subsequently agreed an action plan for the coming year. The key actions included (i) continue with the Board's current momentum of strategic discussions with strategic teach-ins and reporting on competitors, (ii) continue to enhance the Board's oversight of the Company's culture, and (iii) enhancing and streamlining reporting to the Board and its Committees. Progress to implement the agreed actions is underway. Progress is monitored by the Group Company Secretary and will continue to be reported to the Board at each meeting.

Clare had the opportunity to comment on these disclosures.

Chair and individual directors performance evaluations

The SID leads the non-executive members of the Board in an annual evaluation of the performance of the Chair, which includes an assessment of the working relationship between the Chair and the Group CEO. In carrying out the annual evaluation, the SID meets with the non-executives without the Chair present and takes into account the views of the executive directors, as appropriate. Following this year's review, the effectiveness of the Chair continued to be highly rated.

The Chair meets with Board members throughout the year to assess their individual performance. Following this year's review, and the insights gained from the external facilitator, the Chair confirmed that the individual directors continued to contribute effectively to the Board.

Update on previous Board evaluations

An overview of the recommendations from the 2023 review and progress against them is provided below.

Recommendations from 2023 review	Progress against recommendations
Continuing to support the new Group CEO as he transitions into the role	The Group CEO has one-to-one sessions with each of the non-executive directors ahead of each Board meeting. In addition, the non-executives continue to informally offer support in their specific areas of expertise.
Continuing to develop relationships with, and appropriate governance of, the Group's principal operating subsidiaries	The Chairs of the Group's principal operating subsidiaries, LGAS and L&G – Asset Management Limited, attended the Nominations and Corporate Governance Committee in December 2024 to present a deep dive into the composition of their respective boards, which included a consideration of their respective skills matrices. The Chairs of LGAS and L&G – Asset Management Limited have also attended various Nominations and Corporate Governance Committee meetings throughout the year to provide updates on succession planning. The Chair of L&G – Asset Management Limited continues to attend each Board meeting for the routine discussion on the Asset Management business, and the chairs of the principal operating subsidiaries were invited to attend relevant updates at the Board's strategy event in April, as well as the Board's off-site event in Chicago in November 2024. Carolyn Johnson was appointed Chair of the LGA Board in March 2025. In addition, Mark Jordy, the Chair of the L&G – Asset Management Limited board, will join the Group Board in July 2025.
Continuing to oversee how the Consumer Duty is embedded into the organisation and how reporting on consumers could be more strategic	The Board received updates on Consumer Duty at each Board meeting in 2024, and signed off the Annual Board Report at its meeting in July 2024. The Board now receives regular management information (MI) on Consumer Duty at each Board meeting; following feedback from Board members, this MI is continuing to evolve to ensure it provides the Board with sufficient oversight on how the Consumer Duty is embedded into the organisation. The Board hosted a session with the second line in December 2024 to discuss specifically how the Consumer Duty is being embedded into the organisation. Laura Wade-Gery, the Board's Consumer Duty Champion, provides updates to the Board at each meeting from discussions at the Consumer Outcomes Forum. Laura has a particular focus on how reporting on consumers could be more strategic, and the MI and deep -dive Board reporting is evolving to meet this challenge.

Risk Committee report

Committee overview

Committee meetings and membership

The Committee met five times during the year. The composition of the Committee remains in compliance with the requirements set out in its terms of reference and comprises only independent non-executive directors.

Meeting attendance

Member	Scheduled
George Lewis (Chair)	5/5
Henrietta Baldock	5/5
Clare Bousfield[1]	1/1
Philip Broadley	5/5
Carolyn Johnson	5/5
Nilufer Kheraj OBE	5/5
Lesley Knox	5/5
Tushar Morzaria	5/5
Laura Wade-Gery	5/5

1. Appointed to the Committee with effect from 1 December 2024.

The role of the Committee

The Committee assists the Board in its oversight of risk by assessing the effectiveness of the Group's risk management framework, risk strategy, risk appetite and tolerance for the categories of enterprise, emerging and principal risks to which the Group may be exposed and providing advice on what constitutes acceptable risk taking.

Key responsibilities

- Review the Group's risk profile and appetite for risk and assess the effectiveness of the Group's risk management framework.
- Oversee and advise the Board on the current risk exposures of the Group and oversee the management by the executive of those categories of risk.
- Oversee and advise the Board on the governance, operation and performance of the Group's internal model, and provide advice to the Audit Committee on Internal Model assumptions for regulatory and public disclosures upon request.
- Review and approve the Group's own risk and solvency assessment (ORSA) which is designed to measure, aggregate and monitor risks in accordance with strategy, policy and principles.
- Provide advice to the Remuneration Committee on any risk adjustments to be applied to performance objectives and other issues as requested by the Committee.

Committee's terms of reference
The Committee's terms of reference can be viewed on our website:

Discover more online

group.legalandgeneral.com/groupboardcommittees

I am pleased to present my report as Chair of the Risk Committee. In a continuingly uncertain and challenging macroeconomic and geopolitical environment, the Committee has continued to oversee management's approach to risk management, while simultaneously providing robust challenge, and advising the Board on the Group's current and future risk exposures and profile, against the backdrop of a new strategic direction for the Group. The Committee has continued to monitor the ongoing global economic and political uncertainties in the lead up to several important elections, as well as in the context of ongoing geopolitical conflict which continues to heighten. The Committee, in conjunction with the Audit Committee, keeps under review the effectiveness of the Company's risk management and internal control systems, which monitor and review all material controls including financial, operational and compliance controls. In addition, we closely monitor risk appetite and tolerance levels and challenge management to ensure these are regularly stress tested to ensure they are able to withstand wider macroeconomic and other risk events. Throughout 2024, I have continued to engage with my fellow Committee members to understand their views, in particular, on any risk areas which they feel require further oversight and challenge. This has been supported by my active and regular engagement with key colleagues in the business, with particular emphasis on the support received from the Group Chief Risk Officer and his team.

2024 activity

There remains ongoing uncertainty within the macroeconomic and geopolitical environment, and the Committee has spent a significant amount of time during the year hearing directly from the business, alongside risk and compliance colleagues, about how the associated risks are being managed and appropriately mitigated against. The Committee receives an update from the Group Chief Risk Officer at each meeting which covers an in-depth overview of the risk profile, outlook and landscape. There has been particular focus this year on emerging risks as we look to future-proof the new strategy and navigate the external macro environment. This has included the overhaul of our formal emerging risk framework which aids the Committee's discussion when assessing the impact and likelihood of emerging risks on the Group's strategy. Within this context, the Committee has received a number of in-depth updates and debated at length the UK pensions landscape, as well as the outcomes and potential impacts of UK and US elections.

During the year, the Committee has paid close attention to the risk governance associated with the use of funded reinsurance as part of pension risk transfer (PRT) transactions. The Committee has been kept updated on the consultation, and subsequent publication, of the Prudential and Regulation Authorities (PRA) Supervisory Statement 5/24 – Funded reinsurance, which sets out the PRA's expectations of insurers entering into or holding funded reinsurance arrangements as cedants. As a Company, we engaged extensively in the consultation, and the Committee approved the new Funded Reinsurance Risk Framework, which amalgamated existing Group policies on reinsurance and outlines how funded reinsurance risk will be managed. In addition, the Committee has also focused on credit risk throughout the year, which has included a number of deep dives given the size of the Group's current PRT business and the important part that future PRT business contributes to the Group's strategy.

In addition to the geopolitical and macroeconomic climate, the Committee has continued to focus on the management of the Group's non-financial risks. The Committee received regular updates, and challenged the progress made by management, on operational resilience, embedding the Consumer Duty, change management, and ensuring appropriate risk mitigations are in place in relation to financial crime.

Alongside the Group Chief Risk Officer's report, the Committee is provided with management information on risk appetite, comparing actual positions relative to the Group's risk appetite statement and quantitative analysis of the Group's exposures to financial and operational risks, including risk-based capital requirements in relation to the core risks implicit in the Group's businesses. The Committee also receives an assessment of the overall profile of conduct risks for the Group; analysis and trends in complaints data; and a suite of customer service metrics designed to enable the Committee to assess the management of the customer journey and ultimately the good outcomes we deliver to our customers.

Annual review of Group risk appetite: financial and non-financial risk

In July and October 2024, the Committee considered the risk profile of the Group's strategic plan and its alignment with the Group's risk appetite. The Committee undertook a detailed review of the Group's strategic risk appetite statements. As part of the review, the appetites were differentiated between financial and non-financial risk, under the umbrella of the strategic risk profile, which enabled a fulsome review of the respective appetite statements, metrics and tolerances used to determine acceptable risk taking.

The focus of the refinements to the financial risk-related metrics had been on ensuring consistency with the statements that were made at the Group's Capital Markets Event in June 2024, and ensuring the metrics continued to reflect the evolving nature of the business.

Similarly, the refinements recommended to the non-financial risk metrics supported the consistent application of the taxonomy across the Group as agreed in 2023. The differentiation of the risk appetite statements ensure a more reliable and accurate measure of the Group's performance against risk appetite.

Risk-based capital model

The Group's risk-based capital model (internal model) is used to determine the capital requirements for the Group and forms the calculation engine for the Solvency II internal model. In July 2024, the Committee reviewed and approved the internal model development plan and validation report. As part of this review, the Committee takes into consideration:

- key assumptions, methodologies and areas of expert judgement used within the model
- activities undertaken to validate the outputs of the model
- development of the model to ensure that it reflects the business lines and risk profile of the Group
- processes to ensure that changes applied in the model are undertaken in a controlled manner, and in line with model development plans.

In addition, the Committee also reviewed and approved the 2024 ORSA policy and scenarios, which are an ongoing assessment of the risks to which the Group is exposed and an assessment of the capital resources available to ensure that the Group is able to sustain its business over the plan horizon.

Climate risk

It is widely recognised that actions taken today can influence the likelihood of different climate outcomes, and impact on future risk exposures. This, alongside climate scenario analysis, informs our risk management framework. During the year, the Committee considered the Group's climate risk management approach, how we will continue to evolve our approach to ensure our risk management remains reflective of the underlying risks, and how we are approaching our management of broader nature-related risks.

Working collaboratively

The Committee continued to work closely throughout the year with the Audit Committee on risk and control matters as well as the Remuneration Committee so that risk management and risk culture are properly considered when setting the remuneration policy and determining remuneration outcomes. In addition, the Committee also works closely with the Data and Technology Committee to consider technology risk. An important element of this will be the emerging risk and opportunities that the use of AI presents the business. The Committee also considered data risk management and governance during the year.

L&G has a strong subsidiary governance framework in place to support the Board in discharging its responsibilities for the Group. The Committee also operates as the Risk Committee for LGAS and directors of the Group's principal operating subsidiaries (LGAS and L&G – Asset Management Limited) are also members of the Risk Committee; this brings valuable insight, oversight and challenge to the Committee's discussions on specific aspects of the Group's operations. An overview of the Company's risk appetite and risk management approach, as well as our principal and emerging risks, can be found on pages 44 to 53.

2025 priorities

The Committee has an important role in supporting the Board in the oversight and management of the risk framework. During 2025, the Committee will continue to focus on:

- the continued implementation of the new Group strategy and Plan as approved by the Board during 2024
- impacts and associated risks arising from the macroeconomic and geopolitical environment, and regulatory landscape including global climate change, with continued consideration of emerging risks
- management of capital and liquidity risks
- oversight of the current and emerging non-financial and conduct risk exposures of the Group, including operational resilience, change management and the Consumer Duty regulation.

George Lewis
Chair of the Risk Committee

Directors' report on remuneration

Committee overview

Committee meetings and membership

The Committee met eight times during the year. The Committee comprises only independent non-executive directors, fulfilling the requirements of the UK Corporate Governance Code. The Board is satisfied that the members of the Remuneration Committee have the relevant expertise and experience to deliver its responsibilities. The majority of members of the Committee are also members of the Risk Committee, ensuring appropriate identification and consideration of any issues that are relevant to both committees.

Meeting attendance

Member	Scheduled	Ad hoc
Laura Wade-Gery (Chair)	6/6	2/2
Henrietta Baldock	6/6	2/2
Philip Broadley	6/6	2/2
Lesley Knox[1]	6/6	1/2
George Lewis	6/6	2/2
Ric Lewis[1]	6/6	1/2
Tushar Morzaria	6/6	2/2

1. Unable to attend due to prior commitment.

Key responsibilities

- Determine and make a recommendation to the Board on the Group's remuneration policy.
- Determine the contractual terms and remuneration of the Chair, executive directors and designated senior managers, including base salary, policy and scope for pension arrangements, share and other incentive plans, bonus arrangements and shareholding requirements.
- Determine the framework for the remuneration policy for all other employees of the Group.
- Design of, or amendment to, any share- or cash-based performance-related pay plans operated by the Company.
- Exercise the powers of the employer in relation to the operation of the Group ShareSave Plan, Employee Share Plan and share incentive plans.
- Review the ongoing appropriateness and relevance of the Group's various remuneration policies and compliance with all regulatory requirements.

Committee's terms of reference
The Committee's terms of reference can be viewed on our website:

Discover more online

group.legalandgeneral.com/groupboardcommittees

I am pleased to present the Remuneration Committee's report for 2024, having taken over as the Chair of the Committee from Lesley Knox in February 2024. On behalf of the Committee, I would like to thank Lesley for her work as Chair. This report sets out remuneration outcomes for 2024 as well as information on how we intend to implement our remuneration policy in 2025.

Link between pay and performance

2024 was a year of change for L&G. António Simões commenced in role on 1 January and after six months of getting to understand the business in detail, he announced our new strategy to the market on 12 June. The management team have been focused on the delivery of this new strategy.

Annual Variable Pay (AVP)

For executive directors, 70% of the bonus opportunity is determined by Group financial performance, measured against pre-determined targets. This scorecard contains a number of financial metrics which assess both our in year profitability and performance as well as growth metrics, assessing the extent to which new business is written in the year which will generate profits for shareholders in future years. Targets and outcomes are summarised in the 'Quick read' section on page 90.

The overall outcome across all financial measures is 34.9%. There have been a range of outcomes for the various measures, but with the majority scoring between threshold and maximum against targets set. In year performance was strong with our adjusted operating profit outcome exceeding target and operating ROE exceeding maximum. Whilst a number of growth metrics performed well, we did not meet the threshold level of performance for net movement in CSM and Asset Management ANNR.

The outcome in net movement in CSM is heavily impacted by our pivot to a gilts-based investment strategy in how we write our PRT business. Adopting this strategy lowers the level of CSM recorded for the same volume of business. However this strategic pivot is in the interest of shareholders, materially decreasing the level of strain and increasing the level of funds available to return to shareholders. The incentive outcome is materially below threshold, and whilst we are not adjusting this formulaic outcome, the Committee's view is that this understates the strong level of performance in the year.

Similarly, whilst the Asset Management ANNR metric was marginally below threshold, this is a business which has gone through material strategic change during 2024, following the merger of the former Investment Management and Capital divisions.

The Committee are confident that this business is in a strong position to target growth opportunities in 2025 and beyond.

Strategic objectives determine the other 30% of bonus opportunity, including strategy, customer and culture, and risk, with climate measures operating as an underpin. In line with previous years, customer and culture and risk measures are assessed taking into account a very wide range of quantitative and qualitative measures. For 2024, the strategic measure was primarily assessed against the development and initial delivery of our new strategy. This measure scored highly, and initial progress has been very strong. The announcements we made on 7 February 2025, including the sale of our US protection business for $2.3 billion, and the creation of a long-term strategic partnership with Meiji Yasuda, and an expectation of returning c.40% of our market cap to shareholders over 2025 – 2027 through a combination of dividends and buybacks, are emerging evidence of how this strategy is increasing returns to shareholders.

Overall bonus outcomes are 60.4% and 56.4% of maximum for the CEO and CFO and the Committee are comfortable that these formulaic outcomes are appropriate and consistent with performance.

Performance Share Plan (PSP)

The long-term incentive (PSP) awards granted in 2022 were subject to earnings per share (EPS) growth and total shareholder return (TSR) growth over the three-year period ended 31 December 2024. Both measures were below threshold and therefore no shares have vested from the 2022 PSP awards. The PSP performance targets and outcomes are summarised in the ‘Quick read’ section on page 93.

Implementation of remuneration policy for 2025

Base pay

Having reviewed pay and conditions across the Group, and considered the broader market and overall business performance, the Committee have determined to increase base pay for António Simões by 3% to £1,210,300, below the increase for the wider UK workforce of 3.6%.

Since António has been in role, one of his immediate areas of focus has been to review the roles, responsibilities, and make-up of his senior team to ensure that L&G is well positioned to target a number of growth opportunities. Jeff Davies, as Group CFO, is a critical member of the team to deliver this growth and ultimately shareholder value. As we announced in June 2024, this has included taking on additional responsibility for Corporate Investments, which relates to the management of all non-strategic assets, with the goal of maximising shareholder value ahead of potential divestment. Jeff also played a significant role in developing our strategic partnership with Meiji Yasuda. In recognition of Jeff’s responsibilities and criticality to the Group, the Committee has determined to increase base pay to £800,000. Before finalising this decision, the Committee consulted with our largest shareholders to explain our intended approach, including consideration of his target total remuneration, ensuring that it is in line with the median for FTSE 100 financial services companies.

The Committee are cognisant of the fact that this is a material increase to base pay but recognise the significant value that Jeff brings to L&G.

Both of these will be effective from 1 March 2025.

AVP

The proportion of the annual bonus measures assessed against financial metrics will remain 70%, with 30% assessed against non-financial objectives. For 2025, we are making two changes to our measures.

Firstly, net movement in CSM is being replaced with New Business CSM. This change is being made to ensure that the incentive measure better reflects the contribution that management make during the year.

Secondly, operating ROE is being replaced by core operating EPS. In recent years, we have seen material changes in investment variance, which is primarily outside of management’s control. Investment variance impacts our operating ROE measure, but does not impact core operating EPS. With this in mind, the Committee believes that core operating EPS will provide a better reflection of business performance and our ability to return capital to shareholders. Further details on measures are shown on page 99.

PSP

PSP measures will be unchanged from 2025, with 40% based on EPS growth, 40% based on relative TSR and 20% based on progress against our published climate commitments. The Committee believes this is an appropriate combination of measures in assessing our absolute and relative growth whilst ensuring that growth does not come at the expense of our overarching ESG commitments. Further details on measures and targets are shown on pages 102 and 103.

Consideration of the wider workforce

The Committee has regard for the remuneration of all employees across the Group. The policies and practices applying to executive directors are the same as for the wider workforce in most instances, although quantum and participation by location and grade may vary.

During 2024, L&G undertook a review of the reward strategy for the wider workforce looking at all aspects of reward to ensure that remuneration structures continue to be appropriate and aligned with the longer-term ambitions of the Company. The Committee also approved a further increase to the employer pension contribution of 1% of base salary for UK employees below senior management, effective from 1 April 2025, following on from the 1% increase in 2024, with a view to aligning employer pension contributions with those for senior management.

The average annual base pay increase for UK employees was 4.5% in 2024 with base pay increases stratified so that higher base-salary increases applied to employees in lower-paid roles, reflecting their proportionally greater exposure to price inflation. A similar approach has also been adopted for 2025 with those in more junior roles receiving a base pay increase of 3.8%.

Most employees are eligible to be considered for a bonus payment based on Group, divisional, individual and/or other specific performance metrics, with bonuses for performance during 2024 paid shortly after the year end, at the same time as bonuses for executive directors.

The Committee continues to maintain an oversight of progress on continuing work on diversity and inclusion and achieving a further narrowing of the gender pay gap. Further details on this can be found on page 40 and in our social impact report.

2025 and beyond

At the AGM in 2026, we shall submit a new Directors’ remuneration policy for approval by shareholders, when our previous policy, which was approved by over 95% of shareholders in 2023, expires.

The key focus of the Committee in 2025 will therefore be in reviewing this policy to ensure it best aligns with both our evolving strategy and the external market environment. Since the previous policy was introduced, we have appointed a new CEO, who is now established in their role with a clearly communicated strategy to deliver sustainable growth and enhanced returns, and we are in our third year of reporting under IFRS 17 which has driven a material change in how we consider various KPIs. The review of our policy will take into account both of these factors, as we focus on ensuring we have the right incentives in place to incentivise management and measure the successful delivery of our strategy.

As we progress with our review during 2025 we will be engaging with major shareholders and representative bodies. It is very important to me that any proposals we bring forward have the support of our shareholders and that we take on board their views and expertise and I greatly look forward to engaging with them later this year.

Conclusion

In a year of material evolution at L&G, the Committee believes that management have delivered a strong set of results, have developed an aspirational and exciting new strategy and that we are well set to deliver on these growth opportunities. I hope that you will find this report a clear summary of our decision making in the year. I look forward to your support at the AGM in May and engaging with you in 2025.

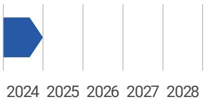
Laura Wade-Gery
Chair of the Remuneration Committee

Quick read summary

Remuneration policy summary and 2024 implementation

Remuneration element and time horizon | **Policy summary** | **2024 implementation**

Base pay



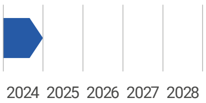
Operation
Reviewed annually, with any increases effective 1 March.

Opportunity
No maximum, but any increases will normally be in line with the range for other UK employees. In specific circumstances, the Committee may award increases above this level.

Performance
Personal performance will be taken into consideration in determining any increase.

	Effective 1 March 2024	Effective 1 March 2025	% increase
António Simões	£1,175,000	£1,210,300	3.0%
Jeff Davies	£689,000	£800,000	16.1%
Employees below the Board (average)			3.6%

Pension contributions



Operation
DC pension plan or a cash allowance in lieu. Base pay is the only element of pensionable remuneration.

Opportunity
For executive directors appointed since 2019, pension contributions are aligned to that available to the majority of the workforce (currently 10% of base pay). Pension contributions for executive directors appointed before 2019 have been aligned with the contributions for other senior managers in the UK, but were changed to align with the majority of the UK workforce at the end of 2022.

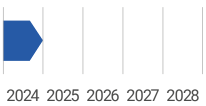
Performance
No performance conditions.

Pension contributions during 2024 (as % of base pay):

António Simões	10%
Jeff Davies	10%
Majority of UK workforce	11%
Other senior managers in the UK	15%

Effective from 1 April 2025, employer pension contributions for the wider workforce have increased to 12% of base pay.

Benefits



Operation
In line with benefits provided to other employees and senior managers in the UK.

Opportunity
Maximum amount is the cost of providing benefits, subject to the limits of the benefit plans and HMRC rules.

Performance
No performance conditions.

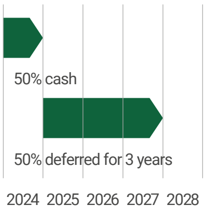
Benefits during 2024 included:

- allowance in lieu of a company car
- private medical insurance
- life insurance
- income protection
- all-employee (ShareSave and Share Purchase) plans.

Remuneration policy summary and 2024 implementation

Remuneration element and time horizon | **Policy summary** | **2024 implementation**

Annual Variable Pay (AVP)



Operation
Performance assessed over a one-year period, with targets and weightings set annually. Awards are determined after the year end, taking into consideration performance against targets, individual performance and overall business performance. 50% of any AVP award is paid in cash, and 50% is deferred into shares for a further three years. Malus and clawback provisions apply.

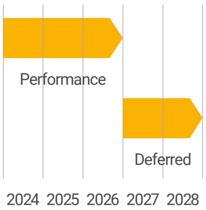
Opportunity
Up to 200% of base pay for the Group Chief Executive Officer and up to 150% of base pay for the Group Chief Financial Officer. No bonus is payable for threshold performance or below, with up to 50% of maximum for target performance.

Performance
Financial performance (at least 70% weighting), plus strategic and personal performance, including ESG measures.

70% Financial performance
30% Strategic and personal performance

Bonus for 2024 (as % of base pay):	**At target**	**At max.**	**Actual 2024 (as % of max.)**
António Simões	100%	200%	60.4%
Jeff Davies	75%	150%	56.4%

Performance Share Plan (PSP)



Operation
Conditional award of shares, subject to a performance period of no less than three years and a holding period such that no awards are released before five years from grant. Performance targets are set annually by the Committee, aligned with the delivery of shareholder returns over the longer term. The Committee may amend the vesting downwards (but not increase the level of vesting) depending on the overall performance of the Group. PSP awards are subject to malus and clawback.

Opportunity
The maximum award opportunity is 300% of base pay. 15% of the award vests for threshold performance, increasing to 100% of the award vesting for achievement of maximum performance.

Performance
An appropriate mix of earnings performance, shareholder returns and other strategic performance measures (currently this is progress against the Climate transition plan).

40% EPS
20% TSR (vs FTSE 100)
20% TSR (vs comparator group)
20% Progress against the Climate transition plan

PSP grants in 2024 (as % of base pay):	**Maximum**	**2024 grant**	**Vesting period end 2024 (% of grant)**
António Simões	300%	300%	–
Jeff Davies	300%	250%	0%

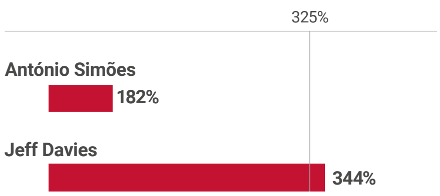
Shareholding requirements

Executive directors' share ownership

Executive directors are expected to retain any after-tax vested shares until their shareholding requirements are met, and maintain that shareholding requirement (or actual shareholding if lower) for at least two years after leaving employment.

The shareholding requirement is 325% of base pay for all executive directors.

Share ownership at 31 December 2024



Quick read summary continued

Alignment with the UK Corporate Governance Code

When determining our directors' remuneration policy, the Committee reviewed our alignment with the provisions of the UK Corporate Governance Code. The table below details how the Committee addressed the principles set out in the UK Corporate Governance Code in respect of the directors' remuneration policy.

Clarity	• The Committee welcomes open and frequent dialogue with shareholders on our approach to remuneration and seeks to maintain an active and productive dialogue on the remuneration aspects of corporate governance. During 2025, the Committee will continue to closely examine our remuneration principles and policies to ensure they remain appropriate in the context of future business strategy, updated investor guidelines, and evolving best practice and will consult with the Group's largest shareholders on any proposed changes. • The remuneration policy for our executive directors has been designed in line with the remuneration philosophy and principles that underpin remuneration across the Group, and the details of our approach to executive remuneration is transparent for all employees.
Simplicity	• Our remuneration arrangements throughout the Group are simple in nature and well understood by both participants and shareholders. Although quantum and participation will vary, the policies and practices applying to executive directors are the same as for the wider workforce in most instances. • The objective of each element of our policy is explained and the amount paid in respect of each element of pay is clearly set out.
Risk	• In line with regulatory requirements, our approach aims to promote sound and effective risk management whilst supporting our long-term success. The Committee considers that the structure of incentive arrangements do not encourage inappropriate risk-taking. • In reviewing award outcomes the Committee is presented with a comprehensive report from the Chief Risk Officer to ascertain that objectives have been fulfilled within the risk appetite of the Group. In addition, the Committee receives feedback from the Group Regulatory Risk and Compliance function on any issues to consider around regulatory breaches or customer outcomes. • AVP deferral, the PSP holding period and our shareholding requirement (including the post-cessation shareholding requirement) provide a clear link to the ongoing performance of the business and the experience of our shareholders. • Malus and clawback provisions apply to both the AVP and PSP (details are provided on page 96).
Predictability	• Our policy contains details of threshold, target and maximum opportunity levels under our AVP and PSP, with actual outcomes dependent on performance achieved against predetermined measures and target ranges. This is illustrated by the charts on page 93 and in more detail on pages 99 and 100.
Proportionality	• The AVP scorecard rewards achievement of our annual operating targets and the PSP scorecard rewards achievement of long-term financial and shareholder value creation targets. The Committee's ability to apply discretion to reduce formulaic outcomes under both plans ensures appropriate outturns in the context of underlying Company and individual performance. • Our performance measures and target ranges under the AVP and PSP are aligned to Company strategy. This is illustrated in the section below.
Alignment to culture	• Under the AVP, the Committee assess performance against a range of objectives, including those related to our customers and culture, strategy and risk, including ESG measures. This ensures that reward is not determined solely on financial performance but also drives behaviours consistent with L&G's culture.

Alignment with strategy and 2024 performance outcomes

Our remuneration approach is designed to support our purpose and strategic priorities and reward the achievement of long-term sustainable performance. Financial and non-financial KPIs are set for AVP and PSP to ensure this alignment:

Strategic priority	Alignment with strategic priorities through setting KPIs that:	2024 AVP & 2025 PSP KPIs
Sustainable growth	Reward the delivery of sustainable growth across our three core businesses and the delivery of: • future growth in shareholder returns • positive customer outcomes • progress against stated climate commitments.	AVP and PSP KPIs that represent a balanced scorecard of financial and non-financial measures focused on: • profitability and equity returns • capital generation • new business growth • implementation of strategic priorities • delivery of excellent customer outcomes • ensuring culture and behaviours aligned with the strategy • ensuring progress against stated climate commitments.
Sharper focus	Reward a focus on the implementation of the strategy, focused on the priorities for our core businesses.	
Enhanced returns	Reward the delivery of enhanced shareholder returns linked to: • achievement of target against key financial metrics • investment in the business for long-term growth.	

See pages 11 to 13

Details of performance against the 2024 AVP and 2022 PSP targets are provided below with further details on pages 99 to 102.

The performance measures for AVP and PSP awards are aligned to the key elements of the business strategy. This includes measures aligned to the Group's key financial performance indicators as well as non-financial measures, focused on effective risk management, customer and culture outcomes, and progress against our Climate transition plan.

Annual Variable Pay

Performance measures		Weightings	Maximum	Actual
Adjusted operating profit		15.0%	15.0%	13.8%
Operating ROE		10.0%	10.0%	10.0%
Net movement in CSM		12.5%	12.5%	0.0%
Solvency II operating surplus generation		12.5%	12.5%	6.3%
Solvency II NBVA	Institutional Retirement	5.0%	5.0%	0.0%
	Retail Annuities	2.5%	2.5%	2.3%
	Protection	2.5%	2.5%	2.5%
Asset Management ANNR		10.0%	10.0%	0.0%
Strategic priorities[1]		10.0%	10.0%	8.0%
Risk management[1]		10.0%	10.0%	8.5%
Customer and culture[1]		10.0%	10.0%	9.0%

1. Chart based on outcomes for the Group CEO.

Performance Share Plan

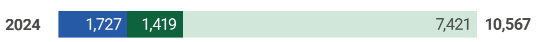
Performance measures	Weightings	Maximum	Actual
TSR vs FTSE 100	25.0%	25%	0%
TSR vs comparator group	25.0%	25%	0%
EPS growth	50.0%	50%	0%

Total remuneration received (£'000)

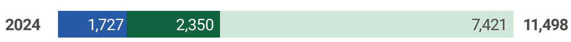
The charts below provide a breakdown of the total remuneration received by the executive directors and their maximum remuneration opportunity.

António Simões

Actual remuneration



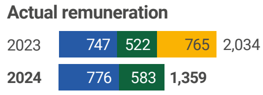
Maximum remuneration



Key
- Fixed (base pay, benefits and pension contributions)
- Annual Variable Pay (AVP)
- Replacement Award

Jeff Davies

Actual remuneration



Maximum remuneration

Key
- Fixed (base pay, benefits and pension contributions)
- Annual Variable Pay (AVP)
- Performance Share Plan (PSP)

The values for the 2021 PSP, which vested in 2024, in the charts above have been adjusted to reflect the share price at vesting on 6 March 2024, which was not known at the publication date of the 2023 Annual report and accounts. Further details can be found on page 98.

Summary of remuneration policy

The directors' remuneration policy was approved by shareholders by way of a binding vote at the 2023 AGM on 18 May 2023 and applies for three years from the 2023 AGM. The policy table below summarises key aspects of the approved policy. The full remuneration policy can be found in the 2022 Annual report and accounts, and on the Company's website.

	Fixed pay			
	Base pay	**Pension contributions**	**Benefits**	**Annual Variable Pay (AVP)**
Purpose and link to strategy	Provides a fixed level of earnings, appropriate to the market and requirements of the role.	Provides a basis for savings to provide an income in retirement.	Provides benefits and allowances appropriate to the market, and assists employees in efficiently carrying out their duties.	Incentivises and rewards the achievement of annual financial performance and delivery of strategic priorities. 50% of any AVP award is deferred into shares, reinforcing retention and alignment with shareholders by encouraging long-term focus and risk alignment.
Operation	Reviewed annually with effect from 1 March, taking into account: • the individual's skills, experience and performance • scope of the role • external market data, including other FTSE 100 companies and other financial and non-financial institutions • pay and conditions elsewhere in the Group • overall business performance. There is no obligation to increase base pay upon any such review, and any decision to increase base pay will take into account the associated impact on overall quantum.	In line with other employees in the UK, executive directors may: • participate in a DC pension plan • receive a cash allowance in lieu • receive some combination thereof. Non-UK national executives may be permitted to participate in home-country pension plans where relevant. Base pay is the only element of pensionable remuneration.	In line with other employees in the UK, benefits currently include: • private medical insurance • life insurance • income protection • all-employee (ShareSave and Share Purchase) plans. Executive directors may participate in voluntary benefits and choose to acquire L&G products which they fund themselves, sometimes through salary sacrifice. In line with other senior managers in the UK, executive directors receive a non-pensionable cash allowance in lieu of a company car. Where an executive director is required to relocate, or perform duties outside their home country, additional benefits may be provided (including healthcare and assistance for housing, school fees, home travel, relocation costs and tax compliance advice) for a period not exceeding two years.	In normal circumstances: • performance is assessed over a one-year period • performance measures and weightings are set annually to ensure they are appropriately stretching, and aligned with the Group's strategic priorities • performance targets take into account internal forecasts, market expectations and prior year performance. Target normally equates to the forecast in the strategic plan, with maximum set at an appropriate stretch above plan, but still within the Company's risk appetite • AVP awards are determined after the year end, taking into consideration performance against targets, individual performance, and overall business performance • 50% of any AVP award is paid in cash, after the year end, with 50% deferred into restricted shares (or nil-cost options, or phantom equivalent, or other forms dependent upon business or regulatory requirements) for a further three years • dividends or dividend equivalents may accrue during the deferral period and vest and are paid in shares upon vesting • malus and clawback apply to both cash awards and deferred awards.
Opportunity	There is no set maximum base pay, but any increases will normally be in line with the range of increases for other UK employees. In specific circumstances, the Committee may award increases above this level, for example where: • base pay for a recently appointed executive director has been set with a view to allowing progression in the role over time • there has been a significant increase in the size or scope of an executive director's role or responsibilities • there is a significant change in the regulatory environment.	Pension contributions for executive directors are aligned to that available to the majority of the UK workforce (currently up to 10% of base pay).	The maximum amount paid in respect of benefits will be the actual cost of providing those benefits which, particularly in the case of insured benefits, may vary from year to year, although the Committee is mindful of achieving the best value from benefit providers. The maximum opportunity for participation in the all-employee share plans is the same for all employees and takes into account prevailing HMRC rules.	The maximum opportunity in respect of any financial year is: • up to 200% of base pay for the Chief Executive Officer and any executive director appointed after the approval by shareholders of the remuneration policy • 150% of base pay for the current Chief Financial Officer. No bonus is payable for threshold performance or below, with up to 50% of maximum for target performance. • The Committee will consider the calculated outcome in the context of a range of factors (not just the specific performance measures) including risk management, behaviours, culture, capital generation, Solvency II coverage ratio and sustainable financial performance, and may apply a 'moderator' to reduce (but not increase) an AVP award if there are factors that warrant such a reduction.
Performance	Personal performance will be taken into consideration in determining any base pay increase.	There are no performance conditions.	There are no performance conditions.	A combination of: • financial performance (primary measure with at least 70% weighting) – to ensure growth and return to shareholders • strategic and personal performance – to safeguard the future, with the development of future income streams, and focus on key metrics including customers, culture, and ESG.

<table>
<tr><th>Performance Share Plan (PSP)</th><th>Non-executive directors' fees</th><th>Shareholding requirements</th></tr>
<tr><td>Provides a direct and transparent link between executive pay and the delivery of shareholder returns over the longer term.</td><td>Compensates non-executive directors for their responsibilities and time commitment.</td><td>Provides alignment with shareholder returns and ensures the impact on directors' shareholdings moves in line with L&G's share price.</td></tr>
<tr><td>A conditional award of shares (or nil-cost options, or phantom equivalent, or other forms dependent upon business or regulatory requirements). In normal circumstances:
• subject to a performance period of no less than three years and a further holding period of no less than two years following the end of the performance period
• performance measures and targets are set annually by the Committee to ensure they are relevant and appropriately stretching, and aligned with the delivery of shareholder returns over the longer term
• performance targets take into account internal forecasts, any guidance provided to the market, market expectations, prior performance, and the Company's risk appetite
• dividends or dividend equivalents may accrue during the performance period based on the number of shares that vest but not those that have lapsed
• malus and clawback apply.
Exceptionally, the Committee may adjust and amend the PSP awards in accordance with the rules, including:
• lengthening the performance period and/or the holding period for future awards
• reducing (but not increasing) the level of vesting dependent upon the performance of the Group.</td><td>Fees for the Chair and non-executive directors are set at an appropriate level to reflect:
• time commitment required to fulfil the role
• responsibilities and duties of the positions
• typical competitor practice in the FTSE 100 and other financial services institutions.
Fees comprise a base fee for membership of the Board, plus (where applicable) additional fees for:
• Senior Independent Director (SID)
• Committee Chairship
• Committee membership (not including the Nominations and Corporate Governance Committee)
• Designated Workforce Director
• Consumer Duty Champion.
Additional fees for membership of Committee, or Chairship or membership of subsidiary boards, or other fixed fees may apply if justified by time or commitment.
The Chair receives an inclusive fee for the role. The Chair's fee is reviewed annually by the Committee, and the non-executive directors' fees are reviewed by the executive directors. There is no obligation to increase fees upon any such review.</td><td>Executive directors are expected to retain any after-tax vested share awards until their shareholding requirements are met, and maintain that shareholding requirement (or their actual shareholding at the date of leaving, if lower) for at least two years after leaving employment with the Group.
The Committee retains the discretion to withhold future PSP grants if executive directors are not making sufficient progress towards their shareholding requirement.
Non-executive directors may elect to receive a proportion of their fees (normally 50%) in L&G shares until their shareholding requirement is met.
The sale of shares prior to the shareholding requirements being met may be permitted in extenuating situations, for example, a change to personal circumstances, ill-health, etc.</td></tr>
<tr><td>The maximum opportunity for an executive director in respect of any financial year is 300% of base pay.
• 15% of the award vests for threshold performance.
• 100% of the award vests for achievement of maximum.
The Committee assesses the formulaic vesting outcome, and may amend the vesting downwards (but not increase the level of vesting) considering a range of factors including overall performance, risk management, capital generation, Solvency II coverage ratio, and ESG.</td><td>Fees are subject to the aggregate limit in the Company's Articles of Association or any subsequent shareholder resolution. Any changes in this limit would be subject to shareholder approval.
The Chair and non-executive directors are not eligible to participate in any benefit, pension or incentive plan. However, additional benefits may be provided if the Board feels this is justified, such as tax compliance advice, work permits or similar. Expenses incurred in carrying out duties (and any associated tax liability) may be reimbursed or paid directly by the Company.</td><td>Shares owned outright equivalent to:
• 325% of base pay for executive directors
• 100% of base fee for non-executive directors.</td></tr>
<tr><td>An appropriate mix (normally an equal weighting) of:
• earnings performance – to incentivise growth in earnings
• shareholder return – to deliver a competitive return for shareholders
• strategic performance including ESG – to incentivise the delivery of broader aspects of the Company's strategy.
The maximum weighting for any strategic measures will be 20%.</td><td>No performance conditions.</td><td>Not applicable.</td></tr>
</table>

Malus and clawback provisions

The Committee may apply malus (i.e. reduce the number of shares in respect of which an award vests, or delay such vesting, or impose additional vesting conditions) in the event of:

- financial misstatement
- personal misconduct
- failure of risk management
- reputational damage
- factual error in calculating payment/vesting
- material downturn in performance
- other exceptional circumstances identified by the Committee.

The Committee may also, in exceptional circumstances, claw-back share awards which have already been released to individuals, if it considers it appropriate to do so having regard to such factors as it deems relevant – such as the likelihood of recovery, any loss suffered, and the link between the award and the event. Clawback will normally only apply within four years of the end of the relevant performance period.

Recruitment remuneration

Component	Policy and operation
Overall approach	The Committee will pay no more than it considers necessary to attract appropriate candidates, and it is not contemplated that remuneration will need to be different from the structure or exceed the limits set out in the remuneration policy table.
Maximum variable remuneration	The maximum variable remuneration will be in line with that set out in the remuneration policy table, that is 500% of base pay, excluding any compensation for awards forfeited on appointment.
Compensation for forfeited awards	As a result of regulations around the globe in the financial services sector, executives are likely to have accrued deferred remuneration which may be lost upon a change of employment. Accordingly, to aid the recruitment of a new executive director, the Committee may grant deferred cash and share awards to compensate for awards forfeited upon leaving a previous employer, taking into consideration relevant factors including: • the form of the award • any performance conditions • the vesting profile and likelihood of vesting • relevant regulatory requirements and guidance. Any awards will reflect the terms and the value of the arrangements forgone, and any such compensation will be subject to forfeiture and clawback if the executive leaves the Company voluntarily within a fixed time period determined by the Committee, being not less than three years. Where possible the Committee will use existing share-based plans. However, in the event these are not appropriate, the Committee retains the discretion to use the Listing Rules exemption (LR 9.3.2) for the purpose of making an award to compensate for amounts forfeited upon leaving a previous employer. For internal appointments, the Committee may continue to honour prior commitments made before joining the Board.
Relocation	Where a new executive director has to relocate to take up the appointment, either within the UK or from overseas, practical and/or financial support may be provided in relation to relocation or mobility, including the cost of any tax incurred for a period not exceeding two years. For appointments from overseas, certain home country benefits may continue to apply. Relocation and mobility support may also apply to the recruitment of a non-executive director.

The Committee will normally align the remuneration arrangements for new non-executive directors with those outlined within the policy table.

Termination and payments for loss of office

Component	Policy and operation
Fixed pay	Any termination payments in lieu of notice would consist solely of base pay and the cost of providing benefits for the outstanding notice period. Any statutory requirements will be observed. Our standard practice is to include within executive directors' contractual terms mitigation provisions as regards to payments in lieu of notice.
Annual Variable Pay (AVP)	Eligibility for AVP, deferred AVP awards and performance share awards are governed by their respective plan rules, as summarised below: • AVP – there is no automatic entitlement to an annual bonus in the year of cessation of employment. However, for a 'good leaver', the Committee may determine that an executive director will receive a bonus pro-rated for the period through to leaving based on targets and performance for the full year, and an assessment of overall business and personal performance • deferred AVP awards – in the event that a participant is a 'good leaver', any outstanding unvested deferred awards will normally be released in accordance with the ordinary timescale. Exceptionally, the Committee reserves the right to accelerate any vesting or payment, for example in the case of terminal illness.
Performance Share Plan (PSP)	PSP – unless the Committee determines otherwise, in the event that a participant is a 'good leaver', any unvested PSP awards will be pro-rated for the period through to leaving and vest based on targets and performance to the end of the performance period, with awards released at the normal times. Exceptionally, the Committee reserves the right to accelerate vesting or payment due, for example, in the case of terminal illness.
Other payments	The Committee reserves the right to make any other payments in connection with a director's cessation of office/employment where the payments are made in good faith, in the discharge of an existing legal obligation (or by way of damages for breach of such obligation) or by way of settlement of any claim arising in connection with the cessation of the director's office/employment, or for any fees for outplacement assistance, and/or director's legal and/or professional advice fees in connection with his/her cessation of office/employment.

'Good leaver' circumstances are leaving due to death, disability, ill-health or injury, redundancy, retirement with Company agreement, the individual's employing company/business ceasing to be part of the Group, or other circumstances at the Committee's discretion. For all other leavers, unvested awards lapse.

Awards will generally vest early upon a takeover of the Company, merger or other corporate reorganisation. Alternatively, participants may be allowed or required to exchange their awards for new awards. If there is a demerger, delisting or special dividend or other transaction which may affect the share price, the Committee may allow awards to vest on the same basis as for a takeover.

Annual report on remuneration

Audited information

Content contained within a grey outline box indicates that all the information in the panel is audited.

Planned implementation for 2025

Content contained within a black outline box indicates that all the information in the panel is planned for implementation in 2025.

'Single figure' of remuneration – executive directors

The following table shows a single total figure of remuneration for each executive director in respect of qualifying services for the 2024 financial year, together with a comparative figure for 2023.

Single figure table

	Fixed				Variable				
Executive director	**Base pay £'000**	**Benefits £'000**	**Pensions £'000**	**Total fixed £'000**	**AVP £'000**	**Replacement award £'000**	**PSP £'000**	**Total variable £'000**	**Total £'000**
2024									
António Simões	**1,171**	**439**	**117**	**1,727**	**1,419**	**7,421**	**–**	**8,840**	**10,567**
Jeff Davies	**684**	**24**	**68**	**776**	**583**	**–**	**–**	**583**	**1,359**
2023									
Jeff Davies[1]	656	25	66	747	522	–	765	1,287	2,034

1. **Reporting of the 2021 PSP in the 2023 Annual report and accounts**
   The vesting date of the 2021 PSP award occurred after the 2023 results announcement. As a result, the PSP figures recognised in the 2023 Annual report and accounts were based on a three-month average share price to 31 December 2023. The 2021 PSP figures reported in the 2024 single figure table above now reflect the share price at vesting on 6 March 2024, at 249.6 pence per share. The figure in the 2023 report was £693,255.

Base pay

Executive director	**Annual base pay as at 1 January 2024**	**Annual base pay effective 1 March 2024**	**Total paid in 2024**	**Base pay effective 1 March 2025**	**% increase**
António Simões[1]	**1,175,000**	**1,175,000**	**1,170,744**	**1,210,300**	**3.0%**
Jeff Davies	**660,400**	**689,000**	**684,233**	**800,000**	**16.1%**

1. Total salary paid from start date of 2 January 2024 to 31 December 2024.

Benefits

Benefits include the elements shown in the table below.

Executive director	**Car allowance, insurances and taxable expenses £'000**	**Relocation expenses £'000**	**Dividends £'000**	**Discount on ShareSave, and ESP matching shares £'000**	**Total benefits £'000**
2024					
António Simões	**46**	**393**	**–**	**–**	**439**
Jeff Davies	**20**	**–**	**2**	**2**	**24**
2023					
Jeff Davies	20	–	2	3	25

The Employee Share Purchase (ESP), matching shares and dividends relate to the all-employee share purchase plan. No dividends are payable on outstanding Share Bonus Plan (SBP) or PSP awards. ShareSave is calculated based on the value of the discount on ShareSave share options exercised in the year.

António Simões was formally appointed as Group CEO from 1 January 2024. The appointment required António to relocate from Spain, to the UK. In line with our policy on recruitment remuneration, António has been provided with practical and financial support, in preparation for and during his relocation.

Relocation expenses until the end of 2024 have been £393,202 in total which has included support in relation to housing, provision of appropriate schooling, and travel expenses. Some further relocation support may be provided to the end of 2025.

Benefits for 2025

Benefits for 2025 remain in line with policy.

Pension

António Simões and Jeff Davies received a cash allowance in lieu of pension contributions equal to 10% of base pay, aligned with the employer pension contributions for the majority of the UK workforce. All cash allowances are subject to normal payroll deductions for income tax and national insurance.

Pension for 2025

For 2025, António Simões and Jeff Davies will receive a cash allowance of 10% of base pay, aligned with employer pension contributions for the majority of the UK workforce.

2024 AVP awards

The 2024 AVP awards are based on performance for the year ended 31 December 2024. 70% of the bonus opportunity is determined by financial performance and 30% is based upon the achievement of strategic objectives.

The figures below represent the total 2024 AVP awards to be paid, incorporating the amount payable in cash in 2025 (50%), and the amount deferred into restricted shares for a further three years to be released in 2028 (50%) subject to continued employment with malus and clawback provisions.

	2024 performance targets and outcome								AVP award (% of maximum)	
Performance measure	**Threshold (0% max)**	**Target (50% max)**	**Maximum (100% max)**	**Actual**	**Outcome (% of max)**		**Weighting**		**António Simões**	**Jeff Davies**
Adjusted operating profit	£1,544m	£1,642m	£1,724m	£1,711m	92.0%	x	15.0%	=	13.8%	13.8%
Operating return on equity (ROE)	26.1%	28.7%	33.0%	34.8%	100.0%	x	10.0%	=	10.0%	10.0%
Net movement in contractual service margin (CSM)	£342m	£389m	£455m	£81m	0.0%	x	12.5%	=	0.0%	0.0%
Solvency II operational surplus generation	£1,698m	£1,751m	£1,804m	£1,751m	50.0%	x	12.5%		6.3%	6.3%
Solvency II new business value add (NBVA):										
Institutional Retirement	5.3%	6.0%	8.1%	5.3%	0.0%	x	5.0%		0.0%	0.0%
Retail Annuities	4.7%	5.5%	6.3%	6.2%	93.8%	x	2.5%		2.3%	2.3%
Protection	5.6%	6.1%	6.5%	7.1%	100.0%	x	2.5%		2.5%	2.5%
Asset Management ANNR	£20m	£39m	£59m	£17.4m	0.0%	x	10.0%		0.0%	0.0%
Strategic – António Simões					85.0%		30.0%	=	25.5%	
Strategic – Jeff Davies					71.7%					21.5%
Total (% of maximum)							100%		60.4%	56.4%
									x	x
Maximum bonus opportunity (% of base pay)									200%	150%
									x	x
Base pay									£1,175,000	£689,000
									=	=
2024 AVP award									£1,419,100	£582,800

Strategic objectives comprise a qualitative assessment by the Remuneration Committee of operational performance and risk management, customer and culture metrics, and other strategic objectives set by the Committee, including ESG objectives. A qualitative assessment, rather than an outcome based only on pre-determined numerical targets, is considered more appropriate for the assessment of strategic objectives, as this enables the Committee to consider performance in the context of a range of factors and changing situations during the year.

Key focus areas are identified at the beginning of each year, and strategic objectives may be set individually for each executive director or assessed as their individual contribution to joint objectives. Normally, 10% of the total bonus opportunity is allocated to each category encompassing:

- **strategy:** focus on safeguarding the future of the Company and developing future income streams
- **culture & customer:** based on a range of metrics which reflect the impact of culture on employees and customers, including customer performance scores and feedback, employee engagement scores, and progress against gender and other diversity goals
- **risk:** supported by analysis from the Chief Risk Officer, using quantitative and qualitative metrics, including divisional and Group operational performance, capital management, prudential risk, IT and cyber risk, and internal audit
- **environmental** (moderator*): progress against key environmental commitments as referenced in our 2024 Climate and nature report and increase in the prominence of sustainability considerations in commercial decisions taken during the year (including operational, investment and product development decisions).

* ESG metrics are incorporated into the existing strategic and personal performance measures, rather than a separate or additional component. AVP may be reduced if insufficient progress is made against ESG metrics.

Performance measure and focus areas	Commentary	Outcomes (out of 10) CEO	Outcomes (out of 10) CFO
Strategy (10% weighting) Development, communication and roll out of the new strategy.	• Led a well structured process, engaging closely with the senior team and Board, ensuring the new strategy was clearly communicated. • Development of the senior team ensuring that appropriate talent is in place for the delivery against the strategy. • Effective execution on disposal of CALA Group.	8.0	8.0

Culture & customer (10% weighting):
Alignment of culture with delivery of the new strategy.
	• Delivery of updated behaviours and purpose for the Group aligned with the delivery of the new strategy.
	• Reshaped the functioning of the leadership team aligned with the new behaviours and purpose.
	• Strong engagement from teams across the business, resulting in high employee engagement scores.
	• Engaged on the Consumer Duty programme ensuring progress on key areas, including improved management information to ensure continued delivery of high quality service to customers:
	  • ensuring payment of claims brought into line with service level agreements
	  • ensuring progress on track to improve drawdown journey for customers.
		9.0	6.0

Risk management (10% weighting) Successful delivery of performance within the Group's risk appetite.	• Delivered results within the financial risk appetite, establishing and embedding new capital allocation framework. • Supported ongoing enhancements to risk management disciplines and assessment of residual and inherent risks across the Group. • Highly responsive to rectification of issues identified through internal audit. • Strong progress on key projects enhancing operational resilience.	8.5	7.5
Environmental measures (moderator)			
Investment portfolio carbon emission intensity reduction	• Investment portfolio carbon emission intensity reduced to 51 tCO_2e/£ million in line with pathway to achieve 50% reduction by end 2030 (from a YE19 baseline).	Progress on or exceeding targets	
Progress in delivery of operational emissions science-based target (SBT)	• Good progress against operational emissions SBT with operational footprint reduced to 27,418 tCO_2e (2023: 27,722 tCO_2e), in line with our SBT and net zero ambition.		
Increase prominence of sustainability considerations in commercial decisions	• Group and Asset Management continue to play active roles in industry climate forums, government lobbying and shaping of the regulatory framework for sustainability.		

In addition, the Committee considers the Solvency II coverage ratio (2024: 232%) and sustainable financial performance, and may apply a 'moderator' to reduce (but not increase) an AVP award if there are factors that warrant such a reduction. For 2024, it was determined that no adjustment was necessary to the calculated AVP award.

Risk consideration

The Committee reviewed a comprehensive report from the Chief Risk Officer to ascertain that the executive directors' objectives had been fulfilled within the risk appetite of the Group. In addition, the Committee received feedback from the Group Regulatory Risk and Compliance function that there were no issues to consider relating to regulatory breaches or customer outcomes that would prevent payment of any AVP award or trigger a recommendation that malus should be applied. The Committee was satisfied that the AVP awards should be paid.

Deferral policy

In line with the remuneration policy, 50% of all 2024 AVP awards have been deferred for three years into restricted shares, subject to continued employment and with malus and clawback provisions.

AVP potential 2025

In line with the remuneration policy, for 2025 the target and maximum AVP opportunities for our executive directors will be:

Executive director	Target opportunity (% of base pay)	Maximum opportunity (% of base pay)
António Simões	100%	200%
Jeff Davies	75%	150%

The proportion of the AVP measures assessed against financial metrics will remain 70%, with 30% assessed against non-financial objectives. Financial metrics will cover profitability and growth, aligned to António's strategic review. Group financial targets will be disclosed in the 2025 Annual report and accounts. Some strategic and personal targets are considered confidential and will not be disclosed in any future report.

In line with the remuneration policy, 50% of all 2025 AVP awards will be deferred for three years into restricted shares, subject to continued employment, with malus and clawback provisions.

Replacement awards

As was disclosed in the 2023 Annual report and accounts, António had numerous unvested awards which he forfeited as a result of joining L&G. In summary, these awards were bought out taking into consideration relevant factors including but not limited to, the form of the award, any performance conditions attached to those awards, the vesting profile and likelihood of vesting and any relevant regulatory requirements and guidance in relation to awards. All awards were replaced on a 'like for like basis', meaning that:

- deferred cash and share awards have been bought out in cash/shares respectively
- all buyout awards have identical vesting/deferral periods to the original awards
- for all awards with performance conditions, a fair value was calculated based on how performance was tracking against targets.

The value of these awards were also all disclosed in full in the 2023 annual report and accounts, and are now being included in this year's single figure tables in line with the applicable regulations. As a reminder, the value is made up of:

- £3,079,242 to replace the forfeiture of his annual bonus for 2023 from his previous employer, delivered 50% in cash in 2024 and 50% in shares agreed in April 2024 vesting over three years
- £4,342,056 to replace the forfeiture of various long-term/deferred incentives from his previous employer. £2,922,490 was delivered in shares vesting at various times between March 2024 and March 2028 for a total number of 1,229,642 shares at an effective grant price of £2.377. £1,419,566 will be delivered as cash awards, payable at various times between March 2024 and March 2028.

All awards are subject to malus and clawback in line with the executive remuneration policy as set out on page 96.

Further details on the share awards granted, including the share prices used at grant, is provided in the scheme interests awarded in the year section on page 104.

Details of how the 2022 PSP award vested

Outcomes against both the total shareholder return (TSR) performance (50%) and EPS growth (50%) over the three-year performance period ended 31 December 2024, did not achieve the threshold level required for any shares to vest from the 2022 PSP award. A summary of the outcome per measure is shown below, with further detail provided on page 102.

Performance measure	Weighting	Outcome (% of maximum)
TSR vs FTSE 100	25%	–
TSR vs bespoke comparator group	25%	–
EPS growth (% p.a.)	50%	–
Total (% of maximum)	100%	–

The bespoke comparator group comprises:

Abrdn, Aegon, Ageas, Allianz, Assicurazioni Generali, Aviva, AXA, Gjensidige Forsikring, Hannover Rueck, Lincoln National, Mapfre, M&G, Metlife, Muenchener Ruck, NN Group, Phoenix Group, Principal Financial, Prudential, Prudential Financial, Sampo A, Swiss Re, Talanx, Zurich Insurance Group.

Approach to calculation of EPS growth

EPS growth is determined based on measuring the change in EPS over the three-year performance period. However, as previously indicated, the introduction of IFRS 17 prevents EPS from being measured on the same basis from the start of the performance period (where EPS was reported based on IFRS 4) to the end of the performance period (where EPS was reported based on IFRS 17). In order to fairly measure the EPS growth performance, the Committee has considered the annual change in each of the three years, as the EPS for 2022 has been reported on both an IFRS 4 and IFRS 17 basis. The basis for the calculation is illustrated in the table below:

	Year on year EPS growth				EPS growth p.a. over 3-year performance period
	Accounting Standard	2021 to 2022	2022 to 2023	2023 to 2024	
Adjusted EPS	IFRS 4	12.0%			(40.6)%
	IFRS 17		(23.1)%	(75.7)%	

The results are shown below:

Grant date	Performance period	Comparator group	L&G's TSR[1]	Median rank	80th percentile rank	L&G's rank	Outcome (% of maximum)
19 April 2022	1 January 2022 to 31 December 2024	FTSE 100		46.5	19.2	57.9	0%
		Bespoke comparator group	(1.2)%	12.0	5.4	19.4	0%

Performance condition	Performance target		Actual performance	Outcome (% of maximum)
	Threshold	Maximum		
EPS growth (% p.a.)	5%	12%	(40.6)%	0%

1. TSR is calculated in accordance with the Performance Share Plan rules using the three-month average prior to the start and end of the performance period.

Performance was below the threshold level for all performance conditions. No share will vest from the 2022 PSP award.

Executive director	Shares granted in 2022	Vesting outcome (% of maximum)	Shares vesting in March 2025	Value of shares on vesting (£)
Jeff Davies	582,767	0%	–	–

Performance Share Plan (PSP) awards for 2025

António Simões will be granted an award with a face value of 300% of base pay and Jeff Davies will be granted an award with a face value of 250% of base pay.

For the 2025 award, the following performance measures will be used:

- TSR performance relative to the FTSE 100 (20% of award)
- TSR performance relative to a bespoke comparator group of companies (20% of award), noting that the bespoke comparator group will be unchanged from the 2024 PSP
- EPS growth (40% of award)
- progress against published commitments in our Climate transition plan, aligned to our three-pillar strategy of Invest, Influence, Operate (20% of award), as detailed in the table on the following page.

Vesting of the overall awards will also be subject to assessment against Solvency II objectives.

In setting targets for the 2025 PSP awards, the Committee has considered:

- the business plan over the next three years and market expectations of performance
- the impact of the new IFRS 17 accounting standard on the timing of the reporting of profit
- progress against our published commitments with the Climate transition plan and projected progress over the performance period.

Based on these considerations, the Committee considered it appropriate for vesting to be based on performance as set out in the table on the following page.

	Weighting	Below threshold	Threshold	Maximum
Vesting		0%	15%	100%
TSR performance	**40%**	Below median	Median	80th percentile
EPS growth[1]	**40%**	<19.54p	19.54p	25.01p
Progress against Climate transition plan	**20%**			
Investment portfolio GHG emission intensity reduction, from a YE19 baseline (aligned with the pathway to achieving 50% reduction by 2030)	5%	<40%	40%	45%
Investment portfolio temperature rating (SBTi metric) to achieve 2.1 degree portfolio alignment on listed equities and bonds	5%	>2.2 degrees	2.2 degrees	2.1 degrees
Progress on operational emissions SBT, from a YE21 baseline (aligned with the pathway to achieving a 42% reduction in our absolute scope 1 and 2 GHG emissions by 2030)	10%	<35%	35%	39%

In determining the final outcome for the Climate transition measures, the Remuneration Committee may make a downwards adjustment if they are not satisfied that positive and sufficient progress has been made against our target of 70% of eligible AUM to be managed in alignment with net zero[2].

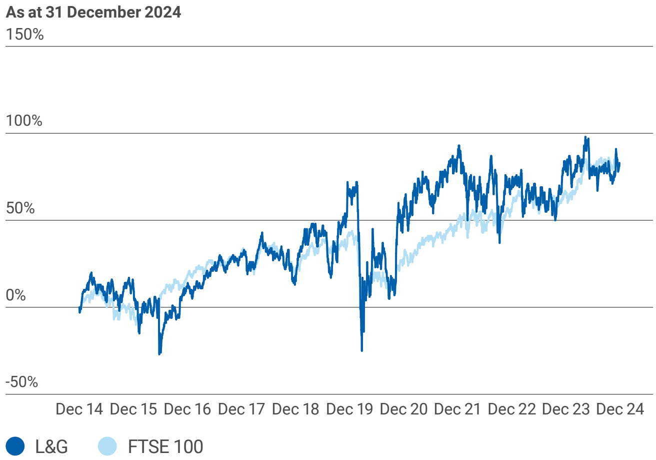
The Remuneration Committee will also consider material market movements or business composition changes when assessing the final outcome and may make adjustments to the outcome as a result.

1. Targets are based on EPS achieved for the 2027 financial year, being the final year of the three-year performance period.
2. This reflects the important and significant impact that the Company has though influencing its investments while acknowledging the challenges in setting quantitative targets at this point in time.

Other remuneration information

Total shareholder return (TSR)

The chart shows the value, as at 31 December 2024, of £100 invested in L&G shares on 31 December 2014, compared to £100 invested in the FTSE 100 on the same date. The FTSE 100 Index was chosen as the comparator because the Company is a member of this index.



Group Chief Executive – historical remuneration information

The table below shows the remuneration of the Group Chief Executive in place at the time over the same period:

Year	Name	Group Chief Executive single figure of total remuneration (£'000)	Annual variable element against maximum opportunity	PSP vesting rates against maximum opportunity
2024	António Simões	10,567	60.4%	0%
2023	Sir Nigel Wilson	3,336	53.8%	61.1%
2022	Sir Nigel Wilson	4,016	91.4%	52.3%
2021	Sir Nigel Wilson	4,311	94.5%	82.9%
2020	Sir Nigel Wilson	2,092	23.5%	24.2%
2019	Sir Nigel Wilson	4,592	91.1%	86.9%
2018	Sir Nigel Wilson	3,398	80.4%	48.7%
2017	Sir Nigel Wilson	3,439	85.3%	59.9%
2016	Sir Nigel Wilson	5,417	87.8%	76.6%
2015	Sir Nigel Wilson	5,497	86.3%	100%

Due to the timing of the vesting of PSP awards, initially PSP figures within the single figure of remuneration are calculated based on the average share price for the three months ended 31 December in the respective year. As noted under the single figure of remuneration table on page 98, the figures are restated in the following year's report to reflect the actual share price on the vesting date. The figures in the table above have been restated to reflect the actual share price on vesting for the years 2015 – 2023.

Scheme interests awarded during the financial year

The following table sets out details of share awards granted in 2024.

Executive director	Reason for award	Award type	Awards granted in 2024	Grant price £	Face value at grant price £
António Simões	PSP	Nil-cost option	1,396,371	2.5244	3,524,999
	Deferred bonus assurance	Restricted shares	610,314	2.5277	1,542,691
	Buyout award	Restricted shares	172,617	2.3767	410,259
	Buyout award	Restricted shares	170,512	2.3767	405,256
	Buyout award	Restricted shares	216,096	2.3767	513,595
	Buyout award	Restricted shares	85,256	2.3767	202,628
	Buyout award	Restricted shares	216,096	2.3767	513,595
	Buyout award	Restricted shares	85,256	2.3767	202,628
	Buyout award	Restricted shares	171,359	2.3767	407,269
	Buyout award	Restricted shares	112,450	2.3767	267,260
Jeff Davies	PSP	Nil-cost option	682,340	2.5244	1,722,500
	Deferred AVP	Restricted shares	103,461	2.5227	261,500

The buyout awards could not be granted under any of the Company's existing incentive plans given the varying structures and terms of the forfeited awards. The buyout awards were therefore granted under a one-off agreement in accordance with Listing Rule 9.3.2 under which António is the sole participant, and the awards will be satisfied using shares purchased in the market.

Performance conditions for PSP awards granted in 2024

The PSP awards were granted on 8 April 2024. 20% of the award will vest based on TSR performance relative to the FTSE 100; 20% of the award will vest based on TSR performance relative to a bespoke peer group (comprising Abrdn, Aegon, Ageas, Allianz, Assicurazioni Generali, Aviva, AXA, Gjensidige Forsikring, Hannover Rueck, Lincoln National, M&G, Mapfre, Metlife, Muenchener Ruck, NN Group, Phoenix Group, Principal Financial, Prudential Financial, Prudential, Sampo A, Swiss Re, Talanx and Zurich Insurance Group); 40% of the award will vest based on the EPS growth; and 20% will vest based on projected progress, over the performance period, against published commitments in our Climate transition plan. Vesting will be based on performance as set out in the table below:

	Weighting	Below threshold	Threshold	Maximum
Vesting		0%	15%	100%
TSR performance	40%	Below median	Median	80th percentile
EPS growth	40%	< 5% p.a.	5% p.a.	14% p.a.
Progress against Climate transition plan	20%			
Investment portfolio GHG emission intensity reduction, from a YE19 baseline (aligned with the pathway to achieving 50% reduction by 2030)	5%	<37%	37%	43%
Investment portfolio temperature rating (SBTi metric) to achieve 2.1 degree portfolio alignment on listed equities and bonds	5%	>2.2 degrees	2.2 degrees	2.1 degrees
Progress on operational emissions SBT, from a YE21 baseline (aligned with the pathway to achieving a 42% reduction in our absolute scope 1 and 2 GHG emissions by 2030)	10%	<33%	33%	38%

In determining the final outcome for the Climate transition measures, the Remuneration Committee may make a downwards adjustment if they are not satisfied that positive and sufficient progress has been made against our target of 70% of eligible AUM to be managed in alignment with net zero by 2030[1].

The Remuneration Committee will also consider material market movements and business composition changes when assessing the final outcome and may make adjustments to the outcome as a result.

1. This reflects the important and significant impact that the Company has through the ability to influence clients' decisions while acknowledging the challenges in setting quantitative targets at this point in time.

Statement of directors' shareholding and share interests

Total shareholding of executive directors:

	Type	Owned outright/ vested shares	Subject to deferral/ holding period	Total vested and unvested shares (excludes any shares with performance conditions)	Subject to performance conditions	Shares sold or acquired during the period 1 January 2025 and 11 March 2025: Owned outright/ vested shares	Shares sold or acquired during the period 1 January 2025 and 11 March 2025: Subject to deferral/ holding period
António Simões	Shares	91,487	1,667,339	1,758,826	–	–	–
	ESP	–	–	–	–	–	–
	Options	–	–	–	1,396,371	–	–
Jeff Davies	Shares	859,483	436,657	1,296,140	–	–	–
	ESP	6,620	1,039	7,659	–	158	89
	Options	–	644,921	644,921	1,958,454	–	–

Shareholding requirement – executive directors

The shareholding requirement for all executive directors is 325% of base pay.

	Actual share ownership as % of 2024 base salary[1]:	Shareholding requirement met	Shares owned at 1 January 2024	Shares owned at 31 December 2024	Shares sold or acquired during the period 1 January 2025 and 11 March 2025
António Simões	182%	No	–	932,177	–
Jeff Davies	344%	Yes	902,449	1,032,821	247

1. Closing share price as at 31 December 2024: 229.8 pence.

Notes
Shares used for the calculations above exclude those with performance conditions and any shares held in a private trust where the executive director is not a trustee. They include vested shares where the executive director has beneficial ownership, shares independently acquired in the market, those held by a spouse or civil partner or dependant child under the age of 18 years, and unvested shares not subject to performance conditions (discounted for any anticipated tax liabilities).

Although the shareholding requirement is not contractually binding, executive directors are expected to retain any after-tax vested share awards until their shareholding requirements are met, and maintain that shareholding requirement (or their actual shareholding at the date of leaving, if lower) for at least two years after leaving employment. The Committee retains the discretion to withhold future grants under the PSP if executives are not making sufficient progress towards their shareholding requirement. Once shareholding requirements have been met, executive directors may sell shares in excess of the shareholding requirement if they wish. The Committee has discretion to allow executive directors to sell shares prior to the shareholding requirement being met in extenuating situations, for example, a change to personal circumstances or ill-health, etc.

Share options exercised during 2024

PSP awards may be granted in the form of nil-cost options with an exercise date no earlier than the normal vesting date. Executive directors may also participate in the Company's ShareSave Plan. Where such share awards have been exercised during 2024, they are shown below:

Executive director	Date of grant	Shares exercised	Exercise date	Share price at date of exercise £	Gain £
Jeff Davies	16/04/2019	470,011	16/04/2024	2.433	1,143,537
Jeff Davies	09/04/2021	2,034	01/06/2024	2.534	476

Payments to past directors

The details of the treatment of Sir Nigel Wilson's remuneration upon departure were fully disclosed in last year's 2023 Annual report and accounts. During 2024, Sir Nigel received base pay, pension and benefits until his retirement on 31 October 2024. The total payments received were:

	Base salary £,000	Benefits £,000	Pension £,000	Total remuneration £,000
2024	896	16	90	1,002

Outstanding deferred AVP awards have vested or will vest at the normal time as set out in the table below:

AVP award	Grant date	Vesting date	Value of award	No. of shares granted	Grant price
2021	19/04/ 2022	19/04/2025	£694,200	255,220	£2.720
2022	06/04/2023	06/04/2026	£705,500	297,929	£2.366
2023	08/04/2024	08/04/2027	£433,600	171,881	£2.523

Sir Nigel Wilson had a maximum of 894,731 shares available to vest from the 2022 PSP award. As indicated on page 101, the 2022 PSP vested at 0% based on performance to the end of 2024. In addition, Sir Nigel has a maximum of 687,761 shares available to vest from the 2023 PSP award. These will vest subject to the normal performance conditions over the full performance period.

All vested shares from the PSP awards will be released in accordance with the normal timescale.

Non-executive directors' remuneration – 2024

Non-executive directors' fees

The fees for the Chair and non-executive directors were reviewed during 2024, and with effect from 1 August 2024 the fee for the Chair was increased from £603,500 to £617,000. From 1 August 2024, the Chair's fee for the Audit, Risk, Remuneration, and Data and Technology Committees was increased from £42,000 to £50,000. From 1 November 2024, a fee of £31,500 was introduced for the Consumer Duty Champion.

All other non-executive director fees remained unchanged from 1 August 2023. The table below sets out the current fees.

Annual fees	Current fee £
Chair	617,000
Base fee	80,500
Additional fees:	
Senior Independent Director	31,500
Designated Workforce Director	31,500
Consumer Duty Champion	31,500
Committee Chair fee (Audit, Remuneration, Risk and Data and Technology Committees)	50,000
Committee membership fee (Audit, Remuneration, Risk and Data and Technology Committees)	16,500

The current limit for base fees for non-executive directors is an aggregate of £3,000,000. This limit was approved by shareholders at the 2023 AGM.

The table below shows the actual fees paid to our non-executive directors in 2024 and 2023.

Non-executive director		Fees for 2024	Benefits for 2024[4]	Total remuneration for 2024	Fees for 2023	Benefits for 2023	Total remuneration for 2023
Sir John Kingman	Chair N	**609,125**	**2,419**	**611,544**	588,333	–	588,333
Henrietta Baldock[1]	N R Ri	**222,479**	**2,774**	**225,253**	245,042	130	245,172
Clare Bousfield	D N Ri	**9,458**	**–**	**9,458**	–	–	–
Philip Broadley	A D N R Ri	**145,479**	**3,335**	**148,814**	157,437	1,777	159,214
Carolyn Johnson	A D N Ri	**117,979**	**52,453**	**170,432**	110,875	28,051	138,926
Nilufer Kheraj	A D N Ri	**160,479**	**–**	**160,479**	149,250	–	149,250
Lesley Knox[2]	N R Ri	**278,229**	**4,547**	**282,776**	251,122	3,170	254,292
George Lewis[3]	A N R Ri	**233,527**	**48,223**	**281,750**	218,686	54,844	273,530
Ric Lewis	N R	**98,729**	**–**	**98,729**	110,875	–	110,875
Tushar Morzaria	A N R Ri	**157,813**	**430**	**158,242**	152,875	–	152,875
Laura Wade-Gery	D N R Ri	**188,051**	**2,333**	**190,384**	146,750	–	146,750

Key:

NED Committee membership: A = Audit D = Data and Technology N = Nominations and Corporate Governance R = Remuneration Ri = Risk

1. Henrietta Baldock is also Chair of the Legal and General Assurance Society (LGAS) Board for which she receives a separate fee to that paid to her as a Non-Executive Director of the Company. The actual fees in the table above include her total fees for both roles. The fee as Chair of LGAS increased from 1 January 2025, the first increase since Henrietta's appointment to the role.
2. Lesley Knox is also a NED of the L&G – Asset Management Limited Board for which she receives a separate fee to that paid to her as a Non-Executive Director of the Company. The actual fees in the table above include her fees for both roles.
3. George Lewis is also Chair of L&G Assurance (Pensions Management) Limited Board for which he receives a separate fee to that paid to him as a Non-Executive Director of the Company. The actual fees in the table above include his fees for both roles.
4. The Chair and non-executive directors are not eligible to participate in any benefits, pension or incentive plan. The amounts disclosed in the benefits section above relate to taxable travel and accommodation expenses incurred, during the tax year ending in 2024, while undertaking their roles as non-executive directors of the Company.

Shareholding requirements – non-executive directors[1]

Non-executive directors are required to build up a shareholding equivalent to 100% of base fee, typically within three years of appointment. Non-executive directors may elect to receive a proportion of their fees (normally 50%) in shares until their shareholding requirement is met. The table below shows their shareholding as at 6 January 2025, taking into account share purchases in relation to December 2024 fees.

Name	Shareholding as at 6 January 2025	Shareholding as a % of base fee	Guideline met	Shares purchased from 7 January 2025 to 3 March 2025
Sir John Kingman	389,935	145%	Met	1,393
Henrietta Baldock	74,272	212%	Met	2,091
Clare Bousfield[2] – appointed 1 December 2024	–	–	Not Met	–
Philip Broadley	92,260	263%	Met	–
Carolyn Johnson[3]	10,500	151%	Met	–
Nilufer Kheraj	49,561	141%	Met	–
Lesley Knox	37,600	107%	Met	–
George Lewis	63,894	182%	Met	–
Ric Lewis	66,467	190%	Met	2,230
Tushar Morzaria	60,000	171%	Met	–
Laura Wade-Gery	38,583	110%	Met	2,034

1. Shareholding for non-executive directors includes connected persons.
2. Clare Bousfield was appointed on 1 December 2024 and is expected to meet the shareholding requirement within three years of appointment.
3. Carolyn Johnson holds 10,500 L&G Group American Depositary Receipts.

Non-executive directors' terms of employment

	Initial appointment date	Current letter of appointment end date
Sir John Kingman	24 October 2016	24 October 2025
Henrietta Baldock	04 October 2018	04 October 2027
Clare Bousfield	01 December 2024	01 December 2027
Philip Broadley	08 July 2016	08 July 2025
Carolyn Johnson	17 June 2022	17 June 2025
Nilufer Kheraj	01 May 2021	01 May 2027
Lesley Knox	01 June 2016	01 June 2025
George Lewis	01 November 2018	01 November 2027
Ric Lewis	18 June 2020	18 June 2026
Tushar Morzaria	27 May 2022	27 May 2025
Laura Wade-Gery	03 January 2022	03 January 2028

The standard term for non-executive directors is three years and for the Chair is five years. All non-executive directors are subject to annual re-election by shareholders.

Remuneration for the wider workforce

General remuneration policy

The Group's remuneration policy is designed to reward, motivate, and retain high performers in line with the risk appetite of the Group. Remuneration is considered within the overall context of the Group's sector and the markets in which it operates. The policy for the majority of employees is to pay around the relevant mid-market range with a competitive package designed to align the interests of employees with those of shareholders, and with an appropriate proportion of total remuneration dependent upon performance.

We define core remuneration as base pay, annual bonus, and other benefits such as pension. Key employees are also eligible to participate in a long-term incentive plan, typically either the Share Bonus Plan (SBP) for the majority of employees, or the Performance Share Plan (PSP) for the most senior management.

Summary of the remuneration structure for the wider workforce

Element	Policy
Fixed	
Base pay	We aim to attract and retain key employees by paying base pay which delivers competitive total remuneration. Factors taken into account when determining salaries include: • the individual's skills, experience and performance • scope of the role • external market data • pay and conditions elsewhere in the Group • overall business performance. As a member of the Living Wage Foundation, base pay is also set with reference to the Foundation's UK and London living wage levels. During 2024, the average increase was 4.5% but with increases applied on a stratified basis with the more junior employees receiving, on average, the highest increases (generally 5%). For 2025, the average increase was 3.6%, applied again on a stratified basis with more junior employees receiving increases, on average, of 3.8%.
Benefits	All UK employees have access to private medical insurance, life insurance, and a range of family-friendly policies (maternity, paternity, adoption and shared parental leave). In addition, there are several wellbeing support packages, including Unmind (a mental health app), childcare, and elderly care support. Employees of non-UK business are provided with benefits in line with the local market.
Pension	All employees are given the opportunity to participate in a Group pension scheme. The pension opportunity offered to the majority of the UK workforce in 2024 was 11% of base pay. With effect from 1 April 2025, the pension opportunity for the majority of the UK workforce will be increased to 12%, with further increases planned over the next three years to align the pension opportunity with that for senior managers. Employees of non-UK business are provided with pension provision, in line with the local market practice and legislative requirements.
Variable	
Annual bonus	The majority of employees participate in a discretionary bonus plan, unless an alternative plan applies based on role. An employee will be considered for a discretionary bonus award based on achievement against objectives, conduct and behaviours, the role performed during that year, and internal relativities. The Group operates bespoke bonus plans where business-appropriate. However, the Remuneration Committee has ultimate discretion over all bonus plans. Bonuses above a certain threshold are subject to deferral. Deferred awards are normally held in shares for three years and are subject to malus and clawback. The Company reserves the right to adjust deferral levels for Material Risk Takers and Code staff, as deemed necessary to comply with regulatory requirements.
Share bonus plan (SBP)	Key employees, including senior managers, high-performing and high-potential individuals, and those with critical skills may receive SBP awards, typically in the form of restricted shares vesting three years from the grant date. SBP is also used as the vehicle for deferral of annual bonuses in the majority of cases.
Performance share plan (PSP)	Participation in the PSP is offered to senior management each year in recognition of the strategic and influential role that they hold in terms of driving Company performance, as well as their individual contribution. Participation in the plan for one year does not guarantee participation in future years. PSP awards were made to around 17 employees during 2024. Where appropriate, grants under the PSP may also be made for new employees who join the Company during the year in key roles.
Other	
Employee share plans	All employees are given the opportunity to participate in a ShareSave plan and an Employee Share Purchase plan. These are both HMRC-approved plans which offer all employees the opportunity to share in the success of the business.

Annual equal pay review

The Group seeks to ensure that our pay policies and practices are free from unfair bias. Part of the pay review process is an annual equal pay review that reviews pay and bonus decisions by gender, ethnicity, age, and full-time versus part-time working. In addition, it considers the application of the pay policy more widely, in particular looking at decisions made in the annual pay review across grades, functions, and divisions.

Gender pay reporting

The Group has published a new Social impact report, which contains the statutory disclosure of our gender pay gap for 2024.

Pay ratio in relation to the Group Chief Executive Officer

Since 2016, we have voluntarily disclosed details of the pay ratio in relation to the Group Chief Executive Officer and the wider UK employee population. From 2018, we made some amendments to how we report the information in order to align with the reporting requirements set out by the Department for Business, Energy and Industrial Strategy (BEIS), which came into effect for financial years starting 1 January 2019.

The tables below provide the ratio between the base pay and single figure total remuneration of the Group Chief Executive Officer and the base pay and total remuneration of UK employees at the upper quartile (75th percentile), median (50th percentile), and lower quartile (25th percentile).

Total remuneration

		Pay ratio			All UK employees £		
Year	**Method**	**75th percentile**	**Median**	**25th percentile**	**75th percentile**	**Median**	**25th percentile**
2024 (reported single figure)	**B**	**98**	**161**	**271**	**107,476**	**65,490**	**38,997**
2024 (single figure excluding replacement award)	**B**	**29**	**48**	**81**			
2023	A	30	61	91	111,017	55,108	36,780
2022	A	46	77	135	87,152	51,834	29,804
2021	A	52	88	146	82,475	49,226	29,531
2020	A	26	48	81	78,989	43,726	25,839
2019	A	61	105	167	70,892	40,982	25,814
2018	A	49	83	132	69,923	40,814	25,730
2017	A	52	89	137	66,572	38,802	25,023

Base pay

		Pay ratio			All UK employees £		
Year	**Method**	**75th percentile**	**Median**	**25th percentile**	**75th percentile**	**Median**	**25th percentile**
2024	**B**	**14**	**22**	**37**	**81,333**	**52,173**	**31,833**
2023	A	13	21	33	84,981	51,800	32,229
2022	A	14	23	38	72,530	44,549	26,875
2021	A	14	23	38	68,675	42,444	26,000
2020	A	15	26	42	65,101	37,677	23,232
2019	A	16	27	42	60,000	35,000	22,550
2018	A	16	27	41	57,853	34,475	22,781
2017	A	16	27	42	58,020	33,649	22,148

Pay ratio commentary

As a result of the replacement award made to António Simões, in respect of deferred remuneration forfeited on his resignation from his previous employer, the ratio of total remuneration for the Group CEO compared to UK employees has increased significantly from 2023 to 2024, based on the reported single figure of remuneration for the Group CEO. In addition, we have provided a ratio based on António's single figure remuneration excluding the one off replacement award which we believe provides a better basis for year on year comparisons. In this case the ratio has decreased slightly compared with 2023, which is reflective of the overall change in variable remuneration for executive directors, with 2024 AVP outcomes slightly higher than 2023 but no payout from the 2022 PSP.

Methodology

The Companies (Miscellaneous Reporting) Regulations 2018 permit different options for calculating the pay ratio. We have chosen option B as our method for calculating the pay ratio for 2024, consistent with the methodology for gender pay reporting. The total remuneration figures for the UK employees are based on salaries at 1 December 2024. Bonus amounts for 2024 are not able to be determined for some eligible employees until after publication of this report, and therefore it is not possible to determine the exact 2024 total remuneration for all UK employees, as is required for option A within this timescale. For completeness and transparency, we have included the pay ratios based on the option A method for previous years and we will also retrospectively disclose the pay ratio for 2024, based on the option A method in the 2025 Annual report and accounts. We do not believe that this will result in pay ratio figures that are materially different to the 2024 figures disclosed above.

Percentage change in directors' 2024 remuneration compared with all UK employees

As required by the Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019, the analysis covers all executive directors and non-executive directors.

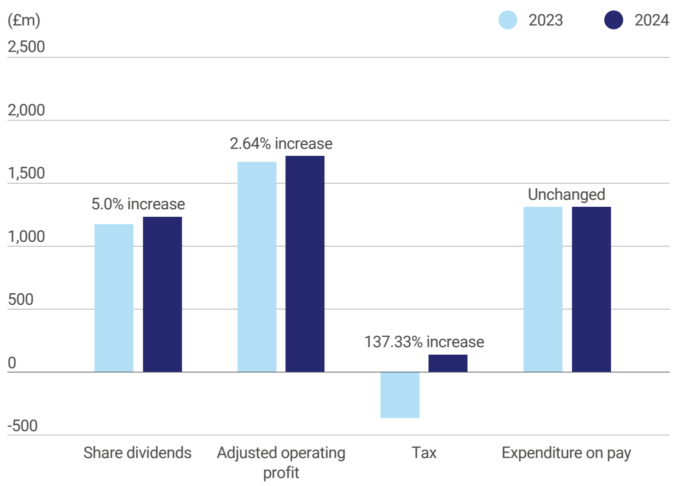
		Executive directors		Chair and non-executive directors[1]										
		António Simões	Jeff Davies	Sir John Kingman	Henrietta Baldock	Nilufer Kheraj	Philip Broadley	Carolyn Johnson	Lesley Knox	George Lewis	Ric Lewis	Tushar Morzaria	Laura Wade-Gery[2]	**Average for UK employees**
Year ended 31 December 2024	**Base pay/ fees (% change)**	**n/a**	**4.3%**	**3.5%**	**(9.2)%**	**7.5%**	**(7.6)%**	**6.4%**	**10.8%**	**6.8%**	**(11.0)%**	**3.2%**	**28.1%**	**4.7%**
	Benefits (% change)	**n/a**	**(2.6)%**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**5.4%**
	AVP (% change)	**n/a**	**11.6%**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**5.8%**
Year ended 31 December 2023	Base pay/ fees (% change)	n/a	4.9%	4.8%	18.0%	(8.0)%	(3.7)%	2.0%	8.0%	25.1%	3.4%	2.3%	50.4%	**5.7%**
	Benefits (% change)	n/a	(13.7)%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	**5.7%**
	AVP (% change)	n/a	(39.8%)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	**5.2%**
Year ended 31 December 2022	Base pay/ fees (% change)	n/a	5.9%	5.1%	3.4%	59.7%	5.0%	n/a	3.5%	69.9%	8.1%	n/a	n/a	**4.7%**
	Benefits (% change)	n/a	4.0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	**4.7%**
	AVP (% change)	n/a	6.3%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	**(0.3)%**
Year ended 31 December 2021	Base pay/ fees (% change)	n/a	0.0%	4.2%	0.8%	n/a	28.7%	n/a	2.8%	11.0%	7.8%	n/a	n/a	**2.4%**
	Benefits (% change)	n/a	0.7%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	**2.4%**
	AVP (% change)	n/a	282.2%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	**19.6%**
Year ended 31 December 2020	Base pay/ fees (% change)	n/a	6.6%	3.3%	4.5%	n/a	3.6%	n/a	1.9%	4.9%	n/a	n/a	n/a	**3.5%**
	Benefits (% change)	n/a	6.3%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	**3.5%**
	AVP (% change)	n/a	(72.1)%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	**2.7%**

1. The increase in fees for non-executive directors of the Company reflects the increases in Committee membership fees as well as changes in the membership of the Committees.
2. The increase in fees for Laura Wade-Gery reflects her appointment to the role as the Chair of the Remuneration Committee in February 2024 and the introduction of a fee for her role as Consumer Duty Champion.

Clare Bousfield has not been included in the above table as she was appointed on 1 December 2024 and so does not have any prior year fees for comparison. As with prior years, the whole UK employee population has been selected as the comparator group. This group was chosen because it includes a wider cross-section of the Group's employees. The increase in benefits for the employee comparator group relates to the impact of increases in base salaries, and employer pension contributions for the wider UK workforce.

Relative importance of spend on pay

The chart opposite shows the relative importance of expenditure on pay compared to share dividends, adjusted operating profit, and tax for the year. Adjusted operating profit has been shown because it is a key performance indicator of the business.



Remuneration Committee

The table below shows the members and attendees of the Remuneration Committee during 2024.

Committee members, attendees and advice

Meetings in 2024

During 2024, the Committee met eight times and in addition had ongoing dialogue via email and other telecommunications. An outline of the Committee undertakings in each quarter during 2024 is shown in the table below. During 2024, the Remuneration Committee comprised the following non-executive directors:

	Number of Remuneration Committee meetings attended during 2024	
Non-executive director	**Scheduled**	**Ad hoc**
Laura Wade-Gery	6/6	2/2
Henrietta Baldock	6/6	2/2
Philip Broadley	6/6	2/2
Lesley Knox	6/6	1/2
George Lewis	6/6	2/2
Ric Lewis	6/6	1/2
Tushar Morzaria	6/6	2/2

Committee undertakings

Quarter	Governance	Performance	Remuneration policy	Regulatory
First	• Reviewed the 2023 Social impact report, which contains our gender and ethnicity pay gap data. • Reviewed findings of Board effectiveness evaluation. • Approved changes to the structure of the Employee Share Ownership Trust Committee.	• Reviewed findings of the 2024 Chief Risk Officer's (CRO) report, Climate and nature report, and group-wide culture and customer review. • Approved the 2023/24 annual pay review and executive pay awards. • Approved vesting of the 2021 PSP.	• Reviewed proposals for updates to reward strategy. • Reviewed proposals for the 2024 AVP performance measures. • Approved the 2024 PSP performance conditions. • Approved 2024 PSP and SBP awards. • Approved the 2024 ShareSave invitation.	• Reviewed summary of 2024 variable pay outcomes for Code Staff and Solvency II Identified Staff.
Second	• Approved bespoke project-based incentive plan for key employees.		• Approved 2024 AVP performance measures and targets.	
Third	• Reviewed outcomes of AGM. • Approved remuneration package and buyout for the new CEO of Asset Management.	• Financial update and indicative variable pay update for executive teams. • Reviewed PSP vesting forecasts.	• Reviewed update on progress of the reward strategy.	
Fourth	• Reviewed and approved the Committee's terms of reference. • Reviewed report on the activities of the Group Reward Steering Committee in 2024.	• Consideration of forecasted AVP out-turns in respect of 2024. • Consideration of budget for base salary increases in 2025.	• Reviewed remuneration policy for the wider workforce, including minor amendments to the malus and clawback processes. • Reviewed AVP and PSP performance measures and targets for 2024.	• Reviewed Code Staff and Solvency II Identified Staff lists and criteria for identification. • Approved remuneration policy statements for FCA and PRA. • Approved the 2025 maximum fixed to variable pay ratio for MiFIDPRU regulated firms.

At the invitation of the Remuneration Committee, the Group Chair attends Committee meetings. Where appropriate, the Group Chief Executive, the Chief Transformation and People Officer, Group Reward Director, Head of Executive Compensation, Director of Group Finance, Chief Risk Officer and Group Climate Director also attend meetings. No person is present during any discussion relating to that person's own remuneration.

At the invitation of the Remuneration Committee, a representative from PricewaterhouseCoopers (PwC) also attends Committee meetings. During 2024, PwC principally advised the Committee on external developments affecting remuneration as well as specific matters raised by the Remuneration Committee. PwC were appointed by the Committee. The Committee reflects on the quality of advice provided and whether it properly addresses the issues under consideration as part of its normal deliberations. The Committee is satisfied that the advice received from the PwC engagement team is objective and independent. PwC are signatories to the Remuneration Consultants' Group Code of Conduct in relation to executive remuneration consulting in the UK. The total fees paid to PwC, in relation to Remuneration Committee work during 2024, were £152,650 (excluding VAT). While fee estimates are required for bespoke pieces of work, fees are generally charged based on time with hourly rates in line with the level of expertise and seniority of the advisor concerned. During the year, PwC also provided the Company with HR consulting services including advice to management on regulatory aspects of reward, as well as other professional services including tax, consulting, accounting, regulatory compliance, and other advice to the Group.

Considering risk

The Reward Steering Committee (RSC) and the Group Regulatory Risk and Compliance function make a key contribution to the process of designing reward structures and evaluating whether achievement of objectives and any payment from plans have taken into account the overall risk profile of the Group.

Reward Steering Committee (RSC)

Reporting to the Remuneration Committee, the RSC helps set the framework within which incentive arrangements are normally reviewed and implemented, with a view to supporting business strategy, while acting within the Group's risk appetite. The members of the RSC include the Group Conduct Risk Director, Asset Management Chief Compliance Officer, the Director of Group Finance, the Group Reward Director, and the Head of Executive Compensation.

Where a business unit tables a proposal for consideration, the relevant business manager is required to attend the RSC meeting to explain the background and to answer any questions from the RSC.

Group Regulatory Risk and Compliance function

The Remuneration Committee also works closely with the Group Regulatory Risk and Compliance function with respect to remuneration proposals.

In particular, the function reports to the Committee on an annual basis on whether any risks have been taken outside of pre-agreed parameters, whether there have been regulatory breaches, or whether they are aware of any other considerations that may lead the Committee to consider whether it should impact payments to employees (including in particular the executive directors and Code staff).

The Chief Risk Officer also specifically looks at the overall risk profile of the Group and whether executive directors have achieved objectives within the Group's accepted risk appetite, and also reviews the executive directors' objectives for the forthcoming year to ensure they are in line with the risk parameters.

Since the implementation of a new Solvency II remuneration policy in 2016, the scope of the Chief Risk Officer's report has been extended to consider whether there are any risk considerations which may warrant adjustments to the overall level of corporate annual variable pay awards.

Engagement with key stakeholders

The Committee seeks to maintain an active and productive dialogue with investors on developments in the remuneration aspects of corporate governance and any changes to the Group's executive pay arrangements. During 2022, we reviewed our approach to remuneration in the context of future business strategy, updated investor guidelines and evolving best practice, and sought feedback from shareholders and representative bodies. The responses that we received helped shape our thinking with respect to the new remuneration policy which was approved by shareholders at the AGM in May 2023.

During 2025, the Committee will continue to closely examine our remuneration principles and policies to ensure they remain appropriate in the context of future business strategy, updated investor guidelines, and evolving best practice, and will consult with the Group's largest shareholders on any proposed changes.

We engaged regularly with our workforce throughout 2024, including via our workforce representative bodies Unite (the trade union) and our Management Consultative Forum on a number of topics, including pay, and propose to continue this dialogue in 2025, including in relation to our new remuneration policy.

Statement of voting at the AGM

The table below shows the voting outcomes on the directors' remuneration policy, approved at the 2023 AGM, and the directors' remuneration report, approved at the last AGM in May 2024.

Item	For	Against	Abstain number
Remuneration policy	95.46%	4.54%	
	3,646,065,245	173,407,374	1,515,264
Remuneration report	96.51%	3.49%	
	3,594,955,335	130,133,675	2,197,448

Dilution limits

The Company's share plans operate within the Investment Association's dilution limit of 5% of issued capital in 10 years for executive schemes, and all its plans will operate within the limit of 10% of issued capital in 10 years for all schemes.

As at 31 December 2024, the Company had 4.95% of share capital available under the 5% in 10 years limit and 9.55% of share capital under the 10% in 10 years limit.

As at 31 December 2024, 67,155,613 shares were held by the Employee Benefit Trust in respect of outstanding awards of 89,557,256 shares for the PSP and SBP.

Other information relating to directors' remuneration

External appointments

During 2024, António Simões was a Trustee of the Kings Trust International and Jeff Davies was a Non-Executive Director of Ethniki Hellenic General Insurance Company S.A.

External appointments are subject to annual agreement by the Board and must not be with competing companies. Fees may be retained by the individual subject to the Board's agreement.