Directors' report on remuneration

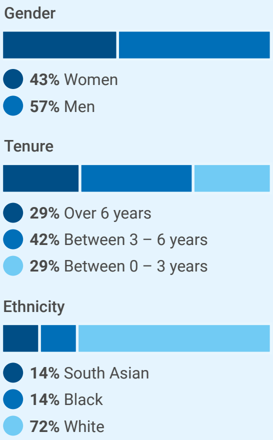
"In 2023, we delivered a further set of good results, with adjusted operating profit of £1.7 billion and profit for the year of £443 million."

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.

Members
Lesley Knox (stood down as Chair on 26 February 2024)
Laura Wade-Gery (Chair from 26 February 2024)
Henrietta Baldock
Philip Broadley
George Lewis
Ric Lewis
Tushar Morzaria



The role of the Committee

The role of the Committee is to determine the Group's framework for the remuneration of executive directors and designated senior managers.

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 pay, 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 in 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's 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.

The Remuneration Committee's terms of reference, which set out full details of its responsibilities, can be viewed on our website: group.legalandgeneral.com/committees

Our remuneration report is organised into the following sections

Dear Shareholder

I am pleased to present the Remuneration Committee's report for 2023. With effect from 26 February 2024, I have stepped down from my role as Chair of the Committee, and have been succeeded by fellow non-executive director, Laura Wade-Gery. The Board considered Laura an excellent successor due to her established track record as a UK-listed company Remuneration Committee Chair and her strong understanding of the Committee's current workings and priorities. Laura fulfills the Code requirement for any appointee to the Remuneration Committee Chair role to have served on a Remuneration Committee for 12 months prior to appointment. I have maintained my membership of the Committee.

Within this report, we have presented the considerations and decisions for the Committee throughout 2023.

Link between pay and performance

In 2023, we delivered a further set of good results, with adjusted operating profit of £1.7 billion and profit for the year of £443 million earnings per share (EPS) was 7.35 pence compared to 12.84 pence in 2022.

Annual Variable Pay (AVP)

For executive directors, 70% of the bonus opportunity is determined by the Group's financial performance, measured against pre-determined targets.

Strategic objectives determine the other 30% of bonus opportunity, including strategy, customer and culture, and risk as well as Environmental, Social and Governance (ESG) metrics, as described in more detail on page 106. These act as a moderator to the overall AVP outcome.

As in previous years, the Committee chose to exclude the beneficial impact of mortality assumption changes from the financial results when determining bonus awards, resulting in bonus outcomes of 52.7% to 53.8% of maximum for the executive directors. Targets and outcomes are summarised in the 'Quick read' section on page 99 and in further detail on page 105.

Performance Share Plan (PSP)

The long-term incentive (PSP) awards granted in 2021 were subject to EPS growth and Total Shareholder Return (TSR) growth over the three-year period ended 31 December 2023.

EPS growth is determined based on measuring the change in EPS over the three-year performance period. However, the introduction of IFRS 17 from 1 January 2023 prevents EPS from being measured on the same basis from the start of the period (on an IFRS 4 basis) to the end of the performance period (on an IFRS 17 basis). 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. On this basis, EPS grew by 52.3% over the period (15.1% per annum). Further details on this are provided on page 107 of the report.

TSR grew by 23.1%, out-performing the median of the FTSE 100, but below the median for the bespoke comparator group.

This resulted in 61.1% of the 2021 PSP award vesting. In accordance with the remuneration policy, the Committee assessed the formulaic outcome, considering overall performance, risk management progress against ESG commitments, and other capital and solvency measures, and determined that the outcome was appropriate in all the circumstances, and no downward adjustment was required. Under the terms of the PSP plan for executive directors, the vested shares will be deferred for a further two years and released in 2026. The PSP performance targets and outcomes are summarised in the 'Quick read' section on page 99.

Board changes

Sir Nigel Wilson

In January 2023, we announced Sir Nigel Wilson's intention to retire as CEO of Legal & General Group. Sir Nigel agreed to continue in the role until a successor was appointed and to support a smooth transition following their appointment. In June 2023, we announced that António Simões would be appointed as the new CEO, subject to regulatory approval. Regulatory approval for the appointment was confirmed in October 2023 and António joined the Board as Group CEO on 1 January 2024.

Sir Nigel's departure was confirmed by the Company once regulatory approval for António's appointment had been received and he will remain employed for his 12 month notice period in order to ensure a smooth transition. Consistent with his service contract and the executive remuneration policy, Sir Nigel will continue to receive his current base pay and benefits until his employment ends. Sir Nigel will not receive an AVP award for performance in 2024 nor will he receive a PSP award in 2024.

Consistent with the remuneration policy and the rules of the SBP and PSP, Sir Nigel will be a good leaver and as such his outstanding share awards will be treated in line with the good leaver provisions in the respective plan rules. His deferred AVP awards for 2021, 2022 and 2023 will vest three years from the date of grant. His outstanding PSP awards will be pro-rated with reference to the proportion of the performance period that has elapsed upon leaving and will then vest based on performance to the end of the performance period and will be released, subject to performance, on the fifth anniversary of the date of grant.

Sir Nigel will retain a shareholding in Legal & General Group of at least 325% of base pay for two years post his departure from the Board in line with the Director's remuneration policy.

António Simões

Context

As reported previously, following a rigorous, global, selection process managed by Sir John Kingman, António Simões was appointed as CEO in June 2023, and took up his post formally on 1 January 2024.

When determining an appropriate remuneration package, the Committee considered our current remuneration practices and shareholder approved remuneration policy, relevant market practice and António's remuneration levels at his previous employer. As part of the Remuneration Policy renewal last year, we made a number of changes to assist the Committee in a recruitment scenario.

This policy was supported by more than 95% of shareholders and this additional flexibility was critical in allowing us to secure António's appointment.

> "The Committee has continued to be mindful of both the immediate and long-term financial wellbeing of the wider workforce, particularly in these economically uncertain and challenging times. We made a one off payment of £750 in July 2023 and approved an increase in the employer contribution to pension of 1% of base pay effective from 1 April 2024, with a view to aligning employer pension contributions with those for senior management."

Directors' report on remuneration
continued

The total remuneration package provided to António at his previous employer was significantly higher than both the previous package provided to Nigel Wilson and the package António is now receiving at Legal & General.

Ongoing remuneration policy

When determining the final remuneration package for António, the Committee adopted a number of principles. Firstly, in acknowledgment of the fact that António's pay would be higher than Nigel's, we sought to deliver the majority of the increase through variable pay rather than fixed pay. This ensured that a material portion of pay was linked to performance, and therefore would only be realised if stretching performance targets were met. Doing so also means we could moderate the level of fixed pay required to secure António's appointment, where we know absolute levels of fixed pay are a focus area of investors.

The second key principle the Committee adopted was to ensure that the remuneration package we offered was broadly in line with other FTSE 100 companies. This ensured that we operated within market norms and shareholders' expectations. With this in mind António's remuneration package consists of:

- a base salary of £1,175k. This is between the median and upper quartile of FTSE 100 financial services companies
- pension of 10% of salary, in line with the current rate offered to the wider workforce
- benefits in line with our remuneration policy, including relocation support to assist with António's move from Spain, which will be provided for 12 months
- a maximum bonus of 200% of salary and maximum PSP of 300% of salary. These are the maximum levels of remuneration we can offer under our remuneration policy and are also broadly in line with the median opportunities offered by other FTSE 100 financial services companies.

This resulted in a total remuneration package positioned between the median and upper quartile of other FTSE 100 financial services companies, which is appropriate in the context of Legal & General's size and complexity.

Replacement award

As is common practice in financial services, and particularly in banking, António had numerous unvested awards which he would forfeit as a result of joining Legal & General. In line with our remuneration policy, the Committee has agreed to buy out these awards with equivalent Legal & General awards, ensuring António is immediately aligned to the Legal & General share price and shareholder interests.

All awards will be bought out on a 'like for like basis', meaning that:

- deferred cash and share awards will be bought out in cash/shares respectively
- all replacement awards will have identical vesting/deferral periods to the original awards
- for all awards with performance conditions we calculated how performance was tracking against targets in order to determine a fair value for each award.

The total value of these buyout awards is significant, however the Committee is comfortable that these represent the genuine levels of awards being foregone and that the awards were critical to securing António's appointment. The majority of these awards will be granted in shares with a grant date of 20 March 2024, creating immediate alignment to Legal & General's performance and share price. Additionally, all awards will be subject to relevant deferral, malus and clawback provisions. In line with our remuneration policy all awards will be subject to forfeiture and clawback if António leaves the Company voluntarily within three years.

Implementation of Remuneration Policy for 2024

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 Jeff Davies by 4.3% with effect from 1 March 2024. For 2024, the average base pay increase for UK employees is expected to be around 4.3% but with higher increases for lower paid employees. The first review of base pay for António Simões will be in 2025 and so his base pay will remain unchanged during 2024.

Annual Bonus

The proportion of the annual bonus measures assessed against financial metrics will remain 70%, with 30% assessed against non-financial objectives. Financial metrics will cover a range of KPIs assessing profitability and growth, aligned to António's strategic review.

PSP

In order to place further emphasis on the important influence the Company has on climate, the Committee have determined to include a strategic measure with a 20% weighting based on progress against our published climate commitments. The remaining 80% will be split equally between EPS growth and relative TSR performance. Further details, including the quantitative climate targets, are shown on page 108.

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.

The Committee has continued to be mindful of both the immediate and longer term financial wellbeing of the wider workforce, particularly in these economically uncertain and challenging times. We made a one off payment of £750 in July 2023 to lower paid employees to mitigate inflation pressures, in addition to the £1,500 payment made in 2022. The Committee also reviewed pension provisions for UK employees below senior management and approved an increase to the employer contribution to pension of 1% of base pay effective from 1 April 2024 with a view to aligning employer pension contributions with those for senior management over the next 5 years.

In addition, Legal & General continues to provide further financial support to all UK employees including SmartSaving (the employee discount scheme) and preferential borrow/save/advance finance facilities through our partner organisation, Salary Finance.

For 2024 a stratified approach to base pay increases has been adopted with higher percentage increases applied to employees in lower paid roles, reflecting their proportionally greater exposure to price inflation, with those in more junior roles receiving a base pay increase of 5%.

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 2023 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 49 and in our Social impact report. I hope that you will find this report a clear account of the Committee's considerations and decisions, and the remuneration outcomes for the year.

Lesley Knox

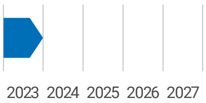
Lesley Knox
Chair of the Remuneration Committee

Quick read summary

Remuneration policy summary and 2023 implementation

Remuneration element and time horizon | **Policy summary** | **2023 implementation**

Base pay



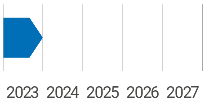
Operation
Reviewed annually, with any increases effective 1 March.

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 2023	Effective 1 March 2024	% increase
António Simões	–	£1,175,000	–
Sir Nigel Wilson	£1,074,800	£1,074,800	–
Jeff Davies	£660,400	£689,000	4.3%
Employees below the Board (average)			4.3%

Pension contributions



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

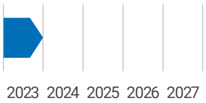
Opportunity
For executive directors, appointed since 2019, pension contributions are aligned to that available to the majority of the workforce (currently 10% of base pay). Pension contributions for executive directors appointed before 2019 have been aligned with the contributions for other senior managers 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 2023 (as % of base pay):	
Sir Nigel Wilson	10%
Jeff Davies	10%
Majority of UK workforce	*10%*
Other senior managers in the UK	*15%*

Effective from 1 April 2024, employer pension contributions for the wider workforce have increased to 11% 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.

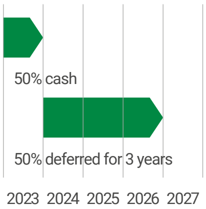
Benefits during 2023 included:

- 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 2023 implementation

Remuneration element and time horizon	Policy summary	2023 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.

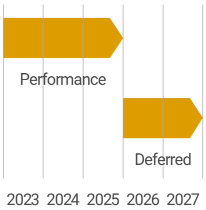
Opportunity
Up to 150% of base pay for the Group Chief Executive and Group Chief Financial Officer. No bonus is payable for threshold performance or below, with up to 50% of maximum for target performance.

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 2023 (as % of base pay):	At target	At max.	Actual 2023 (as % of max.)
Sir Nigel Wilson	75%	150%	53.8%
Jeff Davies	75%	150%	52.7%

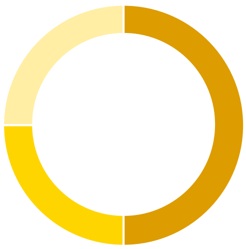
Performance Share Plan (PSP)



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 (normally an equal weighting) of earnings performance and shareholder return.



50% EPS
25% TSR (vs FTSE 100)
25% TSR (vs comparator group)

PSP grants in 2023 (as % of base pay):	Maximum	2023 grant	Vesting period end 2023 (% of grant)
Sir Nigel Wilson	300%	250%	61.1%
Jeff Davies	300%	250%	61.1%

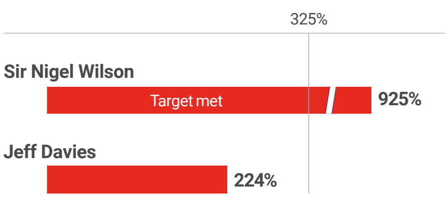
Shareholding requirements

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 2023



Alignment with strategy and 2023 performance outcomes

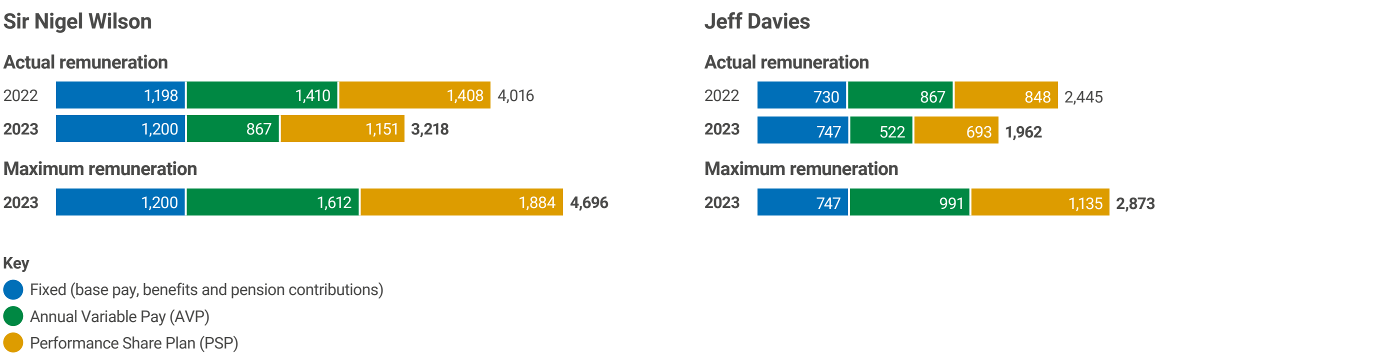
The performance measures for the incentive plans are directly aligned to the Group's key performance indicators (KPIs). The Group Board reviews the KPIs annually and adds to or changes them where appropriate. KPIs are explained in more detail on pages 24 and 25 and further details of performance measures and outcomes are provided on pages 105 to 108.

Overarching drivers of the business	Group KPIs	Incentive plans (weightings)		2023 performance targets and outcomes			
		AVP	**PSP**	**Threshold**	**Target**	**Maximum**	**Actual**
Profitability	Adjusted operating profit	15.0%		£1,663m	£1,773m	£1,858m	**£1,667m**
	Earnings per share (EPS) 1 year growth[1]	10.0%		19.0p	20.9p	24.2p	**11.9p**
	Return on equity (ROE)[1]	10.0%		19.0%	20.8%	24.0%	**15.4%**
	Net movement in contractual service margin (CSM)[1]	12.5%		£480m	£545m	£639m	**£666m**
	Earnings per share (EPS) 3 year average annual growth[1] (see page 107)		50.0%	5%		12%	**15.1%**
Solvency II	Solvency II operational surplus generation	12.5%		£1,601m	£1,651m	£1,701m	**£1,821m**
	Solvency II new business value add (NBVA)[2]:						
	LGRI	5.0%		5.8%	6.6%	8.9%	**7.4%**
	Retail retirement – UK annuity business	2.5%		4.7%	5.5%	6.3%	**7.0%**
	Retail insurance – UK and US protection	2.5%		6.2%	6.7%	7.2%	**6.7%**
Shareholder value creation	TSR vs FTSE 100 (rank out of 91)		25.0%	46.0 Median		19.0 Top 20th	**36.7**
	TSR vs comparator group (rank out of 23)		25.0%	12.0 Median		5.0 Top 20th	**16.6**
Strategic priorities	(see page 106):	30.0%					
		100.0%	**100.0%**				

1. Performance measures exclude the material accounting impact of longevity assumptions and profits and gains on disposal
2. New Business Value Add (NBVA) is equivalent to the margin on Solvency II new business, and represents Solvency II new business contribution as a percentage of the present value of new business premium (PVNBP).

Total remuneration received (£'000)

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



The values for the 2020 PSP, which vested in 2023, in the charts above have been adjusted to reflect the share price at vesting on 10 March 2023, which was not known at the publication date of the 2022 report. Further details can be found on page 104.

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 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 to assist 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 Legal & General 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.

	Performance Share Plan (PSP)	Non-executive directors' fees	Shareholding requirements
Purpose and link to strategy	Provides a direct and transparent link between executive pay and the delivery of shareholder returns over the longer term.	Compensates non-executive directors for their responsibilities and time commitment.	Provides alignment with shareholder returns and ensures the impact on directors' shareholdings moves in line with Legal & General's share price.
Operation	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.	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. 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.	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 Legal & General 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.
Opportunity or requirement	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.	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.	Shares owned outright equivalent to: • 325% of base pay for executive directors • 100% of base fee for non-executive directors.
Performance	An appropriate mix (normally an equal weighting) of: • earnings performance – to incentivise growth in earnings • shareholder return – to deliver a competitive return for shareholders; and • 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%.	No performance conditions.	Not applicable. See page 102 for Remuneration policy notes

Summary of remuneration policy
continued

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 9.4.2) 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 annual variable pay, deferred annual variable pay awards and performance share awards are governed by their respective plan rules, as summarised below: • annual variable pay (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)	Performance share plan (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.

António Simões Remuneration Disclosure

António Simões was formally appointed as Group CEO from 1 January 2024, following the announcement of his appointment in June 2023. As set out in the Chair's letter on page 62, when determining an appropriate remuneration package the Committee considered our current remuneration practices and shareholder approved Remuneration Policy, relevant market practice and António's remuneration levels at his previous employer.

Ongoing remuneration package
On appointment, the key elements of António's remuneration package will consist of:

- a base pay of £1,175k, which is between the median and upper quartile of FTSE 100 financial services companies
- pension of 10% of salary, in line with the rate offered to the wider workforce during 2023
- benefits in line with our remuneration policy, including relocation support to assist with António's move from Spain. Relocation support is provided for 12 months only
- a maximum AVP of 200% of base pay
- a maximum PSP of 300% of base pay.

These are the maximum AVP and PSP levels of remuneration we can offer under our remuneration policy and are also broadly the median opportunities of other FTSE 100 financial services companies.

Replacement award
As is common practice in Financial Services, and in particular in banking, António had numerous unvested awards which he forfeited as a result of joining Legal & General. Our policy on recruitment remuneration provides, that in these circumstance, the Committee may grant awards equivalent to the remuneration arrangements forfeited upon leaving the previous employer, 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 will be 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 will have identical vesting/ deferral periods to the original awards
- for all awards with performance conditions we have calculated how performance was tracking against targets in order to determine a fair value for each award.

Accordingly, in accordance with our policy on recruitment remuneration, the following cash and share awards will be granted to António, subject to malus and clawback, matching as close as possible both the expected value and timescale to vesting of his forfeited Santander awards.

In recognition of the forfeit of annual bonus for 2023 from António's previous employer, a payment of £3,079,242 will be awarded of which 50% will be paid in cash at the end of March 2024 and 50% will be granted as shares in April 2024, vesting 3 years from the date of grant.

In addition, in recognition of the forfeit of other unvested awards the following cash and share awards will be made:

Cash awards

Payment date	Value
March 2024	£342,352
March 2025	£345,718
March 2026	£345,718
March 2027	£253,168
March 2028	£132,612

Share awards

Grant date	Vesting date	Award Value	No. of Shares	Effective grant price[1]
March 2024	March 2024	£410,259	172,617	£2.377
March 2024	December 2024	£405,256	170,512	£2.377
March 2024	March 2025	£513,595	216,096	£2.377
March 2024	December 2025	£202,628	85,256	£2.377
March 2024	March 2026	£513,595	216,096	£2.377
March 2024	December 2026	£202,628	85,256	£2.377
March 2024	March 2027	£407,269	171,359	£2.377
March 2024	March 2028	£267,260	112,450	£2.377

1. Effective grant price fixed at time of appointment.

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 2024
Content contained within a black outline box indicates that all the information in the panel is planned for implementation in 2024.

'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 2023 financial year, together with a comparative figure for 2022.

Single figure table

	Fixed				Variable				
						PSP			
Executive director	Base pay £'000	Benefits £'000	Pensions £'000	Total fixed £'000	AVP £'000	Face value £'000	Share price appreciation £'000	Total variable £'000	Total £'000
2023									
Sir Nigel Wilson	**1,067**	**26**	**107**	**1,200**	**867**	**1,496**	**(345)**	**2,018**	**3,218**
Jeff Davies	**656**	**25**	**66**	**747**	**522**	**901**	**(208)**	**1,215**	**1,962**
2022									
Sir Nigel Wilson[1]	1,020	25	153	1,198	1,410	1,281	127	2,818	4,016
Jeff Davies[1]	625	23	82	730	867	771	77	1,715	2,445

1. **Reporting of the 2020 PSP in the 2022 annual report**
The vesting date of the 2020 PSP award occurred after the 2022 results announcement. As a result, the PSP figures recognised in the 2022 annual report were based on a three-month average share price to 31 December 2022. The 2020 PSP figures reported in the 2022 single figure table above now reflect the share price at vesting on 10 March 2023, at 252p per share. The figures in the 2022 report were £1,353,539 (Sir Nigel Wilson) and £815,301 (Jeff Davies).

Base pay

Executive director	Annual base pay as at 1 January 2023	Annual base pay effective 1 March 2023	Total base pay paid in 2023
António Simões	–	–	–
Sir Nigel Wilson	**1,028,500**	**1,074,800**	**1,067,083**
Jeff Davies	**632,000**	**660,400**	**655,667**

Annual base pay effective 1 March 2024	% increase
1,175,000	**0%**
1,074,800	**0%**
689,000	**4.3%**

Benefits

Benefits include the elements shown in the table below.

Executive director	Car allowance, insurances and taxable expenses £'000	Dividends £'000	Discount on ShareSave, and ESP matching shares £'000	Total benefits £'000
2023				
Sir Nigel Wilson	**19**	**6**	**1**	**26**
Jeff Davies	**20**	**2**	**3**	**25**
2022				
Sir Nigel Wilson	19	5	1	25
Jeff Davies	20	1	2	23

The Employee Share Purchase Plan (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.

Benefits for 2024
Benefits for 2024 remain in line with policy.

Pension

Sir Nigel Wilson 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 2024
For 2024 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.

2023 Annual Variable Pay (AVP) awards

The 2023 AVP awards are based on performance for the year ended 31 December 2023. 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 2023 AVP awards to be paid, incorporating the amount payable in cash in 2024 (50%), and the amount deferred into restricted shares for a further three years to be released in 2027 (50%) subject to continued employment with malus and clawback provisions.

	2023 performance targets and outcome									AVP award (% of maximum)	
Performance measure	Threshold (0% max)	Target (50% max)	Maximum (100% max)	Actual	Outcome (% of max)		Weighting			Sir Nigel Wilson	Jeff Davies
Adjusted operating profit	£1,663m	£1,773m	£1,858m	£1,667m	1.8%	x	15.0%	=		0.3%	0.3%
Earnings per share (EPS)	19.0p	20.9p	24.2p	11.9p	0.0%	x	10.0%	=		0.0%	0.0%
Return on equity (ROE)	19.0%	20.8%	24.0%	15.4%	0.0%	x	10.0%	=		0.0%	0.0%
Net movement in contractual service margin (CSM)	£480m	£545m	£639m	£666m	100.0%	x	12.5%	=		12.5%	12.5%
Solvency II operational surplus generation	£1,601m	£1,651m	£1,701m	£1,821m	100.0%	x	12.5%			12.5%	12.5%
Solvency II new business value add (NBVA):											
LGRI	5.8%	6.6%	8.9%	7.4%	67.0%	x	5.0%			3.3%	3.3%
Retail retirement – UK annuity business	4.7%	5.5%	6.3%	7.0%	100.0%	x	2.5%			2.5%	2.5%
Retail insurance – UK and US protection	6.2%	6.7%	7.2%	6.7%	50.0%	x	2.5%			1.3%	1.3%
Strategic – Sir Nigel Wilson					71.3%		30.0%	=		21.4%	
Strategic – Jeff Davies					67.7%						20.3%
Total (% of maximum)							100%			53.8%	52.7%
										x	x
Maximum bonus opportunity (% of base pay)										150%	150%
										x	x
Base pay										£1,074,800	£660,400
										=	=
2023 AVP award										£867,200	£522,000

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 2023 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.

		Outcome (out of 30)	
Performance Measures	**Commentary**	**CEO**	**CFO**
Strategy (10% weighting)	• Strong delivery against business plan whilst ensuring effective transition to the new CEO with focused handover. • Strong continuity whilst managing IFRS 17 accounting standard implementation. • Sustained focus on long term environment goals.	21.4	20.3
Culture & Customer (10% weighting)	• Increase on an already strong employee satisfaction index (eSat) scores (79% in 2023 compared with 78% in 2022). • Significant focus on leadership and employee development and implementation of a new performance management framework, focusing both on what employees deliver as well as how they deliver it. • Focus on customer across all divisions measured robustly through NPS scores, quality assurance, complaints and resolutions and continued professional development for customer service teams and leaders.		
Risk management (10% of weighting) Risk management aligned with the framework set out on page 54 of this report assessed across the following areas: • risk appetite and key risk limits • non-financial risk • customer	• Took a strong and pro-active approach to prudential risk across all areas of the business, particularly in relation to PRT business and property asset deployment. • Effectively fostered an environment where 2nd and 3rd line are empowered and supported to challenge the business on all aspects of risk management, ensuring thoroughness and transparency of risk and audit analysis. • Effective management of exposures to liquidity, rates, property and FX despite significantly volatile markets.		
Environmental measures (moderator)			
Portfolio carbon emission intensity reduction	Portfolio carbon emission intensity reduced to 56 tCO_2e/ £m (2022: 62 tCO_2e/£m) in line with pathway to achieve 50% reduction by end 2030 (from a YE 2019 baseline).	Progress on or exceeding targets	
Progress in delivery of operational emissions SBT	Good progress against operational emissions SBT with operational footprint reduced to 27,722 (2022: 30,062 tCO_2e), in line with our science-based target (SBT) and net zero ambition.		
Increase prominence of sustainability considerations in commercial decisions	Group and LGIM continue to play an active role in industry climate forums, government lobbying and shaping of the regulatory framework for sustainability		

In addition, the Committee considers the Solvency II coverage ratio (2023: 224%) 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 2023, 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 2023 AVP awards have been deferred for three years into restricted shares, subject to continued employment and with malus and clawback provisions.

AVP potential 2024

In line with the remuneration policy, for 2024 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 2024 annual report. 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 2024 AVP awards will be deferred for three years into restricted shares, subject to continued employment, with malus and clawback provisions.

Details of how the 2021 PSP award vested

The 2021 PSP award vested at 61.1% of maximum in March 2024 based on a combination of total shareholder return (TSR) out-performance (50%) and earnings per share (EPS) growth (50%) over the three-year performance period ended 31 December 2023. A summary of the outcome per measure is below, with further detail provided on page 108.

Performance measure	Weighting	Outcome (% of maximum)
TSR vs FTSE 100	25%	11.1%
TSR vs bespoke comparator group	25%	0.0%
EPS growth (% p.a.)	50%	50.0%
Total (% of maximum)	100%	61.1%

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.

The Committee reviewed the company's overall performance taking into consideration an assessment of Solvency II performance and progress against long-term environmental, social and governance (ESG) objectives. The Committee was satisfied that the PSP awards should vest in accordance with the TSR and EPS growth outcomes.

Approach to calculation of EPS growth

EPS growth is determined based on measuring the change in EPS over the 3 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	2020 to 2021	2021 to 2022	2022 to 2023	
Adjusted EPS	IFRS 4	75.4%	12.0%		15.1%
	IFRS 17			(22.4)%	

The results are shown below:

Grant date	Performance period	Comparator group	Legal & General's TSR[1]	Median rank	80th percentile rank	Legal & General's rank	Outcome (% of maximum)
13 April 2021	1 January 2021 to 31 December 2023	FTSE 100		46.0	19.0	36.7	44.4%
		Bespoke comparator group	23.1%	12.0	5.0	16.6	0.0%

Performance condition	Performance target: Threshold	Performance target: Maximum	Actual performance	Outcome (% of maximum)
EPS growth (% p.a.)	5%	12%	15.1%	100%

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.

The PSP award will vest on 8 March 2024. As the share price at the date of vesting was not known as of the date of this report, the value included in the 'single figure' of remuneration on page 104 has been calculated based on the number of shares vesting multiplied by the average share price over the quarter ended 31 December 2023 (226.3p). The actual share price and value at vesting will be reported in the 2024 annual report.

Executive director	Shares granted in 2021	Vesting outcome (% of maximum)	Shares vesting in March 2024	Estimated value of shares on vesting (£)
Sir Nigel Wilson	832,341	61.1%	508,560	1,150,922
Jeff Davies	501,359	61.1%	306,330	693,255

Performance Share Plan (PSP) 2024 awards: 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 2024 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 2023 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 2024 PSP awards the Committee have considered:

- the business plan over the next three years, 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 to 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	**40%**	< 5% p.a.	5% p.a.	14% p.a.
Progress against Climate transition plan	**20%**			
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%

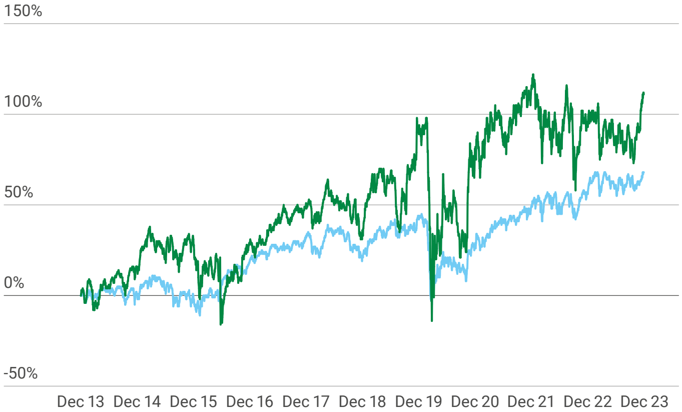
In determining the final outcome for the Climate transition measures, the Remuneration Committee may make a downwards adjustment if they are not satisfied that positive and sufficient progress has been made against our target of 70% of eligible AUM to be managed in alignment with net zero[1].
The Remuneration 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. This reflects the important and significant impact that the Company has though influencing its investments whilst 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 2023, of £100 invested in Legal & General shares on 31 December 2013, 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
2023	Sir Nigel Wilson	3,218	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%
2014	Sir Nigel Wilson	4,213	90.7%	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 104, 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 2014 – 2022.

Scheme interests awarded during the financial year

The following table sets out details of deferred annual variable pay (AVP) and performance share plan (PSP) awards made in 2023. The deferred AVP represented 50% of the total AVP award in 2023 and the PSP awards were granted over 250% of base pay.

Executive director	Reason for award	Award type	Awards granted in 2023	Grant price £	Face value at grant price £
Sir Nigel Wilson	PSP	Nil-cost option	1,128,422	2.381	2,686,998
	Deferred AVP	Restricted shares	297,929	2.366	704,999
Jeff Davies	PSP	Nil-cost options	693,347	2.381	1,650,998
	Deferred AVP	Restricted shares	183,215	2.366	433,548

Performance conditions for PSP awards granted in 2023

The PSP awards were granted on 6 April 2023. 25% of the award will vest based on TSR performance relative to the FTSE 100, 25% of the award will vest based on TSR performance relative to a bespoke peer group (comprising Abrdn, Aegon, Ageas, Allianz, Assicurazioni Generali, Aviva, AXA, CNP Assurances, 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), and 50% of the award will vest based on the EPS growth. Vesting will be based on performance as set out in the table below:

	Below threshold	Threshold	Maximum
Vesting	0%	15%	100%
TSR performance	Below median	Median	80th percentile
EPS growth	<5% p.a.	5% p.a.	14% p.a.

Performance below threshold results in a nil vesting, and performance between threshold and maximum vests on a straight line basis between 15% and 100% of maximum.

At the end of the three-year performance period commencing 1 January 2023, the Committee will assess whether the formulaic vesting outcome is justified by looking at a number of factors including: whether the result is reflective of overall performance and has been achieved within the company's risk appetite, the Solvency II coverage ratio, the quality of earnings, the nature of any changes in leverage or key assumptions and progress against long-term ESG objectives. If such considerations mean that the formulaic outcome of the vesting is not considered to be justified, the Committee can amend the vesting downwards (but not increase the level of vesting).

Statement of directors' shareholding and share interests

Total shareholding of executive directors:

						Shares sold or acquired during the period 1 January 2024 and 5 March 2024	
	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	Owned outright/ vested shares	Subject to deferral/ holding period
Sir Nigel Wilson	Shares	3,937,380	611,669	4,549,049	–	–	–
	ESP	24,078	6,712	30,790	–	150	85
	Options	–	1,245,121	1,245,121	2,909,143	–	–
Jeff Davies	Shares	583,235	369,235	952,470	–	–	–
	ESP	5,678	993	6,671	–	150	85
	Options	–	743,594	743,594	1,777,473	–	–

Shareholding requirement – executive directors

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

	Actual share ownership as % of 2023 base salary: vested shares[1]	Shareholding requirement met	Shares owned at 1 January 2023	Shares owned at 31 December 2023	Shares sold or acquired during the period 1 January 2024 and 5 March 2024
Sir Nigel Wilson	925%	Yes	3,658,708	3,961,458	235
Jeff Davies	224%	No	411,246	588,913	235

1. Closing share price as at 31 December 2023: 251.1p

Notes
Shares used for the above calculation exclude those with performance conditions, any unexercised options, those shares subject to a period of deferral 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 and those held by a spouse or civil partner or dependant child under the age of 18 years.

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 2023

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 2023 they are shown below:

Executive director	Date of grant	Shares exercised	Exercise date	Share price at date of exercise £	Gain £
Sir Nigel Wilson	16/04/2018	240,105	19/04/2023	2.533	608,186
Jeff Davies	16/04/2018	132,097	17/04/2023	2.490	328,922
Jeff Davies	03/04/2020	4,522	01/06/2023	2.288	1,348

Sir Nigel Wilson payments for loss of office

Sir Nigel's retirement was confirmed by the Company once regulatory approval for António's appointment had been received and he will serve his full 12 month notice period in order to ensure a smooth transition. Consistent with his service contract and the executive remuneration policy, Sir Nigel will continue to receive his current base pay, pension and benefits until his retirement. Sir Nigel will not receive an AVP award for performance in 2024 nor will he receive a PSP award in 2024.

Consistent with the remuneration policy and the rules of the SBP and PSP, Sir Nigel will be a good leaver and as such his outstanding share awards will be treated in line with the good leaver provisions in the respective plan rules.

Unvested deferred share awards

Sir Nigel's deferred AVP, awarded as restricted shares, for 2021, 2022 and 2023 will vest in accordance with the ordinary timescale, three years from the date of grant, as set out in the table below.

AVP award	Grant Date	Vesting Date	Value of award	No. of shares granted	Grant price
2020	13/04/2021	13/04/2024	£172,850	58,520	£2.954
2021	19/04/2022	19/04/2025	£694,200	255,220	£2.720
2022	06/04/2023	06/04/2026	£705,000	297,929	£2.366

In addition, as set out on page 107, 50% of Sir Nigel's FY23 AVP will be deferred and awarded as restricted shares vesting in April 2027.

Unvested PSP awards

In accordance with the rules of the PSP, upon retirement, a participant remains eligible to receive a proportion of their PSP awards already granted, pro-rated for the period through to leaving, and subject to the normal performance conditions over the full performance period, and released in accordance with the normal timescale.

Details of Sir Nigel's unvested PSP awards and the maximum number of shares which may vest after pro-rating are shown in the table below.

Start date	End date	Date exercisable	No. of shares granted	Pro-rating	Maximum no. of shares vesting
01/01/2022	31/12/2024	19/04/2027	948,380	94%	894,731
01/01/2023	31/12/2025	06/04/2028	1,128,422	61%	687,761

Sir Nigel will retain a shareholding in Legal & General Group of at least 325% of base pay for two years post-retirement in line with the executive remuneration policy post-cessation shareholding requirements.

Non-executive directors' remuneration – 2023

Non-executive directors' fees

The fees for the Chair and non-executive directors were reviewed during 2023 and with effect from 1 August 2023 the fee for the Chair was increased from £577,500 to £603,500. From 1 August 2023 the committee membership fee for the Audit, Risk and Remuneration Committees was increased from £15,750 to £16,500. The fee for the Chair of the Data and Technology Committee was aligned with these committees, an increase from £31,500 to £42,000 and a membership fee of £16,500 was introduced for the Data and Technology Committee, in line with the fee for membership of the Audit, Risk and Remuneration Committees.

All other non-executive director fees remained unchanged from 1 August 2022. The table below sets out the current fees.

Annual fees	Current fee £
Chair	603,500
Base fee	78,750
Additional fees:	
Senior Independent Director	31,500
Designated Workforce Director	31,500
Committee Chair fee (Audit, Remuneration, Risk and Data and Technology Committees)	42,000
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 Annual General Meeting.

The table below shows the actual fees paid to our non-executive directors in 2023 and 2022.

Non-executive director		Fees for 2023	Benefits for 2023[4]	Total remuneration for 2023	Fees for 2022	Benefits for 2022	Total remuneration for 2022
Sir John Kingman	Chair N	**588,333**	**–**	**588,333**	561,458	–	561,458
Henrietta Baldock[1]	N R Ri	**245,042**	**130**	**245,172**	207,625	–	207,625
Nilufer von Bismarck	A D N Ri	**149,250**	**–**	**149,250**	162,313	292	162,605
Philip Broadley	A D N R Ri	**157,437**	**1,777**	**159,214**	163,542	1,615	165,157
Carolyn Johnson	A D N	**110,875**	**28,051**	**138,926**	58,665	–	58,665
Lesley Knox[2]	N R Ri	**251,122**	**3,170**	**254,292**	232,583	3,471	236,054
George Lewis[3]	A N R Ri	**218,686**	**54,844**	**273,530**	174,830	12,870	187,700
Ric Lewis	N R Ri	**110,875**	**–**	**110,875**	107,188	–	107,188
Tushar Morzaria	A N R Ri	**152,875**	**–**	**152,875**	89,252	–	89,252
Laura Wade-Gery	N D R Ri	**146,750**	**–**	**146,750**	97,562	348	97,910

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 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.
2. Lesley Knox is also a NED of the Legal & General Investment Management (Holdings) Limited Board and was Chair until 22 September 2023, 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 the Legal and General 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 while undertaking their roles as non-executive directors of the Company.

Shareholding requirements – non-executive directors

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 2 January 2024, taking into account share purchases in relation to December 2023 fees.

Name	Shareholding as at 2 January 2024	Shareholding as a % of base fee	Guideline met	Shares purchased from 3 January 2024 to 5 March 2024
Sir John Kingman	355,720	148%	Met	1,969
Henrietta Baldock	60,784	194%	Met	2,907
Nilufer von Bismarck	45,691	146%	Met	–
Philip Broadley	92,260	294%	Met	–
Carolyn Johnson[1]	6,500	104%	Met	–
Lesley Knox	77,600	247%	Met	–
George Lewis	58,905	188%	Met	–
Ric Lewis	51,239	163%	Met	4,054
Tushar Morzaria	60,000	191%	Met	–
Laura Wade-Gery[2]	23,996	77%	On target	2,188

1. Carolyn Johnson holds 6,500 Legal & General Group American Depositary Receipts.
2. Laura Wade-Gery is on track to meet the shareholding requirement within three years based on the value of her shareholding as a proportion of her fee.

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 2024
Nilufer von Bismarck	01 May 2021	01 May 2024
Philip Broadley	08 July 2016	08 July 2025
Carolyn Johnson	17 June 2022	17 June 2025
Lesley Knox	01 June 2016	01 June 2025
George Lewis	01 November 2018	01 November 2024
Ric Lewis	18 June 2020	18 June 2026
Tushar Morzaria	27 May 2022	27 May 2025
Laura Wade-Gery	03 January 2022	03 January 2025

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 employees below Board

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 employees below the Board

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 2023 the average increase was around 5.8% but with increases applied on a stratified basis with the lowest paid employees (less than £25,000) receiving, on average, the highest increases (generally 7.5%). For 2024 the average increase was 4.3%, applied again on a stratified basis with more junior employees receiving increases, on average, of 5%.
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 2023 was 10% of base pay. With effect from 1 April 2024 the pension opportunity for the majority of the UK workforce was increased to 11%, with further increases planned over the next 5 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 a small number of 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 18 employees during 2023. 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 2023.

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
2023	**B**	**33**	**54**	**95**	**97,774**	**59,094**	**33,950**
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
2023	**B**	**13**	**22**	**36**	**79,125**	**48,069**	**30,000**
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

Between 2022 and 2023 the ratio of total remuneration for the Group CEO compared to UK employees has decreased. The decrease is principally the result of the lower value of variable remuneration for the Group CEO in 2023, in particular the lower AVP award, which has contributed to around a 20% reduction in the single figure total remuneration when compared with 2022. Variable remuneration makes up a greater proportion of remuneration for Executive Directors and senior managers compared to the wider workforce and is more directly linked to financial performance.

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 2023, consistent with the methodology for gender pay reporting. The total remuneration figures for the UK employees are based on salaries at 1 December 2023. Bonus amounts for 2023 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 2023 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 2023 based on the option A method in the 2024 report. We do not believe that this will result in pay ratio figures that are materially different to the 2023 figures disclosed above.

Social impact report
Our 2023 Social impact report is available on our Group website.
See: group.legalandgeneral.com/reports

Percentage change in directors' 2023 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.

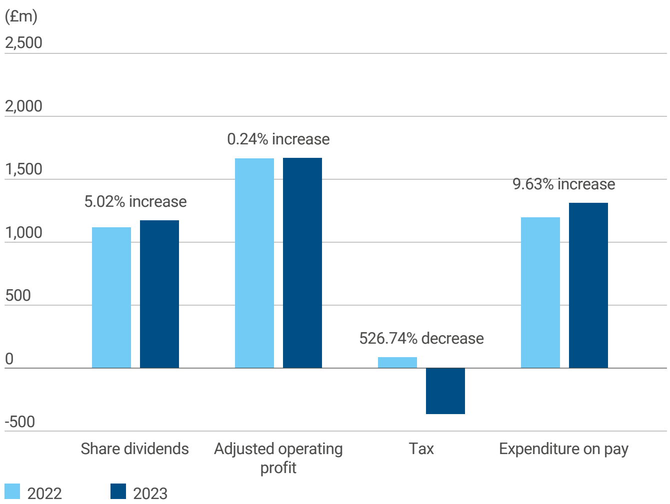
	Year ended 31 December 2023			Year ended 31 December 2022			Year ended 31 December 2021			Year ended 31 December 2020		
	Base pay/ fees (% change)	**Benefits (% change)**	**AVP (% change)**	Base pay/ fees (% change)	Benefits (% change)	AVP (% change)	Base pay/ fees (% change)	Benefits (% change)	AVP (% change)	Base pay/ fees (% change)	Benefits (% change)	AVP (% change)
Executive directors												
Sir Nigel Wilson	**4.6%**	**(25.4)%**	**(38.5)%**	4.2%	4.1%	1.6%	0.0%	3.3%	301.6%	3.4%	3.4%	(73.2)%
Jeff Davies	**4.9%**	**(13.7)%**	**(39.8)%**	5.9%	4.0%	6.3%	0.0%	0.7%	282.2%	6.6%	6.3%	(72.1)%
Chair and Non Executive Directors[1]												
Sir John Kingman	**4.8%**	**n/a**	**n/a**	5.1%	n/a	n/a	4.2%	n/a	n/a	3.3%	n/a	n/a
Henrietta Baldock	**18.0%**	**n/a**	**n/a**	3.4%	n/a	n/a	0.8%	n/a	n/a	4.5%	n/a	n/a
Nilufer von Bismarck	**(8.0)%**	**n/a**	**n/a**	59.7%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Philip Broadley	**(3.7)%**	**n/a**	**n/a**	5.0%	n/a	n/a	28.7%	n/a	n/a	3.6%	n/a	n/a
Carolyn Johnson[2]	**2.0%**	**n/a**	**n/a**	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Lesley Knox	**8.0%**	**n/a**	**n/a**	3.5%	n/a	n/a	2.8%	n/a	n/a	1.9%	n/a	n/a
George Lewis	**25.1%**	**n/a**	**n/a**	69.9%	n/a	n/a	11.0%	n/a	n/a	4.9%	n/a	n/a
Ric Lewis	**3.4%**	**n/a**	**n/a**	8.1%	n/a	n/a	7.8%	n/a	n/a	n/a	n/a	n/a
Tushar Morzaria[2]	**2.3%**	**n/a**	**n/a**	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Laura Wade-Gery[3]	**50.4%**	**n/a**	**n/a**	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Average for UK employees	**5.7%**	**5.7%**	**5.2%**	**4.7%**	**4.7%**	**(0.3)%**	**2.4%**	**2.4%**	**19.6%**	**3.5%**	**3.5%**	**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. Tushar Morzaria and Carolyn Johnson were appointed to the Board on 22 May 2022 and 17 June 2022 respectively, and the percentage increases for these non-executive directors are based on the change in annualised fees for 2022 compared with 2023.
3. The increase in fees for Laura Wade-Gery reflects her increased committee memberships and the increase in fee for her role as the Chair of the Data and Technology Committee.

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 base pay increases.

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. Further information on tax is on pages 233 to 237. No share buybacks were made in 2022 or 2023.



Remuneration Committee

The table below shows the members and attendees of the Remuneration Committee during 2023.

Committee members, attendees and advice

Meetings in 2023

During 2023, 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 2023 is shown in the table below. During 2023, the Remuneration Committee comprised the following non-executive directors:

Non-executive director	Number of Remuneration Committee meetings attended during 2023 Scheduled	Ad-hoc
Lesley Knox	5/5	3/3
Henrietta Baldock	5/5	3/3
Philip Broadley	5/5	3/3
George Lewis	5/5	2/3
Ric Lewis	5/5	3/3
Tushar Morzaria	5/5	3/3
Laura Wade-Gery	5/5	3/3

Committee undertakings

Quarter	Governance	Performance	Remuneration policy	Regulatory
First	• Reviewed the 2022 gender pay gap report. • Reviewed findings of board effectiveness evaluation.	• Reviewed findings of the CRO report, 2023 Climate report and group-wide culture review. • Approved the 2022/23 annual pay review and executive pay awards. • Approved vesting of the 2020 PSP.	• Approved the 2023 AVP performance measures. • Approved 2023 PSP and SBP awards. • Approved the 2023 ShareSave invitation.	
Second			• Reviewed proposals for the introduction of a divisional long term incentive plan.	
Third	• Reviewed outcomes of AGM. • Reviewed 2023 gender pay gap figures.	• Financial update and indicative variable pay update for executive teams. • Reviewed PSP vesting forecasts and debated potential windfall gains in relation to 2021 PSP awards.	• Reviewed and approved proposals for alignment of senior management and wider workforce employer pension contributions. • Reviewed proposals for senior management grading review.	
Fourth	• Reviewed and approved the Committee's terms of reference. • Reviewed report on the activities of the Group Reward Steering Committee in 2023.	• Consideration of AVP out-turns in respect of 2023.	• Reviewed remuneration policy for the wider workforce. • Reviewed AVP and PSP performance measures and targets for 2024.	• Reviewed Code staff lists. • Approved remuneration policy statements for FCA and PRA. • Approved the 2024 maximum fixed to variable pay ratio for IFPR regulated firms.

At the invitation of the Remuneration Committee, the Group Chair attends Committee meetings. Where appropriate, the Group Chief Executive, the Group HR Director, Group Reward Director, Head of Executive Compensation, Director of Group Finance, Group 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 2023, 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 2023 were £198,600 (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, whilst acting within the Group's risk appetite. The members of the RSC include the Group Chief Risk Officer, Non-financial Risk Director, Regulatory Risk Director, LGIM 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 Group 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 Group 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 2023 AGM in May 2023.

During 2024 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 2023, 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 2024, including in relation to our new remuneration policy.

Statement of voting at the Annual General Meeting (AGM) 2023

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

Item	For	Against	Abstain number
Remuneration policy	95.46%	4.54%	
	3,646,065,245	173,407,374	1,515,264
Remuneration report	95.71%	4.29%	
	3,655,778,819	163,680,654	1,524,911

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 2023, the Company had 4.93% of share capital available under the 5% in 10 years limit and 9.56% of share capital under the 10% in 10 years limit.

As at 31 December 2023, 59,773,855 shares were held by the Employee Benefit Trust in respect of outstanding awards of 78,896,736 shares for the PSP and SBP.

Other information relating to directors' remuneration

External appointments

During 2023, Sir Nigel Wilson held no external appointments. Jeff Davies was a non-executive director for 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.