

Governance

Inside this section

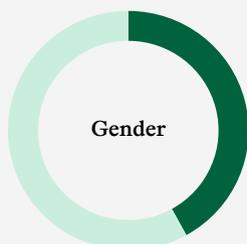
Letter from the Chair	50
Board of directors	52
Group Management Committee	54
Governance report	55
Employee engagement	62
Section 172(1) statement and stakeholder engagement	64
Audit Committee report	69
Enterprise Transformation Committee report	75
Nominations and Corporate Governance Committee report	77
Risk Committee report	82
Directors' report on remuneration (DRR)	84
DRR quick read summary	88
Remuneration policy	90
Annual report on remuneration	96

Pictured below: In 2025, Board members visited 10 Coleman Street, our new London office, opening in 2027. The space will provide our people with a modern, enhanced working environment and support our ambition to create a better-connected L&G.



Governance at a glance

Board composition as at 31 December 2025



The Board comprised:

42%	Women
58%	Men



The Board comprised individuals from the following ethnic groups:

8%	Black
17%	Asian/Asian British
75%	White



The length of tenure of the Board varied:

33%	Under 3 years
42%	Between 3 and 6 years
25%	Over 6 years

Reporting against the 2024 UK Corporate Governance Code (the ‘Code’)

Details of how we have applied the principles and complied with the provisions of the Code are set out within this Annual report and accounts. For more information on our compliance, please visit the relevant sections as outlined below. Our Code compliance statement can be found on page 55 of this report.

(1) Board leadership and company purpose

Board’s role	55 to 56
Purpose and culture	58 to 59
Board decisions and outcomes	58 to 68
Stakeholder engagement	64 to 68
Workforce engagement	62 to 63

(3) Composition, succession and evaluation

Appointments to the Board and succession planning	56 to 57, 77 to 79
Skills, experience and knowledge of the Board	52 to 53, 78
Board performance	80

(5) Remuneration

Remuneration policies and practices	84 to 95
Executive remuneration	96 to 104
Remuneration outcomes and independent judgement	84 to 113

(2) Division of responsibilities

Role of the Chair	57
Composition of the Board	52 to 53, 56 to 57, 78
Role of the non-executive directors	55
Effective and efficient functioning	56 to 59

(4) Audit, risk and internal control

Internal and external audit	70 to 72
Fair, balanced and understandable assessment	70, 245
Risk management and internal control framework	69 to 71, 82 to 83

Induction programme for Group Chair Designate, Scott Wheway

In October 2025, the Board announced the appointment of Scott Wheway as Group Chair Designate, succeeding Sir John Kingman on 21 May 2026. Upon joining the Board as a Non-Executive Director in January, and in advance of becoming Chair later this year, a tailored and comprehensive induction plan was devised with input from Scott, John, the Group Chief Executive Officer and the Group General Counsel and Company Secretary. Scott’s induction has also been supported by an ongoing and thorough handover with John.

The induction plan was tailored to Scott, recognising his extensive experience across a number of industries and regulatory regimes, and provided a comprehensive overview of the Group, the individual businesses, the Group’s strategy and financial plan and the markets in which we operate. Scott’s induction plan prioritised early engagement with key internal stakeholders, including but not limited to, Group Board and Group Management Committee members, as well as external stakeholders such as our brokers, external auditors, investors, and visits to our offices to engage with employees and experience our culture. Scott’s induction programme remains ongoing and will continue to be tailored to him until he takes over as Chair later in the year.



Pictured left to right: António Simões (Group CEO), Scott Wheway (Group Chair Designate) and Sir John Kingman (Group Chair)

Scott’s biography can be found on page 52.

Letter from the Chair



“ As our business evolves, our strong governance framework keeps decision-making sharp, accountable, and aligned with long-term goals and stakeholder interests.

”
Sir John Kingman
 Chair

Dear shareholders,

In this, my final letter to shareholders as Chair of L&G, I am struck by the resilience of the business and the strength of its business model. L&G is an outstanding company that has navigated significant economic and political volatility over the years, including the effects of Brexit, Covid-19 and the Liability Driven Investment (LDI) crisis. It was recognised as Britain's 'Most Admired Company' in Financial Services for 2025, building on our overall wins as Britain's 'Most Admired Company' in 2022 and 2023. More recently, we have substantially refreshed and further clarified our strategy, ensuring at all times that our customers, clients, shareholders and employees remain at the front of our decision-making.

Shareholder meetings

The 2026 Annual General Meeting (AGM) and General Meeting (GM) will be held on Thursday 21 May 2026 at the British Medical Association, BMA House, Tavistock Square, Bloomsbury, London WC1H 9JZ, once again in a hybrid format, with facilities for shareholders to join and vote electronically.

Full details of the business to be considered at the meetings will be included in the Notice of AGM and the Circular and Notice of GM that will be sent to shareholders by their chosen communication method and published on our website:



Discover more online:
group.legalandgeneral.com/AGM

Having the financial resilience to continue to pay the Company's planned dividends during Covid-19, which provided much-needed income to our shareholders during that difficult time, underlined the financial strength of L&G as well as our focus on our societal purpose and the long-term interests of our stakeholders.

L&G is grounded in a history of strong social purpose, improving the lives of customers, building a better society for the long-term and creating long-term value for shareholders. We continue to lead with purpose, investing and contributing to national and regional growth across the UK.

Throughout the year, the Board has been focused on overseeing the delivery of our refreshed strategy, designed to drive enhanced long-term returns to shareholders through focused capital allocation and rigour in execution. Our vision is for a growing, simpler, better-connected L&G, focused on three core businesses, seizing the opportunity in Institutional Retirement while investing to scale and deepening our capabilities in Asset Management and Retail.

We are making significant progress. We have had substantial successes throughout the year as we build momentum and deliver on our strategy. In Institutional Retirement we have written £11.8 billion of PRT volumes in the year, including £10.4 billion of UK transactions. In Asset Management, we have reached £75 billion of private markets AUM and delivered ANNR of £34 million. In Retail, we have written £1.8 billion of annuities and continue to see growing workplace DC with net flows of £6.2 billion.

We have good momentum in winning workplace DC schemes: £3 billion of new scheme assets are due to transition to L&G in the next 18 months. Our Corporate Investments unit (established to manage non-strategic assets with the goal of maximising shareholder value ahead of potential divestment) has made excellent progress: assets now stand at c.£500 million (originally c.£2 billion), following a total of 18 disposals since the unit was established in June 2024. We have delivered FY25 Group core operating EPS growth at the higher end of our 6-9% range and growth in operational surplus generation of greater than 3%.

Robust corporate governance has remained fundamental to our ability to deliver sustainable, long-term success. As stewards of the Group, the Board leads with purpose and oversees governance with rigour, ensuring our practices are not only aligned with our values and culture, but also set the right "tone from the top". In doing so, we foster a framework of integrity, accountability and transparency that supports the Group's strategic ambitions and decision-making. We have welcomed recent revisions to the UK Corporate Governance Code, which reflect our own priorities around transparency, accountability and effective oversight.

Leadership appointments

L&G continues to benefit from an excellent Board with a diverse range and depth of expertise and skills. Throughout the year, we have further strengthened the Board and the Group Management Committee (GMC) as the Company continues to pursue its ambitious growth strategy as a simpler and better-connected business. Over the year, this has included the appointment of Henrietta Baldock as Senior Independent Director, the appointment of Mark Jordy to the Board as Independent Non-Executive Director (succeeding Lesley Knox) and the appointments of Carolyn Johnson as the Board's Global Designated Workforce Director and Clare Bousfield as our Speak Up Champion (formerly referred to as Whistleblowing Champion). Most importantly, the Nominations and Corporate Governance Committee, led by Henrietta Baldock, undertook the search process for my own successor. Scott Whewey is an outstanding candidate to succeed me and the Board is already benefiting from his leadership and experience. Scott and I have been working closely together since his appointment to the Board in January to ensure a smooth transition when I step down from the Board on 21 May 2026.

The Nominations and Corporate Governance Committee has also spent considerable time overseeing succession planning for the GMC and the future talent pipeline. We have made a number of strategic appointments throughout the year; these have benefited from effective succession planning, highlighting the strength of the Company's talent pipeline. At the end of last year, Jeff Davies informed the Board of his intention to move to a new role after eight years as CFO; I would particularly like to thank him for his contribution to L&G. He has been fundamental to our success and leaves a strong legacy. In December, the Board appointed Andrew Kail as the Group's next CFO and as an Executive Director on the Board. Andrew has already made a huge impact at L&G over the last four years, driving the growth of our PRT business and playing a central role in the development of the Group's wider strategy. The Nominations and Corporate Governance Committee then focused on the succession plans for Andrew's roles as CEO of Institutional Retirement and CEO of Legal and General Assurance Society Limited (LGAS). The Board was delighted with the appointments of Gareth Mee as CEO of Institutional Retirement and Laura Mason as CEO of LGAS.

We have also welcomed Emma Holden as our Chief People Officer (CPO), and Andy Sinclair to the newly created role of Chief Strategy and Investor Relations Officer. Emma will lead on people strategy, ensuring the Company has the right capabilities and culture to support its future growth. She brings deep experience in people leadership, with a particular focus on talent, culture and inclusion. Andy's appointment builds on the strong foundations already in place, further enhancing L&G's strategic and investor relations capabilities and helping to sustain momentum and focus on long-term performance. I should like to thank Emma Hardaker-Jones for her eight years of service as CPO, and also Alex Clayton for acting as interim CPO in advance of Emma Holden joining us.

And finally, after 35 years of service to L&G, Geoffrey Timms, Group General Counsel and Company Secretary, has decided to step down from his role on 21 May 2026. Geoffrey joined L&G in 1991 and became Group General Counsel in 1999. He has been central to the building of the business as we know it today. Throughout Geoffrey's tenure, he has supported four different Group CEOs, five Group Chairs and, numerous iterations of the Board, to forge some of the Company's most important partnerships, drive strategic M&A activity, and lay the foundations for our robust corporate governance framework. Geoffrey has been a key trusted advisor to me and my fellow Board members and I would like to thank him for his continued wise counsel and congratulate him on an outstanding career at L&G spanning more than three decades.

The Board is delighted to appoint Maria Alvarez-Scott to succeed Geoffrey as General Counsel and Company Secretary. Maria joined L&G in 2009 and was previously the Deputy Group General Counsel and General Counsel of L&G's insurance businesses. Maria is an exceptional legal practitioner and leader, with deep knowledge of L&G's business, strategic context and culture. She will be a fantastic partner to the management team and the Board as the Group drives its next phase of growth.

Stakeholder engagement

The Board continues to ensure that the views and interests of our stakeholders inform its decision-making, through a combination of extensive direct and indirect engagement. This includes engaging directly with colleagues through town halls and visits to our offices in different locations. We were able to conduct a number of face-to-face interactions this year, including visits to our offices in Bermuda, Cardiff and Hove.

I am always impressed during our visits how our people really live our purpose and values, ensuring we are doing the right thing for our customers. We view this engagement as an essential way to experience L&G's culture first-hand. Feedback from colleagues is critical to the Board and we continue to monitor our culture through rigorous employee engagement surveys. Details on the Board's consideration of stakeholders in its decision-making throughout 2025 are outlined in our section 172(1) statement on pages 64 to 68. Examples of how we engage with our different stakeholders can be found on page 68.

Board performance

Strong corporate governance starts with accountability at the highest level, and a key part of that is the Board's commitment to reviewing its own performance regularly. In 2025, we carried out an internal performance review of the Board and its Committees, externally facilitated by Clare Chalmers Limited. The review concluded that the Board and its Committees continued to perform well and operate effectively. Full details of the review process and outcomes are available on page 80.

Looking forward

As I hand over to Scott Whewey later this year, I should like to thank everyone at L&G for their extraordinary work and commitment to the business and our customers. It has been a huge pleasure to work alongside all our valued colleagues over the years. I should also like to thank our shareholders for their continued support. My fellow Board members and I feel confident and optimistic about the future of L&G as we execute our defined strategy and continue to build on our strong performance track record to drive further growth and deliver long-term shareholder value.

I hope to see many of you at our AGM in May.



Sir John Kingman
Chair

Board of directors

Committee membership key

<table border="1"> <tr><td style="background-color: #2e8b57; color: white;">A</td><td>Audit</td></tr> <tr><td style="background-color: #2e8b57; color: white;">E</td><td>Enterprise Transformation</td></tr> </table>	A	Audit	E	Enterprise Transformation	<table border="1"> <tr><td style="background-color: #2e8b57; color: white;">N</td><td>Nominations and Corporate Governance</td></tr> <tr><td style="background-color: #2e8b57; color: white;">R</td><td>Remuneration</td></tr> <tr><td style="background-color: #2e8b57; color: white;">Ri</td><td>Risk</td></tr> </table>	N	Nominations and Corporate Governance	R	Remuneration	Ri	Risk
A	Audit										
E	Enterprise Transformation										
N	Nominations and Corporate Governance										
R	Remuneration										
Ri	Risk										



Sir John Kingman KCB FRS
Group Chair

Appointed October 2016

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

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

Other appointments:

- National Gallery (Deputy Chair and Trustee)
- Barclays Bank UK PLC (Chair)
- Barclays PLC (Non-Executive Director)
- Rothschild Foundation (Trustee)



Scott Wheway
Independent Non-Executive Director and Chair Designate

Appointed January 2026

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

Experience:
Scott brings a wealth of executive and non-executive leadership experience in financial services and retail businesses, including a strong understanding of operating within highly regulated, customer-centric industries. He also has deep knowledge and experience of large-scale banking and insurance businesses. Scott served as Chair of Scottish Widows Group and was a Non-Executive Director of Lloyds Banking Group from 2022-2025. Prior to that, he was a Non-Executive Director of Centrica plc between 2016 and 2020 and served as Chair of Centrica plc between 2020 and 2024. He was formerly Chair of AXA UK plc, Chair of Aviva Insurance Limited, a Non-Executive Director of Aviva plc and Senior Independent Director of Santander UK plc. Before his non-executive career, Scott was an executive in the retail sector for over 25 years, both in the UK and internationally, where he held positions including CEO of Best Buy Europe, Managing Director of Boots the Chemist plc and a number of senior executive positions at Tesco plc, including CEO, Japan.



António Simões
Group Chief Executive Officer

Appointed January 2024

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

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

Other appointments:

- King's Trust International (Trustee)



Henrietta Baldock
Senior Independent Director (from May 2025)

Appointed October 2018

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

Experience:
Henrietta has extensive knowledge of the financial services and insurance sector through her 25 years' experience in investment banking, including as Chair of European Financial Institutions at Bank of America Merrill Lynch, where she advised many boards on a number of significant transactions.

Other appointments:

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



Andrew Kail
Group Chief Financial Officer

Appointed December 2025

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

Experience:
Andrew has previously held the role of CEO for two of L&G's businesses, L&G Institutional Retirement and L&G Retail Retirement, after joining L&G from PricewaterhouseCoopers (PwC) in March 2021. Over his 30 years with PwC, he built deep financial sector experience and wide regulation, risk and technology expertise and, prior to leaving to join L&G, held the role of Head of Financial Services where he led a 6,000 strong team in asset & wealth management, banking, insurance and real estate. Andrew graduated in Economics from the University of Manchester and is a Chartered Accountant (ICAEW).

Other appointments:

- TheCityUK (Non-Executive Director)



Clare Bousfield
Independent Non-Executive Director

Appointed December 2024

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

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

Other appointments:

- Bupa Insurance Limited (Chair)
- Bupa Insurance Services Limited (Chair)
- IVC Evidensia (Non-Executive Director)
- Recipharm (Non-Executive Director)



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Carolyn Johnson
Independent Non-Executive Director

Appointed June 2022

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

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

- Other appointments:**
- Kuvare Holdings (Director)
 - Beazley Plc (Non-Executive Director)
 - Beazley Holdings Inc. (Chair)



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Mark Jordy
Independent Non-Executive Director

Appointed July 2025

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

Experience: Mark has significant experience in asset management through his executive and non-executive career. Previously, Mark was CEO and equity partner of Wellington Management's London-based affiliate, leading its EMEA business and serving as a member of the global leadership team. As an equity partner, Mark played a key role in expanding Wellington's international presence, including opening offices and leading teams in China, Frankfurt, Hong Kong, Singapore, Sydney, Tokyo and Zurich. Earlier in his career, Mark worked as an investment consultant and held senior roles at a global custodian bank.

- Other appointments:**
- L&G – Asset Management Limited (Chair)



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Nilufer Kheraj OBE
Independent Non-Executive Director

Appointed May 2021

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

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

- Other appointments:**
- Games Workshop Group Plc (Non-Executive Director)
 - IntoUniversity (Trustee)
 - Oxford University Law Faculty (Visiting Professor)



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George Lewis
Independent Non-Executive Director

Appointed November 2018

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

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

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



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Ric Lewis
Independent Non-Executive Director

Appointed June 2020

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

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

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



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Tushar Morzaria
Independent Non-Executive Director

Appointed May 2022

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

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

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



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Laura Wade-Gery
Independent Non-Executive Director

Appointed January 2022

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

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

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



Geoffrey Timms
Group General Counsel and Company Secretary

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

Other Board members during the year were:

Lesley Knox (resigned May 2025), Philip Broadley (resigned August 2025) and Jeff Davies (resigned December 2025).

Group Management Committee

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



António Simões
Group Chief Executive Officer



Andrew Kail
Group Chief Financial Officer
(from December 2025)



Eric Adler
Chief Executive Officer,
Asset Management



Emma Holden
Chief People Officer
(from February 2026)



Chris Knight
Group Chief Risk Officer



Laura Mason
Chief Executive Officer, Retail



Gareth Mee
Chief Executive Officer,
Institutional Retirement
(from December 2025)



Maria Alvarez-Scott
Group General Counsel and
Company Secretary Designate
(from February 2026)



Katie Worgan
Group Chief Operating Officer
(from March 2025)

Group Management Committee changes throughout the year

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

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

Andrew Kail: appointed as the Group Chief Financial Officer in December 2025. Andrew was previously the CEO of Institutional Retirement and LGAS. Prior to that, he was the CEO of the Retail Retirement business.

Gareth Mee: appointed as CEO of Institutional Retirement in December 2025. Gareth was previously the Chief Investment Officer for Institutional Retirement and joined L&G in 2022 as CFO of L&G Capital.

Emma Holden: appointed as Chief People Officer in February 2026. Emma will lead on people strategy, ensuring the Company has the right capabilities and culture to support its future growth.

Maria Alvarez-Scott: appointed as Group General Counsel and Company Secretary Designate in February 2026. Maria joined L&G in 2009 and was previously the Deputy Group General Counsel and General Counsel for LGAS.

Our executive governance framework

Our refreshed executive governance framework was implemented in 2024 to best optimise executive decision-making across the Group and enhance collaboration across executive management, while simultaneously promoting appropriate divisional and functional accountability and autonomy.

Group Chief Executive Officer (Group CEO)

Group Management Committee (GMC)

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

Cost and Investment Forum
Oversees the Group-wide cost plan and monitors cost performance.

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

Enterprise Change Committee
Provides oversight of group-wide change activity.

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

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

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

Speak Up Committee
Oversees the Group’s Speak Up arrangements and culture, and effectiveness of mechanisms dealing with non-financial misconduct.

Governance report

The 2024 UK Corporate Governance Code (the ‘Code’) – Compliance Statement

The Code emphasises the role of good corporate governance in achieving long-term sustainable success. The principles of the Code are the standards against which we are required to measure ourselves. Each year, the Board reviews the Group’s governance framework and compliance with the Code. We are pleased to report that we have applied the principles and complied with each of the provisions of the Code for the year ended 31 December 2025, with the exception of Provision 29 which is not applicable until the next financial year. A Code compliance reference table can be found on page 49. The revised UK Corporate Governance Code was published in January 2024, and most of its provisions apply from the financial year beginning on 1 January 2025. The Board has overseen the work required to comply with the new requirements from the relevant effective dates.

Our governance framework

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

Board of Legal & General Group Plc

The Board is collectively responsible for the long-term sustainable success of the Company.

<p>Chair</p> <p>Leads the Board and, in consultation with the Group CEO, sets the agenda for Board meetings for overall Board and individual director effectiveness.</p> <p> Read more on page 57</p>	<p>Senior Independent Director (SID)</p> <p>Acts as a sounding board for the Chair, as well as being available to shareholders and independent directors if they have concerns which cannot be resolved through the normal channels.</p> <p> Read more on page 57</p>	<p>Independent Non-Executive Directors</p> <p>Scrutinise and hold to account the performance of the executive against agreed goals and objectives. Constructively challenge and contribute to the development of strategy.</p> <p> Read more on page 57</p>	<p>Group Chief Executive Officer (Group CEO)</p> <p>Responsible for the day-to-day management of the Company and the successful execution of the strategy.</p>	<p>Group Chief Financial Officer (Group CFO)</p> <p>Responsible for supporting the Group CEO in establishing group-wide financial and strategic objectives and supporting successful execution against those objectives.</p>
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Committees of the Board

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

<p>Audit Committee</p> <p>Responsible for oversight of the Group’s financial statements and reporting and the adequacy and effectiveness of the internal control environment, including financial control. Oversees the relationship with the external auditor and the activities of the Internal Audit function.</p> <p> Read more on pages 69 to 74</p>	<p>Enterprise Transformation Committee</p> <p>Responsible for oversight of all aspects of Enterprise Transformation, including the Group’s major change programmes, and the Enterprise Technology Strategy, including data and AI.</p> <p> Read more on pages 75 to 76</p>	<p>Nominations and Corporate Governance Committee</p> <p>Responsible for the overall composition of the Board and its Committees. Oversees Board and executive succession planning. Responsible for overseeing the Group’s governance framework.</p> <p> Read more on pages 77 to 81</p>	<p>Remuneration Committee</p> <p>Responsible for overseeing the remuneration of executive directors and other designated individuals, as well as the Group’s remuneration policy.</p> <p> Read more on pages 84 to 113</p>	<p>Risk Committee</p> <p>Responsible for the oversight of the Group’s risk appetite and providing guidance and advice on what constitutes acceptable risk taking and oversight of the Group’s risk management policies and procedures.</p> <p> Read more on pages 82 to 83</p>
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2024 UK Corporate Governance Code

A full version of the Code can be found on the Financial Reporting Council’s website:

 [Discover more online frc.org.uk](https://www.frc.org.uk)

Governance report continued

Role and leadership

The Board is responsible for the overall leadership of the Group; it is charged with setting the Group's values and standards. The role of the Board is to promote the long-term sustainable success of the Company, while simultaneously generating value for shareholders and contributing to wider society. Our section 172(1) statement on pages 64 to 68 sets out in detail how the Board has achieved this throughout 2025. The Board is committed to maintaining the highest standards of corporate governance across the Group to support the delivery of our strategy, fostering positive stakeholder relationships and the creation of long-term sustainable value for shareholders.

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

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

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

The Board, and the Boards of the Group's principal operating subsidiaries, operate within a clearly defined, and fully embedded, delegated authority framework. This ensures an appropriate level of Board oversight of, and contribution to, key decisions, while enabling effective day-to-day business management. It also fosters an appropriate level of constructive debate, challenge and support throughout the decision-making process.

Responsibilities not reserved for the Board's consideration are delegated by the Board to Group level Committees and the Group CEO. The Board has delegated the day-to-day management of the Company, and the responsibility of the successful execution of the strategy, to the Group CEO. The executive governance framework, which can be found on page 54, is designed to optimise decision making and enhance collaboration at an executive level, while simultaneously promoting appropriate divisional and functional accountability and autonomy. The GMC periodically reviews the executive governance framework to ensure that it remains fit for purpose and continues to provide the right level of centralised oversight and control over material group-wide matters. The GMC supports the Group CEO in discharging that which is in his authority, as delegated to him by the Board, in particular in relation to group-wide strategic and material matters. The Group CEO delegates further decision making onwards to the Cost and Investment Forum, Disclosure, Enterprise Change, Executive Data and Technology, Executive Risk, Investment, and Speak Up Committees, as well as to his direct reports.

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

The Board is supported in its work by its Committees, each of which is governed by its own terms of reference, that clearly define its remit and decision-making powers. The Committees of the Board, and their core responsibilities, are set out in the governance framework which can be found on page 55 and each of the respective Committee reports.

Composition, independence, and performance

As at the date of this report, the Board is comprised of the non-executive Chair, two executive directors and ten independent non-executive directors. At least half of the Board, excluding the Chair, are independent non-executive directors, in accordance with provision 11 of the Code. Upon appointment, the Chair was identified by the directors as being independent in accordance with provisions 9 and 10 of the Code.

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

Following an extensive search and selection process, Scott Wheway was appointed as independent Non-Executive Director and Chair Designate of the Company with effect from 2 January 2026. Prior to joining us, Scott was Chair of Scottish Widows Group and a Non-Executive Director at Lloyds Banking Group Plc. He brings a wealth of executive and non-executive leadership experience in financial services and retail businesses, including a strong understanding of operating within highly regulated, customer-facing industries. Before his non-executive career, Scott was an executive in the retail sector for over 25 years, both in the UK and internationally, where he held positions including CEO of Best Buy Europe, Managing Director of Boots the Chemist plc, and a number of senior executive positions at Tesco plc, including CEO, Japan. Scott has been working closely with Sir John Kingman since his appointment in January to support the transition.

Sir John Kingman will step down as Chair and as a director of the Board on 21 May 2026, after nine years of service, and at that point, Scott will take over as Chair.

Furthermore, in September 2025, we announced that Andrew Kail had been appointed as the new Group Chief Financial Officer with effect from 1 December 2025. Prior to this appointment, Andrew had been CEO of our Institutional Retirement business and one of our principal operating subsidiaries, LGAS. Andrew has a deep knowledge of the different L&G businesses and the key drivers of its performance and has played a pivotal role in developing and driving the Group's growth strategy. Prior to joining L&G, Andrew spent 30 years at PricewaterhouseCoopers (PwC) in senior roles including the Head of Financial Services, where he led a 6,000 strong team in asset & wealth management, banking, insurance and real estate. Andrew is an ICAEW chartered accountant and sits on the Board of TheCityUK.

A Board performance review is conducted on an annual basis. In line with the requirements of the Code and our review cycle, this year's review was conducted internally, with external facilitation provided by Clare Chalmers Limited. As part of this review, the Board and its Committees are assessed on, among other things, composition and expertise, culture and employees, dynamics and decision making, agendas and Board support.

Further information relating to the composition of the Board, including the Board's Inclusion and Wellbeing Policy, the non-executive director appointment process and the Board performance review can be found in the Nominations and Corporate Governance Committee report on pages 77 to 81.

Committee terms of reference

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

 Discover more online group.legalandgeneral.com/groupboardcommittees

Division of responsibilities

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

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

 Read more on [pages 52 to 53](#)

The Board roles and responsibilities document can be viewed on our website:

 Discover more online group.legalandgeneral.com/corporategovernance

Conflicts of interest and time commitment

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

All non-executive directors' letters of appointment outline the time commitment expected of them throughout their tenure on the Board, and non-executive directors' time commitments are considered annually by the Nominations and Corporate Governance Committee (the 'Committee') as part of its ongoing assessment of the Board's composition. The Committee also assesses time commitments in detail ahead of approving any external director appointments. In 2025, the Committee was satisfied for all external appointments of its directors that they did not give rise to a conflict of interest and would not impact the directors' time commitment to the Company. The significant commitments of each director are detailed in their biographies on pages 52 to 53.

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

Role on the Board

Sir John Kingman Chair

Responsibilities

As Chair, Sir John Kingman is responsible for:

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

António Simões Group CEO

Responsibilities

As Group CEO, António Simões is responsible for:

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

Henrietta Baldock Senior Independent Director

Responsibilities

As Senior Independent Director, Henrietta Baldock is responsible for:

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

Governance report continued

Purpose and culture

Following the announcement, and ongoing implementation, of our new group-wide strategy in June 2024, a review of the Group's purpose was conducted to ensure it remained appropriate. Our refreshed purpose – 'Investing for the long term. Our futures depend on it' – seeks to reflect the feedback received from employees across the Group, as well as customers and clients across all three of our businesses, and helps shape how we think, how we act, and how we create lasting impact for our clients, customers, shareholders and society. A group-wide campaign to increase awareness, understanding and engagement with our purpose was undertaken in the first half of 2025.

As well as refreshing our purpose, 2025 saw the launch of our new group-wide behaviours: Challenge positively; Commit together; and, Act decisively. These behaviours have been designed to guide how we work together, creating a culture of accountability, effectiveness, and pace to deliver our strategy, whilst remaining true to our purpose. The Group has supported the embedding of these behaviours into the everyday culture of the Company, with the intention that living these behaviours will be the cornerstone of our success.

The Board continues to monitor how our purpose and behaviours are being embedded across the organisation through bi-annual Speak Up updates (including whistleblowing) and regular culture updates included in the Group CEO reports to the Board. The Board also receives updates on the Voice survey which is an anonymous employee survey which provides insights into employee sentiment, including questions on purpose, culture and wellbeing. The results from this year's Voice survey indicate that the vast majority of our employees feel proud to work at L&G and would recommend the Company as a great place to work.

In 2025, the Voice survey was updated to include questions about how L&G's behaviours are being role-modelled by leaders, as well as specific questions about how each of the three new behaviours are being consistently demonstrated across the organisation. We have also developed the 'Behaviours Index' which presents an average score across all behaviour-related questions, to see in aggregate how well our behaviours are understood and embedded within our culture. The new metrics are reported to the Group Board and the GMC and reporting of the Voice survey results has been further enhanced using AI-generated personas derived from employee comments, to deep dive into specific themes. These personas add depth to the quantitative data and analysis included in Board reports.

Over the last few years, we have taken steps to enhance our culture. In 2023, we assessed our performance culture and reinforced a balance between the 'what' in terms of our achievements, and the 'how' in terms of demonstrating our core behaviours while achieving our goals. We have made several improvements to our employee benefits, designed with the different needs of a diverse workforce in mind, demonstrating our continued commitment to supporting our employees' health and wellbeing and fostering an inclusive culture. Inclusion is a central part of this focus, and our annual Inclusion Week helps bring these principles to life. The theme for the 2025 event, "Now is the Time", gave us an opportunity to reflect, learn, and commit to making inclusion a core part of our culture and everyday practice.

In addition, a culture review is conducted on an annual basis to assess the impact made by the Group CEO's direct reports in positively evolving L&G's culture across a number of areas, including shared vision and leadership, ownership and accountability, and execution capability. We broadened the scope of the culture review in 2025, by including refreshed Voice metrics and focusing on three areas – behaviours and mindset, greater performance edge and building capability – aimed to bring together a rich set of qualitative and quantitative data from across the organisation. We extended the review beyond just the divisional CEOs and Group CFO, to include all direct reports of the Group CEO, a deliberate signal that all of our leaders, whether in functions or businesses, will be held to account for L&G's culture. The outcome of the culture review is shared with the Group Remuneration Committee annually.

In 2025, we defined a clear set of business focus areas, bringing greater clarity for our employees about what their performance will be measured against, as well as incentivising and rewarding outstanding performance. We also introduced a new long-term incentive award opportunity for a wider range of employees, to recognise the highest performers across the Company.

In 2025, we made progress in defining how we expect all senior management to lead in L&G, in light of our ambition to positively evolve L&G's culture. We've developed specific 'dialled up' behavioural guidance for leaders to help them embed L&G's behaviours in the way they lead, and we have been clear that these will be assessed through the annual performance review process. We've also invested in assets like the 'People Change Playbook' which gives greater specificity to leaders about how they need to show up and lead change. Whilst these initiatives are important enablers to support leaders in proactively shifting culture, Voice scores, as well as feedback from leaders, are used to monitor take-up and efficacy of these solutions. More information on the Company's culture and purpose can be found on pages 9 to 11.



Governance in action: Our behaviours

To help embed our new behaviours, articles demonstrating how our new behaviours were being brought to life across the Group were published on the employee intranet to support employee engagement and understanding.

In addition to online toolkits, employees have been given the opportunity to attend focused sessions on each behaviour with their teams.

The Board receives bi-annual updates on the Group's Speak Up arrangements and the whistleblowing policy is available to all employees on our intranet, which details the process for employees to confidentially raise matters of concern. As the Board's Speak Up Champion, Clare Bousfield acts as a critical supporter to the teams involved in managing L&G's speak up arrangements, having oversight of the integrity, independence and effectiveness of the arrangements, as well as ensuring the fair treatment of colleagues in every instance. In 2025, the Company launched a Speak Up campaign, which aimed to raise awareness of the various Speak Up channels available to colleagues. As part of this, the Speak Up policy and employee communications and guidance were refreshed, a new Computer Based Training module was launched, and members of our GMC were interviewed and provided their thoughts on what speaking up meant to them personally.



Pictured: Clare Bousfield taking part in a group-wide employee communication in 2025, where she was interviewed by our Group CEO on Speak Up.

In addition, the Speak Up Committee, a sub-committee of the GMC, was established and is responsible for overseeing the effectiveness of the Group's Speak Up arrangements and the robustness and effectiveness of our processes dealing with non-financial misconduct such as conduct breaches, grievances and disciplinary processes. Further information on our Speak Up and whistleblowing arrangements and other employee policies can be found in our Social impact report.

Throughout the year, Board members attended various offices which enabled our directors to meet with employees and gain insights into our culture and behaviours in action. In addition, Carolyn Johnson succeeded Nilufer Kheraj as our Global Designated Workforce Director from 1 April 2025. As part of this role, Carolyn, as well as other Board members, meet regularly with smaller groups of employees to speak directly with them, both with and without senior management present, and hold events to answer questions from employees. GMC members also held numerous town hall events at various locations throughout the year to update the workforce on topical issues. Employees are offered the chance to ask the management team questions throughout these sessions. These events are run as hybrid events to maximise engagement. Over 4,000 employees virtually attended our half year results town hall in August 2025, over 1,000 attended our Asset Management Deep Dive town hall in June 2025 and 900 attended our Retail Deep Dive town hall in October 2025.

For more information on our workforce, please refer to our Social impact report:

 Discover more online
[group.legalandgeneral.com/
SocialImpactReport2025](https://group.legalandgeneral.com/SocialImpactReport2025)

Induction, training and development

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

All Board members receive regular training throughout the year; the Board believes that continual director training and development is important to maximise the effectiveness of the Board. The training programme is generated on an annual basis, based on the needs of the Board, and internal and/or external circumstances, including any recommendations from the annual performance review of the Board and its Committees. It is the responsibility of the Chair to help ensure that directors continually update their skills, knowledge and familiarity with the Group, and the Chair does so with input from the Board and the Group General Counsel and Company Secretary. In 2025, Board members received specific training and/or deep-dive sessions on various topics, including the L&G App, longevity assumptions and emerging longevity risks.

In addition, Board and Committee meetings are used to update Directors on developments in the areas in which the Group operates. As part of their ongoing training and development, Board members are invited to attend visits to the Group's various offices, developments and investments, with the aim of widening Board members' knowledge of the business and providing them with the opportunity to meet with employees and experience the culture across the Group first-hand. This year, Board members visited our offices in Bermuda, Cardiff, Dublin, Frankfurt, Hong Kong, Hove, Solihull, Stamford and Tokyo.

Subsidiary boards

At L&G we have benefited from a strong governance framework operating at a subsidiary level for many years now. A number of our directors continue to Chair the boards of three of our principle operating subsidiaries: Henrietta Baldock for LGAS, Mark Jordy for L&G – Asset Management Limited and George Lewis for Legal and General Assurance (Pensions Management) Limited. This crossover of directors on our Group Board and principal operating subsidiaries allows greater interactions, information flows and promotes enhanced collaboration throughout the Group.



Governance in action: Customer focus

In May 2025, the Retail business hosted 'CustomerFest 2025' the first ever customer focused event for employees across the Group, designed to deepen understanding of L&G customers through a series of informative sessions.

Over 3,000 employees joined this three-day event and were invited to attend a range of sessions, both virtually and from four UK locations.

A customer roadshow was attended by Laura Wade-Gery, the Board's Consumer Duty Champion (pictured above), and the event concluded with a "Start with the Customer" keynote presentation, delivered by a consumer expert.



Governance in action: Investor Deep Dives

In preparation for the Asset Management and Retail Investor Deep Dives, the Board reviewed the market messaging and materials for analysts and investors. Following each event, the Board was provided with a summary of media and analyst reactions and discussed the success of both events.

Employees were also invited to join the event virtually. This completed a series of investor and analyst events to explore each of our three businesses in depth.

Governance report continued

How the Board spent its time in 2025

The Board meets regularly to oversee the delivery of the Group's strategic objectives to ensure it continues to promote the long-term sustainable success of the Company. Throughout 2025, the Board held 13 Board meetings, including one strategy event, and one office visit. Board Sub-Committees were also constituted on a number of occasions to deal with particular matters arising outside of the formal schedule of meetings. The non-executive directors have private meetings without the executives present before and after each Board meeting, and otherwise as required.

Board members meet informally with the executive directors and GMC members on a regular basis outside of the formal meeting schedule. Members of the GMC and, as appropriate, individuals from the relevant business areas are also invited to attend Board meetings in relation to key items, allowing the Board the opportunity to debate and challenge initiatives directly with the senior management team. The Board informs itself of the views of shareholders on a regular basis through updates at each Board meeting from the Group CEO and Group CFO, as well as periodic updates from the Investor Relations team.

Several institutional investors were also invited to attend a session with the Board and GMC at the Board strategy event in June.

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

- Progress on the execution of the strategy and business performance updates.
- Insights into the views of our shareholders, people, customers, clients and other key stakeholders.
- Material matters from each business, including business performance and progress against strategy, key business initiatives, customers, clients, employee and regulatory engagement, the control environment and culture.
- Group-wide strategic ambitions, material transactions and other material initiatives.
- Consumer Duty and, more broadly, customer outcomes, including updates from the Consumer Duty Champion on discussions from the Customer Outcomes Forum.

- Updates from the Group Chief Operating Officer on group-wide major change projects.
- Risk and compliance matters, including a report from the Chair of the Risk Committee.
- Financial and audit matters, including a report from the Chair of the Audit Committee.
- Business of the Remuneration and Enterprise Transformation Committees from the Committee Chairs.
- Legal and governance matters from the Group General Counsel and Company Secretary.
- People, culture, and employee engagement matters, including updates from the Global Designated Workforce Director and updates on the results of the employee Voice survey.
- The Group's relationship with various stakeholder groups.

 For more information on the Board's stakeholder engagement throughout the year, see pages 64 to 68.

Board meeting attendance during 2025

Director	Scheduled	Ad hoc
Sir John Kingman (Group Chair)	9/9	4/4
António Simões (Group CEO)	9/9	4/4
Andrew Kail (Group CFO) ¹	1/1	1/1
Henrietta Baldock (SID)	9/9	4/4
Clare Bousfield ²	8/9	4/4
Carolyn Johnson	9/9	4/4
Mark Jordy ³	4/4	4/4
Nilufer Kheraj OBE	9/9	4/4
George Lewis	9/9	4/4
Ric Lewis ²	9/9	3/4
Tushar Morzaria ²	8/9	4/4
Laura Wade-Gery ²	9/9	3/4
Philip Broadley ⁴	5/6	0/1
Jeff Davies ⁵	9/9	3/3
Lesley Knox ⁶	4/4	0/0

1. Appointed to the Board with effect from 1 December 2025.

2. Unable to attend a Board meeting due to a prior commitment.

3. Appointed to the Board with effect from 1 July 2025.

4. Unable to attend Board meetings due to prior commitments and retired from the Board with effect from 31 August 2025.

5. Resigned from the Board with effect from 10 December 2025.

6. Retired from the Board with effect from 21 May 2025.

Link to strategic priorities



Sustainable Growth



Sharper Focus



Enhanced Returns

Jan – Feb

Approved the sale of the US protection business to Meiji Yasuda, and the creation of a long-term strategic partnership



Mar

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

Approved and commenced a £500 million share buyback programme



Apr

Eric Adler presented to the Board his early reflections as Asset Management CEO



May

Hosted the Group's Annual General Meeting

Received a presentation from the FCA on the 2025 Firm Evaluation Letter

Announced the expansion of the Private Markets platform with the acquisition of a 75% stake in real estate investor, Proprium, to accelerate growth into new markets



Aug

Approved the half-year financial results and interim dividend



Jul

Received a presentation from the PRA on the 2025 Periodic Summary Meeting Letter

Approved the Company's Consumer Duty Annual Board report, in compliance with the FCA's Consumer Duty requirements

Announced a long-term strategic partnership with Blackstone to accelerate growth ambitions



Jun

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



Sept

Approved the appointments of Scott Wheway as Group Chair Designate and Andrew Kail as Group Chief Financial Officer

Completed the £500 million share buyback programme



Oct

Attended a site visit at the Sky Studios in Elstree, a site which L&G developed and helped finance

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

Approved the appointment of Laura Mason as CEO of LGAS and supported the appointment of Gareth Mee to the GMC as CEO of Institutional Retirement

Announced a £4.6 billion pension risk transfer buy-in with Ford pension schemes



Nov

Held an offsite event in our office in Hove, and Board members hosted a town hall event for colleagues

Attended the annual employee awards in Brighton

Dec

Approved the Group Financial Plan for years 2026 – 2030



Employee engagement



Pictured: Carolyn with employees at L&G's Bermuda office

“ I have thoroughly enjoyed having the opportunity to engage directly with our people and sharing insights with my board colleagues in my role as Global Designated Workforce Director. I look forward to the year ahead and my continued engagement with our people – undoubtedly our most valuable asset.

”
Carolyn Johnson
 Global Designated Workforce Director

Our people are our most valuable asset and the key to the success of our refreshed strategy is fundamentally driven by them and, as such, ensuring their wellbeing is a priority for the Board.

In my role as Global Designated Workforce Director, I will seek to gain meaningful insights into wellbeing and culture, and utilise my position to inform the Board's decision-making by identifying key themes and ensuring these are brought to the forefront as we strive to achieve our strategic goals.

My role is to provide a voice for our people in the boardroom, by listening and gaining insights through active engagement, and allowing the perspectives of our people to be incorporated into the Board's strategic discussions and decision-making.

I assumed the role in April 2025, succeeding Nilufer Kheraj. I would like to express my gratitude to Nilufer for paving the way with her significant contributions over the past three years in strengthening employee engagement and deepening our understanding of our organisation's culture.

2025 was an exciting year. We introduced refreshed behaviours to our employees:

- Challenge positively
- Commit together
- Act decisively

It was encouraging in my role to see employees embracing these behaviours. I was able to see the impacts and share them directly with the Board.

We appointed a Head of Inclusion and Wellbeing, who I will work with as we align with L&G's purpose, behaviours and priorities.

Much of my focus this year has been on the areas of key strategic growth for the Company. I have been able to witness new leadership engaging employees and finding new ways to collaborate across the organisation for better results, employee satisfaction and accountability.

Key responsibilities

My responsibilities include:

- Active participation in a programme of workforce engagement to enhance meaningful two-way dialogue.
- Regular review of the methods and outcomes of workforce engagement activities to assess their effectiveness.
- Review of insights from activities and other data sources that monitor the Group's culture.
- Ensuring the Board, through the GMC and senior management, has effective methods of receiving feedback from employees.
- Reporting to the Board on workforce engagement activities, including any key insights or observations gained, and any areas of workforce concern.

Engagement throughout 2025

I have had the opportunity to engage directly with colleagues globally, through visits to our business locations in Bermuda, Frederick, Hove, London and Stamford, enabling me to focus on issues specific to: business areas, locations and material transactions. Alongside my fellow Group Board members, I have visited 10 Coleman Street, which is set to become L&G's new headquarters from 2027. The site visit was a great opportunity to understand the design approach to the facilities, which seeks to offer our people a dynamic, sustainable and inclusive space for them to thrive, enhancing connections and breaking down silos, helping to further our vision for a growing, simpler, better-connected L&G.

Whilst in role, I have received updates on diversity, inclusion and wellbeing, as well as the Voice survey results and the actions being taken in response. I have met many people including, the Interim Chief People Officer, HR Chief Operating Officer, CEO of the US Institutional Retirement business, our Group Chief Operating Officer, the HR Directors, and the new CEO of our DC and workplace business, to understand these topics from a divisional and Group leadership perspective and to discuss strategic people issues, while sharing key updates from the Board to foster two-way dialogue.

I recognise that maintaining strong relationships with Unite and the Management Consultative Forum are critical to my role. In 2025, I met regularly with representatives from both organisations and attended a bi-annual Unite Conference. I have enjoyed these engagements and they have provided valuable opportunities to gather views and concerns from employees and L&G representatives at various levels across the Group. I have shared these insights with senior management and the Board, with the aim of identifying and pursuing suitable solutions or outcomes where relevant.

Strengthening the employee voice

I provide the Board with a report on my activities as Global Designated Workforce Director at each Board meeting and share relevant feedback and updates. This includes workforce perspectives on major partnerships or transactions, such as the sale of L&G's US protection business and the establishment of a long-term partnership with Meiji Yasuda.

Where appropriate, issues are escalated to senior management and any responsive action taken is then reported to the Board. The key focus is always to ensure that what matters most to our people is communicated to the Board and, where appropriate, addressed, while providing our people with transparency of relevant Board activities.



Pictured: Carolyn at the Hove office during the Board's visit.

Voice

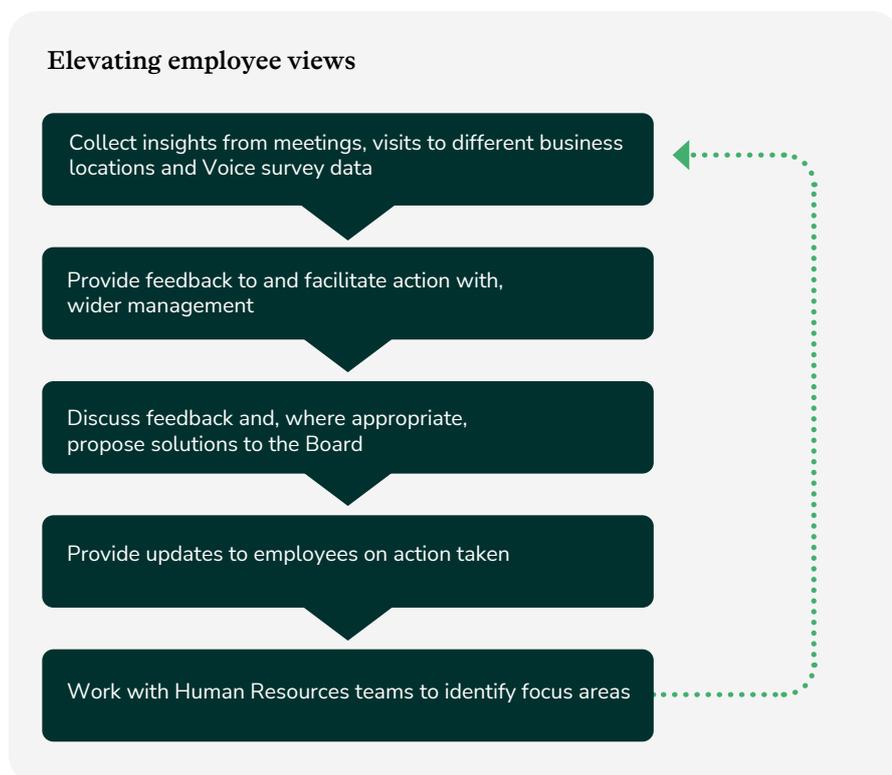
I review and reflect on the Voice survey data to understand how our people feel. In September 2025, we reported an employee engagement score of 79%. I subsequently discussed the results of the 2025 Voice survey findings with the Board, highlighting areas of focus for the Board to remain mindful of as we progress into 2026. The Board and senior management remain committed to prioritising employee wellbeing and supporting colleagues through ongoing change, as we continue to deliver L&G's refreshed strategy, to build on our shared purpose, to benefit our people, customers, society and shareholders, and continue to support our vision for a growing, simpler, better-connected L&G.

2026

In 2026, I will continue to foster open, two-way communication between the workforce and the Board, with a focus on three priorities: culture, wellbeing, and embedding our purpose throughout the organisation.

“ Carolyn demonstrates her dedication to constructive employee relations, actively supporting Unite and our unique partnership, a relationship built on authenticity and trust. The role she plays has a real and positive impact on our colleagues, every day.

”
Pam Edwards
 Head of Unite



Section 172(1) statement and stakeholder engagement

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

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

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

The Board has reflected on its engagement mechanisms throughout 2025 and concluded that they remain effective and have provided the Board with a comprehensive understanding of the interests of its key stakeholders.

A summary of the Board's major decisions and activities during 2025 can be found in this section. This, combined with our key engagement activities on page 68, makes up our section 172(1) statement. Further information on our key stakeholders and their importance is set out on pages 36 and 37.

Major decisions and activities during 2025

The following examples of major activities and decisions during the year illustrate how the Board considers different stakeholders' interests in its decision making and how the outcomes of these decisions support the implementation of the Group's long-term strategy and its strategic priorities (as set out on page 5).

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



In November 2025, Non-Executive Director, Ric Lewis, spoke at a mentoring event focused on the "Power of Authentic Leadership" at L&G's London office, which was attended by around 100 participants.

Major decisions

Appointment of our new Group Chair Designate and Group Chief Financial Officer



During the year, the Board approved the appointment of Scott Wheway as a Non-Executive Director with effect from 2 January 2026 and Chair of the Company with effect from 21 May 2026. The Board also approved the appointment of Andrew Kail as an Executive Director and Group Chief Financial Officer, with effect from 1 December 2025.

The Board considered Scott Wheway's significant executive and non-executive leadership experience in financial services and retail businesses, including his strong understanding of operating within highly regulated, customer-facing industries. Following a rigorous, comprehensive and global search, the Board concluded that, as well as being a great fit for L&G's culture and values, Scott's depth of commercial success in both executive and non-executive roles across a range of industries, including in markets that are central to our growth strategy, was considered to be highly beneficial to L&G and that he would provide effective leadership of the Company.

The Board considered Andrew Kail's impressive track record in his career to date, both at L&G and, prior to that, at PricewaterhouseCoopers (PwC), and his pivotal role in developing and driving the Group's growth strategy over the last four years, particularly in leading the growth and evolution of the pension risk transfer (PRT) business. Andrew holds deep knowledge of the different businesses of L&G and the key drivers of its performance from his roles as the former CEO of L&G's largest business, Institutional Retirement, and CEO of Legal and General Assurance Society Limited (LGAS). His appointment reflects the Board's confidence in his leadership and his ability to drive the Group's strategy forward.

To ensure successful and orderly transitions into each role, Scott and Andrew have received fulsome and robust handovers and reasonable steps have been taken to ensure that they each had access to all relevant information and material to enable them to perform their roles and discharge their associated responsibilities. For more information about Scott's induction plan, see page 49.

For further details on these appointments, see the Nominations and Corporate Governance Committee Report on pages 77 to 81. Scott and Andrew's biographies can be found on page 52.

Key stakeholder considerations

In making these appointments, the Board carefully considered the interests of investors and the long-term success of the Company. Scott's strong ties within the UK investor community and both Scott and Andrew's proven ability to build strong relationships with the regulators were key considerations. Throughout the Chair search process, the Senior Independent Director and the Group General Counsel and Company Secretary ensured that major investors and regulators were kept informed of progress.

The Board concluded that both appointments would serve the best interests of L&G and its stakeholders.

Major decisions continued

L&G completes £4.6 billion buy-in with Ford pension schemes



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In July 2025, the Board approved two buy-ins totalling £4.6 billion with pension schemes sponsored by Ford Motor Company Limited (the 'Sponsor'). This includes the Ford Hourly Paid Contributory Pension Fund and the Ford Salaried Contributory Pension Fund (the 'Funds'). Completed in October 2025 and executed concurrently, this combined deal secured the retirement benefits of over 35,000 pension scheme members. The Funds are long standing clients of L&G Asset Management. This combined buy-in represents the largest PRT transaction announced in the UK in 2025 and is L&G's second-largest buy-in by premium size to date.

The transaction was completed efficiently through close engagement with the Funds' Trustees and their advisers. The Board discussed the transaction in detail and considered the pricing metrics. L&G provided a price lock linked to the Funds' assets, ensuring price certainty during contractual finalisation. Premiums were paid through in-specie asset transfers to minimise transaction costs. These features reflect the synergies between L&G's Asset Management and Institutional Retirement businesses. L&G's integrated model is a key differentiator in the market, reinforcing our position as a trusted partner across every stage of the de-risking journey. For more information on our Institutional Retirement business, please visit pages 18 to 19.

Key stakeholder considerations

Shareholders: In 2025, Institutional Retirement wrote global PRT volumes of £11.8 billion contributing towards the business's target adjusted operating profit CAGR of 5–7% (2023 – 2028). This transaction reflects L&G's continued momentum in seizing opportunities in the field of PRT. L&G has completed almost half of the 20 largest UK buy-ins and buy-outs announced since 2007 securing more than £30 billion across these transactions, which demonstrates the Group's continued intention to deliver reliable capital flows for the Group for years to come and consequently protect long-term shareholder value.

Clients: This strategically important transaction with a long-standing Asset Management client further strengthens our client relationship and delivers a meaningful outcome, securing benefits for Ford's pension scheme members. The buy-in was executed through a smooth and collaborative process, with seamless engagement between L&G, the Funds' Trustees and their advisers. The Board recognises the importance of our long-standing client relationships, typically created and fostered by Asset Management, which remain a critical element of our ability to understand pension plan needs and help achieve our clients' de-risking goals.

Regulators: We regularly update the Prudential Regulation Authority (PRA) on large-scale transactions, such as this buy-in with Ford, through our periodic pipeline reporting of PRT transactions. This proactive approach promotes transparency and reinforces our strong and positive regulatory engagement with the PRA.

Customers: This transaction secured the retirement benefits of over 35,000 pension scheme members across the Funds. At the heart of our approach is a strong focus on customer service and member experience, providing first class service to the scheme members during their retirement.

Approval of £500 million share buyback programme



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Returns

In 2024, as part of the Capital Markets Event, we announced the Board's intention to return more to shareholders over 2024 – 2027, through a combination of dividends and share buybacks. Further to a £200 million share buyback programme carried out in 2024, the Board approved an additional buyback programme (the 'Programme') of £500 million in 2025.

The Programme was announced to the market in March 2025 and completed in September 2025. During the Programme, the Company acquired 203,406,356 ordinary shares at an average price of 245.81 pence per share.

Key stakeholder considerations

Shareholders: The Programme reflects the Board's commitment to deliver enhanced shareholder returns over the long-term through a balanced approach to capital allocation, combining dividends and share buybacks.

Regulators: Approval was received from the PRA in advance of commencing the Programme and regular progress updates were provided to both the PRA and FCA throughout the Programme.



António Simões, Group CEO, at our inaugural Supplier Sustainability Summit, which brought together L&G's top suppliers to share expertise and strengthen partnerships. Further information about engagement with suppliers can be found on page 68.

Section 172(1) statement and stakeholder engagement continued

Major decisions continued

L&G expands Private Markets platform with 75% stake in real estate investor Proprium



Sustainable Growth



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Enhanced Returns

In April 2025, the Board approved the acquisition of a 75% stake in the global real estate investor, Proprium Capital Partners (Proprium), marking a significant step in accelerating our private markets growth ambitions. This strategic investment broadens L&G's real estate capabilities and unlocks access to new geographies, directly supporting our ambition to scale and diversify our Private Markets platform.

The Board considered Proprium's active presence across residential, student accommodation, hospitality and logistics sectors. These assets, alongside Proprium's footprint in the US, continental Europe and select APAC markets, align with L&G's key strategic growth areas for L&G's Private Markets platform, offering diversification for clients as well as expanding the investment opportunities in subsectors benefiting from structural trends such as demographic change.

The acquisition strengthens L&G's ability to deliver higher risk/return strategies for clients through value-add strategies centred on active management and operational excellence.

Proprium's management team will maintain its leadership structure and investment process, preserving independence of its investment management operations.

In January 2026 we announced the appointments of Tim Morris and Philipp Westermann, Co-Managing Partners of Proprium, as Global Co-Heads of Real Assets, further strengthening L&G's Asset Management leadership and deepening the partnership between the businesses.

Key stakeholder considerations

Shareholders: With a \$3.5 billion¹ AUM global real estate portfolio, the strategic acquisition of Proprium heavily supports the Group's ambition to grow its Private Market platform to £85 billion AUM by 2028, whilst simultaneously expanding our geographical footprint and deepening our capabilities. The Board recognises the importance of maximising the opportunities across real estate, infrastructure, private credit and venture capital, in order to diversify growth and consequently create potential long-term value for shareholders.

Customers and clients: The acquisition represents a significant milestone in delivering on an international scale, broadening investment strategies for our clients. Benefiting from Proprium's expertise and entrepreneurial approach, combined with L&G's scale and balance sheet capital to catalyse opportunities, the partnership is designed to unlock substantial growth in new markets and drive significant value for clients.

Regulators: This transaction was subject to regulatory and anti-trust approvals. Throughout the regulatory application, we maintained strong and positive regulatory engagement with the Financial Conduct Authority (FCA), Hong Kong's Securities and Futures Commission (SFC) and anti-trust authorities.

1. As of 31 December 2024.

Key changes for employees throughout the year

Throughout the year, the Board received updates from the Global Designated Workforce Engagement Director, providing insight into key topics of interest across our workforce. These updates kept the Board informed and supported its understanding of employee priorities. In 2025, we enhanced our employee benefits, some of which are outlined below:

1. Accreditation as a Living Pension Employer

In April 2025, L&G secured its accreditation as a Living Pension Employer which means that all L&G UK employees participating in the pension plan will receive a minimum company contribution of 7% to their pension; this will increase by 1% every year until it has reached 10% by 2028. This is part of our commitment to invest for the long-term success of our people, ensuring that all employees have the opportunity to achieve better outcomes in retirement.

2. Change of Share Plan Services Provider

In 2025, we transitioned the administration of our employee share plans provider, which offers multiple improvements for employees, including access to a share plans mobile app and reduced share dealing costs. The workforce and the Board were updated at relevant points throughout the migration. Our employee representative bodies, Unite and the Management Consultancy Forum, were consulted on the transition and expressed support for the change. The change in share plans provider is expected to deliver a more streamlined and user-friendly experience for employees.

3. Long-Term Incentive Awards

As part of our purpose to invest in the long-term, the Board committed to investing further in our people by approving a new long-term incentive award for a wider range of employees. This award is designed to empower our talent at all pay grades and strengthen our performance culture, and demonstrates how we are investing in talent and future performance for the longer term.



In January 2025, Group Chair, Sir John Kingman and several Non-Executive Directors visited colleagues at our Bermuda office. The visit featured an office-wide town hall and deep dive sessions focused on people and culture. To further strengthen L&G's relationship with the Bermuda Monetary Authority, Sir John Kingman also met with the local regulator during the visit.

Major Activities

Strategic partnership with Blackstone to accelerate growth ambitions



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Enhanced Returns

In July 2025, L&G announced a long-term strategic partnership with Blackstone which seeks to complement L&G's existing capabilities and enhance its competitive advantage in annuities by strengthening its asset management proposition across key geographies and distribution channels. By combining the scale and expertise of both firms' credit platforms, the partnership delivers tangible benefits across investment performance, product innovation and global reach.

L&G's annuities business will leverage Blackstone's private credit origination capabilities to access a diversified pipeline of investment-grade assets, predominantly from the US. This directly supports L&G's growth ambitions by improving portfolio returns and reinforcing its competitive positioning in the PRT market. In addition, our Asset Management business will develop hybrid public and private credit solutions, integrating Blackstone's private credit platform with L&G's best-in-class active fixed income capabilities. This partnership will accelerate L&G's expansion into global wealth and wholesale channels, enhancing its ability to deliver differentiated investment solutions tailored to evolving client needs. The partnership brings together L&G's leadership in PRT and asset management – with a £93 billion annuities book and £1.2 trillion in AUM – and Blackstone credit platform, creating a powerful foundation for long-term value creation.

Board members were invited to attend a meeting of the LGAS Board to consider the proposed partnership, including key risks and governance arrangements. LGAS approval was sought as the primary beneficiary of the investment grade assets to be generated by Blackstone to support PRT, given it was to provide the majority of the capital commitment pursuant to the partnership for the Institutional Retirement business, making this a reserved matter for the LGAS Board. Group Board members attended, given the Group's role as a signatory to the non-binding term sheet and the group-wide strategic nature of the alliance across both the Institutional Retirement and Asset Management businesses. The Board were also updated on media and investor responses following the announcement, reflecting its commitment to understand the views of external stakeholders.

Key stakeholder considerations

Shareholders: This partnership marks an important step in delivering our strategy for focused, sustainable growth, and enhanced shareholder returns. The partnership seeks to complement L&G's existing capabilities to gain competitive advantage and enhanced returns and support our growth ambitions. The partnership supports capital diversification and provides access to highly attractive and diversified matching adjustment assets, particularly in US private credit and infrastructure and collectively these initiatives are designed to drive sustainable growth and subsequently deliver value for shareholders.

Clients: The partnership with Blackstone strengthens L&G's proposition in global wealth and wholesale channels, expanding its breadth of capabilities available to support institutional clients and deliver long-term value.

Our Infrastructure business successfully completed the final close of the L&G NTR Clean Power (Europe) III Fund (the 'Fund')



Sustainable Growth



Sharper Focus



Enhanced Returns

In March 2025, L&G and NTR secured total commitments of over €600 million to advance Europe's decarbonisation and energy security agenda. The Fund attracted participation from 13 institutional investors from Europe and Japan, including pension funds, insurers, sovereign wealth funds, banks, fund managers, endowments and foundations, demonstrating strong international confidence in the strategy.

The Fund invests in clean power infrastructure assets across various lifestyle stages in Europe; as at March 2025, the portfolio had the potential to generate 1,631 GWh of clean energy annually, equivalent to powering over 295,000 homes.

The Board noted the supportive policy backdrop and scale of the European energy transition, which represents a €1 trillion+ annual investment opportunity over the next five years. The Fund is well-positioned to expand its portfolio in Europe, deploying capital in new investments across its target sectors.

During the year, the Board was updated on the momentum behind the establishment of this Fund. The Group CEO also engaged with NTR's leadership team.

Key stakeholder considerations

Customers: The Fund provides L&G's 5.5 million UK defined contribution (DC) members with access to the European energy transition through the L&G Private Markets Access Fund. This initiative supports the Group's commitment to delivering diversified private markets exposure to DC members, recognising the growing investor demand for long-term growth and enhanced diversification through strategies that are not typically available via public markets.

Communities and environment: As an Article 9 fund under the European Union's Sustainable Finance Disclosure Regulation (SFDR), the Fund is designed to deliver attractive returns for members while promoting the transition to a low carbon and more sustainable future.

Key stakeholder engagement during the year

Stakeholder

Key engagement activities throughout the year

Shareholders

- The Chair, Group CEO and Group CFO attended numerous investor roadshows throughout the year with our key institutional investors to understand their views on areas such as our strategy, financial performance, AGM voting and the macroeconomic environment.
- Following the release of our full and half year financial results, the Group CEO, Group CFO and divisional CEOs meet with investors and analysts. In addition, a webcast of each results presentation was made available online to enable accessibility for our shareholders.
- The Group CEO, Group CFO and relevant divisional CEO met with investors to present the strategy for our Asset Management and Retail business areas, as part of a series of deep dives for investors to find out more about our business. Live presentation webcasts were also made available.
- Institutional investors were invited to attend a session with the Board and Group Management Committee members at the Group Board strategy event in June 2025.
- The Chair of the Remuneration Committee met with major shareholders to discuss proposed changes to the Remuneration policy.
- The AGM continued to provide an important opportunity to engage with all shareholders, particularly our retail shareholders.
- As at January 2026, L&G's shareholder tracing programme had reunited shareholders with over 1.5 million shares, which led to the reissue of over £2.5 million of outstanding dividend payments.

Suppliers

- The Group CFO and members of the senior management team met with key suppliers during the year to discuss performance and strategy.
- The L&G Resources Limited board, our main contracting entity for suppliers, was responsible for reviewing and monitoring the Group's key supplier relationships and received an update at each board meeting on our relationships with suppliers and their performance.
- The Risk Committee, Enterprise Transformation Committee and Executive Risk Committee receive reports relating to suppliers' operational resilience and cyber security.
- The Group Environment Committee also received updates on suppliers in the context of setting environmental targets aligned with our net zero ambitions. More information on the sustainability of our suppliers can be found in the Social impact report and the Climate and nature report.
- We hosted a Supplier Sustainability Summit, which brought together L&G's top 50 suppliers to share expertise and strengthen partnerships.

Regulators

- Board members regularly engaged with our regulators (for example, the FCA and PRA), in an open and transparent manner, including discussion on supervisory priorities.
- Regular meetings took place between senior management and our regulators, the outcomes of which are reported to the Board and relevant Board Committees.
- Regulators were engaged throughout the Group Chair succession process.
- Board members received presentations from the PRA on the 2025 Periodic Summary Meeting letter and the FCA on the 2025 Firm Evaluation Letter.
- Periodic meetings continue to take place between senior management, Trustees of the L&G Mastertrust pension scheme and The Pensions Regulator, the outcomes of which are reported to relevant subsidiary boards, as appropriate.

Communities and environment

- Through organised site visits, Board members were able to see first-hand how the Group's direct investments in infrastructure positively impacted local communities by delivering socially and environmentally positive housing and workplaces at scale.
- Our Group Sustainability function was responsible for developing areas of focus for sustainability activity, as well as forming charitable partnerships and enabling our employees' fundraising and volunteering endeavours.
- Our Group Environment Committee was responsible for overseeing and monitoring progress of the Group's environmental commitments.
- In 2025, L&G published its Climate and nature report, providing stakeholders with a clear and comprehensive assessment of the Group's exposure to climate-related risks, its strategic resilience and the opportunities arising from the transition to a low-carbon economy. By embedding climate and nature considerations into our investment and operational decision-making, we are strengthening our ability to manage risk, capture emerging opportunities and deliver sustainable outcomes for our clients, shareholders, and wider society.
- For information on the Group's climate commitments, see pages 33 and 34 in the 2025 Climate and nature report.

Customers

- Laura Wade-Gery, in her role as Consumer Duty Champion, continued to lead on providing Board oversight of the implementation of the Consumer Duty regulation across the Group to ensure that we continue to deliver good outcomes for retail customers. Laura chairs the Customer Outcomes Forum, which was established to oversee the implementation and subsequent embedding of the Consumer Duty across the Group and updates Directors on progress at each Board meeting.
- In May 2025, the Retail business hosted 'CustomerFest', the first ever customer focused event for employees across the Group. Over 3,000 employees joined this three-day event and attended a range of sessions, both virtually and from four UK locations. Laura Wade-Gery also attended the event.
- The Board received detailed customer management information at its meetings to ensure that customer outcomes are robustly monitored.
- Thousands of members of our pension schemes attended our annual member forums, which allowed members to ask questions in a live Q&A environment.
- We launched the L&G App at the end of 2024, providing our workplace members with easy access to pension, savings and retirement tools in one user-friendly platform. The App now has over 400,000 users and is the highest-rated workplace pension app in the UK. The App has also been recognised with BehindLogin's 2025 Experience Award for Engagement.
- We were the first provider to connect a pension scheme with the Pensions Dashboard Programme. When it launches at the end of 2026, the dashboard will provide a comprehensive view of all pension pots, including State Pensions – helping members better connect with their long-term financial planning.

Employees

- Carolyn Johnson succeeded Nilufer Kheraj as our Global Designated Workforce Director. Further details of Carolyn's engagement following her appointment can be found on page 62.
- Members of the Board hosted numerous employee town halls throughout the year at our various office locations, including following the announcement of full year and half year results, which provide an opportunity for the Board to increase employee awareness of the factors affecting the performance of the Company, as well as supporting direct engagement through live Q&A sessions.
- In July 2025, the Board visited 10 Coleman Street, L&G's new London headquarters from 2027, which will offer our people a modern and enhanced working environment.
- In November 2025, the Board visited L&G's Hove office, where they participated in sessions with employees which focused on cyber security and AI. Employees were also invited to attend a panel discussion featuring strategic partners, as well as a town hall event with the Group CEO and Group Chair.

Other considerations in the Act

Likely consequences of decisions in the long-term

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

For more information on our strategic priorities:

 Read more on pages 4 and 5

Maintenance of a reputation for high standards of business conduct

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

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

 Read more on pages 24 to 28 and 38 to 46

Audit Committee report



Tushar Morzaria
Chair of the Audit Committee

I am pleased to present my report as Chair of the Audit Committee for the year ended 31 December 2025. The Committee continued to assist the Board in fulfilling its core responsibilities this year, including monitoring the integrity of the Group's financial reporting, the adequacy and effectiveness of the internal control environment and the performance and objectivity of both the internal and external audit functions.

During the year, the Committee continued to oversee, scrutinise and challenge key issues and management judgements as part of its monitoring and assessment of the integrity of the Group's financial and non-financial reporting. This was particularly pertinent as the Committee oversaw the accounting implications of a number of material transactions that occurred both during the year and post year-end, as well as the results of various asset valuation reviews within our Private Markets business.

The Committee continued to receive regular updates and assurance reports from management on the effectiveness of controls in place for financial and non-financial reporting and scrutinised and monitored the progress of remediation for any deficiencies identified. The Committee also received regular updates on the changing legislative and regulatory environment and the implications of this in respect of reporting. The Committee continued to oversee enhancements to the Group's internal control framework as well as preparations in readiness for the additional requirements of Provision 29 in the UK Corporate Governance Code, which came into effect for accounting periods beginning on or after 1 January 2026 and will provide increased transparency for stakeholders in terms of how the Board fulfils its responsibilities in respect of overseeing and monitoring the Group's risk management and internal control systems.

Finally, in consideration of the UK requirements for the Group to tender the external auditor every 10 years, the Committee initiated a tendering process for both the financial audit and sustainability assurance to enable the selection of an auditor in 2026 for the financial year ending 31 December 2028.

Committee membership and skills

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

Committee overview

Committee meetings and membership

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

Meeting attendance

Member	Scheduled	Ad hoc
Tushar Morzaria (Chair)	5/5	2/2
Philip Broadley ¹	2/3	1/1
Clare Bousfield ²	2/2	1/1
Carolyn Johnson	5/5	2/2
Nilufer Kheraj OBE	5/5	2/2
George Lewis	4/5	2/2

1. Retired from the Committee with effect from 31 August 2025.
2. Appointed to the Committee with effect from 1 September 2025.

The role of the Committee

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

Key responsibilities

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

Terms of Reference

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

 Discover more online
group.legalandgeneral.com/groupboardcommittees

Audit Committee report continued

All members of the Committee are also members of the Risk Committee, which ensures that there is appropriate identification and management of any issues that are relevant to both committees. The Committee's membership was further strengthened during the year through the appointment of Clare Bousfield, who brings deep financial services expertise from her previous non-executive and executive roles. The full biographies of all Committee members can be found on pages 52 and 53. I meet regularly with senior management across Group Finance, Risk, Actuarial and Internal Audit functions, the Audit Committee Chairs of our Insurance and Asset Management subsidiaries, as well as with the lead external audit partner and their team.

Financial and non-financial disclosures

The Committee reviewed the half year and annual financial statements, which focused on the integrity, accuracy and clarity of disclosure, application of accounting policies and judgements and compliance with legal and relevant reporting standards. As part of its review, the Committee received regular updates from management and the external auditor and was able to place reliance on the updates provided by management throughout the year on internal controls in relation to financial and non-financial reporting. For more information relating to the application of accounting policies, please refer to Note 1 of the financial statements on page 136.

As part of its review of financial disclosures, the Committee also considered whether the Annual report and accounts was fair, balanced and understandable (FBU) and whether it provided the information necessary for shareholders to assess the Company's position, performance, business model and strategy, as well as its exposure to the risks facing the business. The Committee reviewed the FBU assessment taking into consideration the impact of market volatility and the changing macroeconomic and geopolitical threat environment and giving due attention to the use of Alternative Performance Measures (APMs) in increasing the level of information available to investors on the Company's underlying performance and the effects of one-off financial events. In conjunction with verification processes, management assurance and a report from the external auditor, the Committee recommended to the Board that the Annual report and accounts, taken as a whole, is fair, balanced and understandable.

The Audit Committee, together with the Risk Committee, reviewed the key assumptions and methodologies of the risk-based capital model, Solvency UK disclosures and disclosures made in relation to internal control and risk management, as well as the principal risks and uncertainties the Group faces. The Committee can confirm that the key judgements and significant matters considered in relation to the 2025 financial statements are consistent with the disclosures of key estimation uncertainties and critical judgements as detailed in Note 1 of the financial statements. The statement is underpinned by the Committee's belief that all important information has been disclosed and that the descriptions and reviews of the Group's business and performance as set out in the Strategic report are consistent with the financial reporting in the Group's financial statements.

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

Internal control

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

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

Against the backdrop of the Group's new strategic objectives, a complex and evolving regulatory landscape and a challenging external environment, the Committee recognises the importance of a robust internal control framework underpinned by a culture that supports ongoing investment in strengthening the overall control environment.

Throughout the year, the Committee has overseen enhancements to the Group's model risk management framework to better align with best practice and the PRA's Model Risk Management Principals for Banks (SS1/23). This has included enhancements to the Group's model identification, risk assessment, life cycle management and validation policies and approaches. In addition, the Committee has had particular focus in 2025 on work being undertaken to strengthen controls relating to change management, customer operations and processes in relation to statutory and regulatory reporting.

In anticipation of the changes to Provision 29 of the Code, the Committee spent time considering management's proposals for the identification of material controls for these purposes, the framework of assurance that the Group has in place across its three lines of defence to provide evidence of the effectiveness of those material controls, and a 'dry run' of various control ineffectiveness scenarios and the associated Provision 29 disclosures. The Committee is comfortable with the direction of management's proposals, which will be implemented during 2026 ahead of the new reporting requirements in next year's Annual report and accounts.

Audit quality

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

Internal audit

The Committee continued to oversee and support the work of GIA during the year. The Group Chief Internal Auditor presents a report at each scheduled Committee meeting to update the Committee on the findings of audits since the previous meeting. The report also includes: GIA's assessment of the overall control environment for each of the Group's businesses; details of any significant audit reports issued; insights on significant control weaknesses and root causes; insights on areas where governance, risk management and controls are effective; updates on the status of open and overdue issues to address audit findings; and analysis of themes and trends emerging from GIA's work.

Key areas of GIA's work reported to the Committee during the year included: the Group's capacity and ability to deliver change; data, cyber and security resilience; delivering fairness and value to customers; ESG and financial crime; processes and controls supporting financial reporting; insurance risk management; processes and controls supporting liquidity, capital management and reserving; market risk management; operational risk management; model risk management; and third-party risk management. GIA also reported to the Committee on key corporate events including the disposal of the Group's US protection business, major IT change programmes and large PRT transactions.

GIA continued to evaluate the risk and control culture across the Group, as well as wider aspects of organisational culture and behaviour, and included specific reporting to the Committee on the results of this work. The Committee approved GIA's risk-based audit plan for the year and monitored the delivery of the plan throughout the year, as well as the associated key performance metrics. In addition, each year GIA conducts a mid-year review of the audit plan to ensure it remains appropriate and continues to reflect the risk profile of the Group, the results of which are presented to the Committee to review and approve. GIA retained EY as a strategic co-source partner and Deloitte for the provision of independent quality assurance (QA) over a sample of audits completed during the year. The results of the independent QA activity were reported to the Committee.

An external quality assessment (EQA) of GIA was undertaken by Deloitte in the last quarter of 2025, as required under Global Internal Audit Standards issued by the Institute of Internal Auditors. The previous EQA was undertaken in 2022, also by Deloitte. In their latest assessment, Deloitte's report concluded that GIA is at the "upper end of Mature" within their maturity assessment and at the top end of the peer benchmark. Deloitte also concluded that GIA fully conforms with the Institute of Internal Auditor's Global Internal Audit Standards; generally aligns with the UK Chartered Institute of Internal Auditors' Code on Effective Internal Audit (the highest rating); and is a highly respected function, focused on continuous improvement and delivering valuable and insightful assurance.

The Committee continued to meet with the Group Chief Internal Auditor in private throughout the year. In accordance with the Chartered Institute of Internal Auditors' Code of Practice, the Committee conducted its annual review of the independence and objectivity of the Group Chief Internal Auditor and concluded that independence and objectivity had been maintained throughout the year. In addition, the Committee undertook its annual review of, and approved, the GIA Charter, which includes GIA's mandate and its role in the organisation, which was to support the Board and executive management in strengthening L&G's ability to create, protect and sustain value by providing them with risk-based, independent and objective assurance, advice, insight and foresight. The Committee also undertook a regular review of key performance indicators, including: audit plan delivery progress; resourcing and skill levels; and progress by GIA in completion of its strategic development actions.

Based on regular internal audit reporting, private sessions with the Group Chief Internal Auditor, and taking into consideration the independent QA activities over GIA's audits and the results of the latest EQA, the Committee is satisfied with the independence of the Group Chief Internal Auditor during 2025, the effectiveness of the GIA function, its positive impact upon the effectiveness of governance, risk management and controls across the organisation; and the appropriateness of its resources.

External audit

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

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

Appointment

The Company confirms that it has complied with requirements governing the appointment of an external auditor, notably the requirements of the Competition & Markets Authority contained in the Statutory Audit Services for Large Companies Market Investigation (Mandatory Uses of Competitive Tender Process and Audit Committee Responsibilities) Order 2014, including requirements for mandatory audit firm rotation. Following a competitive tender carried out in 2016, KPMG was appointed as the Group's external auditor with effect from the financial year ended 31 December 2018. In May 2025, KPMG was reappointed as the Group's external auditor for the financial year ended 31 December 2025, which is their eighth year as the Group's external auditor.

The Committee considers the quality and effectiveness of the external audit and recommends to the Board, on an annual basis, whether to recommend the reappointment of the external auditor for shareholder approval. On the basis that KPMG continue to maintain their independence and objectivity, and the Committee continues to remain satisfied with their performance, there are no plans as at the date of this report to conduct a tender exercise for external audit services in relation to reporting periods before the end of the current required period of 10 years.

Audit Committee report continued

Following UK regulatory requirements, the Company is obliged to retender the audit every 10 years and the incumbent auditors cannot be reappointed beyond 20 years. Therefore, in late 2025, the Committee initiated the tender process for the financial year ending 31 December 2028. This will ensure sufficient time to carry out the process and, in the event that a new auditor is appointed, clear any conflicts and ensure a smooth and well-governed transition. The tender process agreed by the Committee has been designed to uphold transparency, independence, and alignment with the Group's scale and complexity and, as required by the Audit Committees and the External Audit: Minimum Standard, the process will be led by the Committee with facilitation from senior management. KPMG is eligible to re-tender for the audit and has indicated its willingness to be one of the firms included in the tender. Further detail on the process will be included in next year's Annual report and accounts and the outcome of the tender will be recommended for shareholder approval at the 2027 AGM.

Assessment of independence and effectiveness

The Committee is responsible for assessing the effectiveness, objectivity and independence of the external auditor. This assessment is ongoing throughout the year and concludes with a formal, internal effectiveness review, which was conducted in December 2025. The 2025 audit effectiveness review was undertaken to assist the Committee in assessing the quality of external auditor services provided to the Group through completion of a questionnaire by the Committee, senior management, and members of the Group's Finance teams. As part of the ongoing assessment and effectiveness review, the Committee assesses the external auditor against a number of criteria, including but not limited to: delivery of an efficient and effective audit; the quality of judgements and audit findings; the ability to meet objectives within agreed time frames; provision of timely and accurate industry-specific and technical knowledge; and maintaining a professional and open dialogue with the Audit Committee Chair and members at all times. In advance of finalising the effectiveness review questionnaire, a mapping exercise was conducted to ensure that the areas of consideration specified in the Audit Committees and the External Audit: Minimum Standard had been appropriately captured.

The Committee holds regular private meetings with the external auditor to discuss the audit process and relationship with management, and the Committee and management have a regular and open dialogue with KPMG.

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

The Committee was provided with the findings of the FRC's Audit Quality Review (AQR) inspection of KPMG and other large firms which largely covered the years ending between August 2023 and March 2024. No specific actions were required as a result of the AQR. The AQR provided further external evidence to the Committee of the robustness and quality of the external audit process.

Overall, the assessment of KPMG remains positive and, where opportunities for improvement were identified through the effectiveness review, KPMG were asked to consider that feedback in future audit cycles. Taking into account the result of the formal effectiveness review and the ongoing assessment throughout the year, the Committee concluded that KPMG maintained its independence and objectivity and that the audit process was effective. Upon the Committee's recommendation, the Board has recommended that KPMG be reappointed as the Company's auditor for the next financial year, by shareholders, at the 2026 AGM.

Non-audit services

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

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

Audit fees

The Committee assesses the external auditor's fee structure, resources and terms of engagement annually. Total fees paid to the auditor for the year were £21 million (2024: £19.8 million), of which £2.5 million (2024: £2.3 million) was spent on other audit-related and non-audit other assurance services. £1.9 million (2024: £1.8 million) was spent on audit-related services required by legislation, which is excluded from any calculation of the ratio of non-audit to audit fees in accordance with the UK FRC Revised Ethical Standard for Auditors (2019). Further details can be found in Note 32 to the consolidated financial statements. The non-audit fee represents 5% of the total audit fee for 2025. The Committee continues to work with KPMG to ensure costs remain appropriate and proportionate to the services provided.

	2025 £m	2024 £m	2023 £m
Audit	16.6	15.7	19.6
Audit-related required by legislation	1.9	1.8	1.6
Other audit-related	1.5	1.2	1.0
Non-audit other assurance	1.0	1.1	0.9
Total	21.0	19.8	23.1



Tushar Morzaria
Chair of the Audit Committee

Key accounting and reporting judgements

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

Issue	Committee's response
<p>Valuation of insurance contract liabilities – retirement: The insurance liabilities for retirement products are significant in size and their estimation is inherently judgemental.</p>	<p>The Committee evaluated the significant judgements that have an impact on the valuation of insurance liabilities for retirement products. This included considering:</p> <p>Longevity assumptions – which estimate how long policyholders receiving annuity payments will live. The challenge around the setting of longevity assumptions was a particularly significant area for review as the judgements made could be expected to have a material impact on the Group's results. The Committee considered the effectiveness of the controls over the accuracy and completeness of the data used in determining the longevity assumption and the validity of independent industry data supporting those assumptions. The Committee also reviewed available data illustrating recent trends in mortality experience in the UK population and the mortality experience on different blocks of our business, focusing on the mortality assumptions for individuals purchasing annuities. The Committee reviewed judgements applied in the parameterisation of the model used for estimating future changes in mortality rates.</p> <p>Valuation interest rates – which are used to discount the liabilities. These are sensitive to judgements made, for example, on credit default of the backing assets, as well as the investment data used to calculate the internal rate of return. The Committee considered the ongoing appropriateness of management's approach to setting assumptions.</p> <p>Directly attributable expense assumptions – which determine the specific future expenses that are incorporated in the calculation of the IFRS insurance liabilities. The Committee considered the modelling refinements to the determination and application of the assumptions.</p> <p>The Committee concluded that the retirement insurance contract liabilities are appropriate for including in the financial statements, reflecting the asset risks and the available data on policyholder longevity.</p>
<p>Valuation of complex investments: Mark to model investments can involve significant judgement and can produce valuation challenges for investments in new classes.</p> <p>Mark to model valuations inherently include assumptions that lead to the existence of a range of plausible valuations for financial instruments (known as valuation uncertainty). Certain assets are subject to a higher degree of valuation uncertainty, particularly where valuations are modelled using no market inputs or the valuations are affected by other factors such as the illiquidity of the asset.</p>	<p>The Group balance sheet carries exposure to complex investments (typically classified as Level 3 in the fair value hierarchy), in line with the Group's strategy and risk appetite. The valuation of these investments, including property assets, lifetime mortgages and private credit, requires the use of complex models and management judgement. The Committee seeks to ensure that the valuation process for these investments is robust.</p> <p>Whilst 2025 has seen less market volatility, these harder to value assets remain a key area of focus, in particular those being held in the Corporate Investment Unit and Asset Management business. The valuation of a number of asset classes within these portfolios are sensitive to varying interest rates and inflation, as well as market sentiment and these have therefore remained areas of challenge and review by the Committee. A number of assets have been subject to valuation impairments during the year.</p> <p>The Committee has continued to review the processes and controls over investment valuations and in particular the valuation uncertainty policies and governance which include management's assessment of valuation uncertainty by asset type. While we do not currently see any material impact on the valuation of our asset portfolio arising from climate change, this continues to be an area of consideration in both internal and third-party valuations.</p> <p>The Committee concluded that there are appropriate controls surrounding the valuation of complex assets and that they are valued appropriately for inclusion in the financial statements.</p>
<p>Valuation of insurance liabilities – protection: The insurance liabilities for protection contracts are an important driver of the profitability for this line of business and require judgements to be made regarding the assumed rates of mortality and persistency. The Company makes extensive use of reinsurance to reduce mortality risk.</p>	<p>The Committee has reviewed the methodology for calculating reserves including the allowance made for payments to and from reinsurance counterparties. The assumptions for the rate of future mortality and morbidity (how many customers will die or become ill during the policy term) and persistency (how many customers will discontinue cover) are based on the Company's internal experience and use judgement about how experience may vary in the future. During 2025, the Committee considered the experience and judgements used to set more granular mortality assumptions and how these mortality rates are expected to change over time, focusing on the industry standard tables and tools used for expressing mortality assumptions and future mortality improvements.</p> <p>The Committee reviewed the judgements underlying the insurance liabilities and considered the effectiveness of controls in place over valuation models.</p> <p>The Committee concluded that the insurance liabilities of the Group's insurance businesses are appropriate for inclusion in the financial statements.</p>

Audit Committee report continued

Issue	Committee's response
<p>Acquisitions and disposals: Acquisitions and disposals can involve judgements in relation to classification of assets and liabilities and the recognition of deferred consideration.</p> <p>Acquisitions and disposals can involve judgements in relation to classification of assets and liabilities and the recognition of deferred consideration.</p>	<p>The Committee received reports on all material transactions undertaken across the Group and considered the relevant accounting treatments.</p> <p>In particular, the Committee considered the implications of the disposal of Legal & General America Inc. to Meiji Yasuda. This included the classification of the business as both held for sale and discontinued operations, the treatment of the retained economic exposure to the US pension risk transfer business, the hedge accounting applied to the expected proceeds and the disclosure of the post balance sheet event. The Committee also considered the presentation of the business in the Group's APMs.</p> <p>The Committee concluded that all material transactions had been appropriately presented in the Group's financial statements.</p>
<p>Alternative performance measures (APMs): APMs offer investors and stakeholders additional information on the Company's performance and the financial effect of 'one-off' events and the Group uses a range of these metrics to enhance understanding of the Group's performance.</p>	<p>As part of its consideration of whether the Annual report and accounts is fair, balanced and understandable, the Committee has paid particular attention to the use of APMs in reporting the Group's performance.</p> <p>In particular, the Committee has scrutinised the methodology and assumptions underlying the Group's adjusted operating profit metric and, where appropriate, the Committee has reviewed additional disclosures provided to enhance transparency in respect of the Group's APMs.</p> <p>The Committee concluded that the use and disclosure of APMs, including the clarity of labelling the prominence of APMs versus statutory measures, are appropriate for inclusion in the Annual report and accounts.</p>
<p>Tax: The Committee considers the Group's tax matters, including the Group's tax strategy, judgements relating to tax risk and the recognition and measurement of deferred tax assets.</p>	<p>The Committee received reports from the Group Chief Tax Officer on developments in tax matters during the year.</p> <p>The Committee monitored the Group's interaction with tax authorities, developments in tax litigation matters and material tax risks. The Committee also monitored the potential impact of US legislative changes in relation to tax on the Group.</p> <p>The Committee approved the Group's tax strategy for publication.</p> <p>The Committee considered the judgements around the recognition and valuation of deferred tax assets and in particular they concluded it appropriate to maintain the recognition of the £306 million deferred tax asset under Bermudan corporate income tax.</p>

Enterprise Transformation Committee report



Laura Wade-Gery
Chair of the Enterprise Transformation Committee

I am pleased to present my report as the Chair of the Enterprise Transformation Committee, formerly the Data and Technology Committee.

At the start of 2026, the Committee evolved into a more forward-looking and strategically focused forum. Its remit was broadened to encompass transformational oversight across L&G, enabling it to play a more active role in guiding and supporting major change initiatives. This broader remit positions the Committee to play an important role in enabling the Group to harness opportunities for growth, foster innovation, and drive operational excellence.

Throughout 2025, the Committee continued to have oversight of a wide-ranging portfolio of strategic technology, data, cyber, and transformation initiatives.

Committee overview

Committee meetings and membership

The Committee met five times during the year. The Committee is comprised entirely of independent non-executive directors. The Committee is advised by independent Cyber Security and Information Technology advisers, who also attend each meeting.

Meeting attendance

Member	Scheduled	Ad hoc
Laura Wade-Gery (Chair)	4/4	1/1
Clare Bousfield	4/4	1/1
Carolyn Johnson	4/4	1/1
Nilufer Kheraj OBE ¹	4/4	0/1
Philip Broadley ²	2/2	1/1

1. Unable to attend due to prior commitment.
2. Retired from the Committee with effect from 31 August 2025.

The role of the Committee

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

Key responsibilities

- Provide oversight of, and guidance to, the Board on all aspects of enterprise transformation, with a focus on the Group's Major Change Programmes and the Enterprise Technology Strategy, including Data and AI.
- Review and endorse the Enterprise Technology Strategy, including Data and AI and their respective implementation plans.
- Review and endorse the operating model in place for technology and enterprise change and consider its ongoing suitability.
- Review and approve any proposed technology projects and contracts within its remit of responsibility.
- Consider current capabilities relating to technology, data, AI and digital skills and plans to address any gaps.
- Consider the adequacy, resilience and performance of suppliers and supply chains for IT and cyber.

Enterprise Technology Strategy

The Committee welcomed the development of the Group's Enterprise Technology Strategy, designed to support the Group's strategic ambition to build a simpler, better-connected L&G. The strategy aims to deliver seamless digital experiences, simplify operations, and ensure that technology is effectively exploited across the Group to drive efficiencies, foster innovation, and support the execution of the Group's long-term strategic ambitions. The Committee recognised the collaborative approach taken to shape the strategy, including engagement with divisional Chief Technology Officers and Gartner (an external research and advisory firm) and endorsed the creation of a multi-year roadmap to support long-term planning.

The strategy is being embedded into divisional planning and delivery frameworks, resulting in aligned technology roadmaps and clearer prioritisation of transformation initiatives. This will enable more consistent execution across the Group, demonstrating governance in action and delivering strategic clarity in support of long-term sustainable success.

Terms of Reference

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

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Enterprise Transformation Committee report continued

Transformation Oversight

The Committee continued to oversee the mobilisation of a group-wide transformation framework aimed at simplifying the technology estate, strengthening operating models, and improving strategic sourcing. The Committee endorsed a unified structure to guide future technology and change initiatives. The transformation framework is now actively shaping delivery across the Group, with operating models realigned, strategic sourcing restructured, and control frameworks embedded to support consistent execution. These developments reflect the Committee's role in driving clarity, discipline and accountability. A clear demonstration of governance in action.

Cyber Risk and Resilience

In light of the evolving external threat landscape and high-profile cyber incidents across the UK market, cyber resilience remained a key area of scrutiny for the Committee throughout 2025. The Committee endorsed the Group's multi-year Cyber Security Strategy and monitored enhancements to access controls and supplier oversight. The Committee also reviewed the Group's alignment with the Cyber Governance Code of Practice, which sets expectations for Board-level oversight of cyber risk. L&G demonstrated strong compliance across core areas, with targeted improvements underway in emerging technology risk and cyber risk appetite alignment. The Committee will continue to oversee progress as part of its broader remit to strengthen cyber resilience and governance.

Risk Management

The Committee provides oversight of the adequacy of the Group's technology, data and cyber control environment, ensuring it remains aligned to the Group's strategy, supports operational resilience and underpins major change activity. During the year, the control framework was strengthened across governance, data integrity and cyber resilience, ensuring transformation initiatives are delivered within a robust governance environment that balances innovation with resilience.

AI Developments

The Committee maintained oversight of AI developments throughout 2025, in line with its remit to review and endorse the Group's technology and data strategies. It received updates on divisional AI initiatives, discussed their strategic alignment, and reviewed benchmarking against industry peers. The Committee welcomed the planned rollout of AI-powered features across customer-facing platforms, including the L&G App and Agent Desktop. These enhancements will improve customer experience through personalised interactions, faster servicing, and more intuitive digital journeys.

In addition to the above, the Committee continued to receive updates from each of the Group's businesses on their respective transformational IT and major change portfolios. This has provided rich insight into the maturity of the divisions' innovation and use of data and technology to drive strategic growth and improve efficiencies. The Committee continues to work with the three businesses and Group functions to ensure that they thoroughly consider the full potential of the Group's technological capabilities.

Looking ahead, the Committee will continue to closely monitor and oversee the development and execution of the Enterprise Technology Strategy, the continued simplification of the technology estate and AI developments to ensure alignment with L&G's broader strategy. We continue to benefit from our external advisors' support in each of these areas.

I would like to thank my fellow Committee members and the GMC for their continued engagement and insight throughout the year. The Committee remains committed to supporting the Group's strategic ambitions through robust oversight and forward-looking guidance.



Laura Wade-Gery
Chair of the Enterprise Transformation
Committee

Nominations and Corporate Governance Committee report



Sir John Kingman
Chair of the Nominations and Corporate Governance Committee

Committee overview

Committee meetings and membership

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

Meeting attendance

Member	Scheduled	Ad hoc
Sir John Kingman (Chair) ¹	3/3	1/1
Henrietta Baldock	3/3	4/4
Clare Bousfield	3/3	4/4
Carolyn Johnson	3/3	4/4
Mark Jordy ²	2/2	2/2
Nilufer Kheraj OBE	3/3	4/4
George Lewis ³	3/3	3/4
Ric Lewis ³	2/3	3/4
Tushar Morzaria	3/3	4/4
Laura Wade-Gery	3/3	4/4
Philip Broadley ⁴	1/1	2/2
Lesley Knox ⁵	1/1	1/1

1. Sir John Kingman was recused from all ad hoc Committee meetings relating to Chair succession.
2. Appointed to the Committee with effect from 1 July 2025.
3. Unable to attend due to prior commitment.
4. Retired from the Committee with effect from 31 August 2025.
5. Retired from the Committee with effect from 21 May 2025.

The role of the Committee

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

Key responsibilities

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

I am pleased to present my report as Chair of the Nominations and Corporate Governance Committee. Throughout the year, the Committee has spent considerable time overseeing succession planning at both an executive and non-executive level and we have made a number of strategic appointments throughout the year. L&G continues to benefit from an excellent Board with a diverse range and depth of expertise and skills. We have further strengthened the Board during the year with the appointment of Mark Jordy as an independent non-executive director (succeeding Lesley Knox). In addition, we made a number of changes to key Board roles which included appointing: Henrietta Baldock as Senior Independent Director (SID), Carolyn Johnson as the Board's Global Designated Workforce Director and Clare Bousfield as our Speak Up Champion. Importantly, as I approach the end of my tenure of Chairing L&G, the Committee, led by Henrietta Baldock in her capacity as SID, undertook the search process for my successor. Scott Wheway is an outstanding candidate, and the Board is already benefiting from his leadership and experience. You can read more about the Chair succession process on pages 49 and 81.

The Committee also enacted our internal succession plans at an executive level and appointed Andrew Kail as the Group's new CFO and Executive Director of the Board. Gareth Mee was appointed as CEO of Institutional Retirement and Laura Mason as the CEO of Legal and General Assurance Society Limited (LGAS). In addition, earlier this year we welcomed Emma Holden as our Chief People Officer and Andy Sinclair to the newly created role of Chief Strategy and Investor Relations Officer. Emma will lead on people strategy, ensuring the Company has the right capabilities and culture to support its future growth. Andy's appointment builds on the strong foundations already in place, further enhancing L&G's strategic and investor relations capabilities and helping to sustain momentum and focus on long-term performance. In addition, Maria Alvarez-Scott has been appointed as Group General Counsel and Company Secretary Designate and will succeed Geoffrey Timms later this year. Maria joined L&G in 2009 and is an exceptional legal practitioner and leader, with deep knowledge of L&G's business, strategic context and culture. As a Committee, we have also spent time reviewing the longer term succession plans across the Group, ensuring our talent pipeline remains robust to support the Company's future growth ambitions, as well as our approach to diversity and inclusion resulting in a refresh of our strategy to a more progressive approach of inclusion and wellbeing.

Sir John Kingman
Chair of the Nominations and Corporate Governance Committee

Terms of Reference

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Nominations and Corporate Governance Committee report continued

Key activities during 2025

- Enacted internal succession plans for the Group CFO, CEO of Institutional Retirement, CEO of LGAS, and Group General Counsel and Company Secretary.
- A Sub-Committee, led by Henrietta Baldock, conducted the search that led to the appointment of Scott Wheway as the next Group Chair.
- Oversaw the pipeline of talent across the organisation ensuring there were sufficient stretch initiatives and development opportunities provided for this cohort of people.
- Considered director reappointments, external appointments and changes to the composition of the Boards of our principal operating subsidiaries.
- Oversaw the refresh of, and progress against, the Group's inclusion and wellbeing strategy, including its annual review and approval of the Board's Inclusion and Wellbeing Policy.

Corporate governance

The Committee is responsible for overseeing and monitoring the Company's corporate governance framework and compliance with the Code. The Company has complied with all applicable provisions of the 2024 UK Corporate Governance Code throughout the year. Further details of the Group's corporate governance framework, including compliance with the Code, can be found on page 55.

Board composition

The Committee undertakes a rigorous annual review of the Board's composition to support discussions on succession planning. This includes a self-assessment analysis undertaken by each individual director, which forms part of an overall Board skills matrix. The skills matrix reflects the results of the assessment and is reviewed by the Committee on an annual basis to support discussions on composition and succession in the context of the Company's short and medium-term strategy. The Committee also considers other factors such as the tenure of the Board as a whole, independence and diversity. The view of the Committee is that the Board remains of an appropriate size and composition, with due regard to diversity, and has relevant and deep levels of expertise, skills and experience in the sectors in which the Company operates.

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

Subsidiary Board composition and succession

The Company benefits from a strong governance framework operating at the subsidiary level. The continued strength of the boards of the Group's subsidiaries is important for ensuring the Group's high standards are maintained and there is sufficient oversight of activity further down the Group, particularly in our principal operating subsidiaries. While succession planning remains the responsibility of each subsidiary board, it is nevertheless very important for the Committee to have continued oversight of this. The Committee spent time this year considering the appointments of new non-executive directors to both the Boards of L&G – Asset Management and LGAS, as well as the appointment of Laura Mason as the LGAS CEO, following Andrew Kail's appointment as Group CFO.

Inclusion and Wellbeing (I&W)

Our purpose as a Company is 'Investing for the long term. Our futures depend on it'. This purpose helps to shape how we think, how we act, and how we create lasting impact for our clients, customers, shareholders and society. We're committed to running our business in a responsible way and this in turn influences our inclusion and wellbeing strategy, which is about fostering a dynamic, multi-faceted and thriving workforce. Bringing together colleagues from different lived experience and with different ways of thinking enables us to build an inclusive culture, strengthen our teams, and enrich our insights into client needs and investment strategies. As a Company, we believe that diverse representation and inclusion should be considered with a broad lens, including from an intersectional perspective and by integrating wellbeing considerations, and thereby facilitating greater employee engagement. It also supports good decision making and reduces the risk of groupthink by providing different viewpoints, ideas and challenge. As part of this, we believe that it is important for our Board to have a broader range of insights and perspectives to help us make better decisions as a business and create an inclusive culture for our people. For more information on our group-wide I&W activity during 2025, including our progress on achieving our goals, please see page 34 of this report.

As a Committee, we reviewed and approved the group-wide refresh of our I&W strategy and, aligned to this, we also updated our Board policy which sets out the approach to inclusion and wellbeing of the Board of Directors, in compliance with the FCA's Disclosure Guidance and Transparency Rules (DTR 7.2.8AR(1)). A link to the policy can be found on the next page.

Building a diverse and inclusive Board

We have a responsibility to develop and sustain a panel of Board members that are diverse and reflective of our people as well as the businesses and communities that we operate in. All appointments to the Board are based on the impartial evaluation of knowledge, skills, experience and representation gaps across the membership. Both appointments and succession plans should be based on merit and objective criteria and should promote diverse representation, inclusion and equal opportunity.

The Board continues to support the FTSE Women Leaders Review voluntary recommendation for FTSE 350 companies that 40% of the Board should be women and to have at least one woman in the four key roles of Chair, SID, CEO and Finance Director by the end of 2025. The Board supports the equivalent FCA Rules for Listed Companies recommendations for Board representation and senior Board positions. We also continue to support the Parker Review recommendations for FTSE 350 companies to have at least one ethnic minority director on the Board by December 2027. As at 31 December 2025, we have delivered against these goals.

Building a diverse and inclusive senior leadership team

Achieving inclusive ways of working across the Group's senior leadership requires policies, processes, and practices that seek to reduce barriers and bias to performance, particularly in areas of hiring, promotion and development. It is an important function of the Board to routinely sense check and challenge these ways of working to ensure they remain fit for purpose and to hold members of the executive to account in their ongoing application, and to enable a company culture that promotes integrity and openness, values inclusion, and is responsive to the views of shareholders and wider stakeholders. Developing a diverse executive pipeline increases diversity at senior levels of the company and greater transparency about the make-up of the workforce also supports this, as outlined in the UK Corporate Governance Code. The Board continues to support the FTSE Women Leaders Review voluntary recommendation for FTSE 350 companies that 40% of leadership positions be held by women by the end of 2025. As at 31 December 2025, our Group Management Committee comprised 43% women¹ and representation at the senior level was 40.3% women (2024: 38.5%). We also continue to support the Parker Review recommendations for FTSE 350 companies to set a percentage goal for senior management positions to be held by those from an ethnic minority background by December 2027. As at the date of this report, we have set the goal at 17% and have delivered against this.

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

Driving inclusion and wellbeing across our organisation

The Board is responsible for overseeing the implementation of our group-wide 'I&W Policy'. The I&W Policy applies to all people employed within the L&G Group and forms the basis of our engagement with our clients, suppliers and other third-party providers. This I&W Policy supports us in achieving our aspirations to foster a dynamic, multi-faceted and thriving workforce, including achieving gender parity and increasing ethnic representation, and other minority representation, in our workforce. As per the expectations set out in the UK Corporate Governance Code, the Committee reviews the I&W Policy and any initiatives, their objectives and link to company strategy, how they have been implemented and progress on achieving the objectives.

Listing Rule disclosure on diversity (as at 31 December 2025)

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management ¹	Percentage of executive management ¹
Men	7	58%	3	4	57%
Women	5	42%	1	3	43%
Not specified/prefer not to say	–	–	–	–	–

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management ¹	Percentage of executive management ¹
White British or other White (including minority-white groups)	9	75%	4	7	100%
Mixed/Multiple ethnic groups	–	–	–	–	–
Asian/Asian British	2	17%	–	–	–
Black/African/Caribbean/Black British	1	8%	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

1. Exclusive of the Group CEO and Group CFO who are included in the number of Board members. The information in this table was collected on a confidential and voluntary self-reporting basis and is accurate as at 31 December 2025. For the purpose of this disclosure, 'executive management' means the Group Management Committee.



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

🔍 Discover more online
group.legalandgeneral.com/SocialImpactReport2025

Board and Committee Performance Review

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

This year was an internal performance review which was externally facilitated by Clare Chalmers Limited. Clare undertook the full independent external performance review for the Board in 2024 and was chosen to facilitate the 2025 review to support with effective tracking and analysis of the evolution of the performance of the Board and Committees. Clare Chalmers Limited has no other connection with the Company or any individual director and is accredited as a member of The International Register of Board Reviewers.

The scope and aim of the 2025 performance review was to assess the performance and effectiveness of the Board, both as a collective unitary Board and at a Committee level, in the context of the Company continuing to execute against the strategic aims set out at the Capital Markets Event in 2024, and the appointment of Scott Whewy as Chair Designate ahead of the end of Sir John Kingman's tenure in May 2026. As part of the review, Clare met with each of the Board members, and certain executives including the Group General Counsel and Company Secretary, Group Chief Risk Officer and the Chief Executive Officer of Asset Management. The review focused on, amongst other things, the usual themes of the Board's composition and expertise,

board dynamics, execution of strategy, risk and culture. It also probed deeper into some themes identified in the previous year's review, including change and transformation, enhancing and streamlining reporting, and certain themes relevant to 2025, including the process to select the next Group Chair.

Following these meetings, Clare produced a draft report on her independent review findings, which she discussed with the Chair, Chair Designate and Group General Counsel and Company Secretary in the first instance. The final written report was shared with the Committee for discussion and an action plan was agreed for the coming year. Progress of these actions is monitored by the Group General Counsel and Company Secretary and will be reported to the Board at each meeting.

The review concluded that the Board and its Committees continued to perform well and operate effectively. Strengths included the good mix of skills and experience the non-executives contributed to both Board and Committee remits, and more efficient use of the Committees and support from subsidiary boards to share workloads and reduce duplication, where possible and appropriate. It was observed that the Board had a strong focus on strategic matters, supported by structured agenda-planning with a good balance between strategy and performance. The Board felt that the Chair succession process was well-run, with regular updates provided to the Board, along with one-to-one engagement with the SID, allowing the Board to contribute actively to the process.

Areas for continued focus included amplifying oversight and focus on pace and execution of change and transformation, continuing to focus on the Asset Management business to further align with the Company's strategic

growth ambitions, including considering bolstering the Asset Management experience on the Board, and considering setting Board objectives to support framing forward agendas and assessing the Board's progress and impact. Looking forward to 2026, Board members expressed enthusiasm for the new Chair's fresh and objective view of the organisation and focus on performance and constructive challenge.

The Board discussed the findings of the 2025 performance review and subsequently agreed an action plan for the coming year. The key actions included (i) amplifying oversight and focus on change and transformation; (ii) bolstering the Board's focus on, and experience in, Asset Management; and (iii) setting annual Board objectives.

The Company's usual practice is for the SID to meet formally with the non-executives on an annual basis without the Chair present to lead the appraisal of the Chair's performance. Given that Sir John Kingman will retire at the end of the Company's AGM in May 2026, no formal appraisal meeting was held in 2025. Notwithstanding this, Board members provided feedback on the Chair's performance throughout the year as part of the performance review process, which was fed back to the Chair.

The Chair meets with Board members throughout the year to assess their individual performance. Board members provided feedback on individual directors as part of the performance review process, which were fed back to the Chair to input into the regular individual performance conversations.

Update on previous Board reviews

An overview of the recommendations from the 2024 review and progress against them is provided below.

Recommendations from 2024 review	Progress against recommendations
Continue with the Board's current momentum of strategic discussions with strategic teach-ins and reporting on competitors	Board deep dives on Asset Management and Retail were held in advance of the Investor Deep Dive Events for those businesses. A dedicated deep dive session outside of the usual Board cycle took place in December 2025 to discuss the Financial Plan. At the October 2025 Board meeting, the Board received a presentation on L&G's competitive landscape. A strategy offsite event was held in June 2025 which included a number of discussions on current strategic momentum as well as future strategic opportunities.
Continue to enhance the Board's oversight of the Company's culture	An annual private meeting between the Interim Chief People Officer and the Nominations and Corporate Governance Committee took place in December 2025. The employee survey was updated to include questions on role-modelling our refreshed behaviours and a new 'Behaviours Index' was introduced, with the results reported to and discussed by the Group Board. The annual culture review was broadened to include all senior leaders and focused on embedding behaviours, accountability and succession planning.
Enhancing and streamlining reporting to the Board and its Committees	Refreshed Board and Committee paper templates and guidance were introduced for Group Board and Committee meetings, which were well-received. In addition, changes were made to streamline regular Board reporting, including rotating the presentation of divisional CEO business updates.

Appointment of Group Chair

Scott Whewey's appointment followed a rigorous, comprehensive and global selection process managed by a Sub-Committee of the Nominations and Corporate Governance Committee, led by Henrietta Baldock. A summary of the process is outlined below.

2025

January

A Sub-Committee of the Nominations and Corporate Governance Committee was formed consisting of Henrietta Baldock (Chair) and the three Group Board Committee Chairs.

The Committee met initially to discuss considerations and preferences for the skills and experience required for the next Chair. There was consensus that strong prior financial services experience and proven Chair experience would be very important attributes. In addition, cultural fit and alignment to the Group's purpose and values would be key. The Committee also agreed that it was important to ensure any search firm was focused on producing diverse long and short candidate lists.

March – April

Russell Reynolds Associates¹ (RRA) were appointed to support the search process. RRA were selected due to their significant depth in insurance and financial services, and track record of focusing on diversity.

Briefings were held with RRA to provide additional perspective on the business, future strategy and requirements of a future Chair.

May – July

The Sub-Committee agreed a final candidate specification, which set out the skills, experience and personal attributes required from the preferred candidate and RRA began their search based on that specification.

RRA produced a diverse long list of candidates which was reviewed, thoroughly discussed and refined by the Sub-Committee. After detailed discussion, the Sub-Committee agreed a long list of prioritised candidates and updated the full Committee on its progress.

In reviewing the long list, the Sub-Committee remained mindful of diversity, including diversity of background and experience, as well as the desired skills and attributes for the role as set out in the role specification.

The Chair of the Sub-Committee began meeting with potential high priority candidates from the long list.

The Sub-Committee, after due consideration and discussion, agreed on the long list candidates that should be put forward for formal interview.

August – October

All candidates from the long list were interviewed by the Sub-Committee members as well as the Group General Counsel and Company Secretary and Chief People Officer. The Group CEO also met with a number of the long list candidates.

Candidates were assessed on alignment with the candidate specification and on merit with due regard to diversity.

Following these interviews, the Sub-Committee agreed on the candidates that should be shortlisted and put forward for the Committee's consideration.

All Committee members interviewed the shortlisted candidates and recommended to the Board the appointment of Scott Whewey as the next Group Chair.

1. Russel Reynolds Associates is a signatory to the 'Voluntary Code of Conduct for Executive Search Firms' and periodically undertakes executive search assignments for the Company. RRA has no other connection with L&G or its individual directors.

Risk Committee report



George Lewis
Chair of the Risk Committee

Committee overview

Committee meetings and membership

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

Meeting attendance

Member	Scheduled
George Lewis (Chair)	5/5
Henrietta Baldock	5/5
Clare Bousfield	5/5
Carolyn Johnson	5/5
Mark Jordy ¹	3/3
Nilufer Kheraj OBE	5/5
Tushar Morzaria	5/5
Laura Wade-Gery	5/5
Philip Broadley ²	3/3
Lesley Knox ³	1/2

1. Appointed to the Committee with effect from 1 July 2025.
2. Retired from the Committee with effect from 31 August 2025.
3. Unable to attend due to prior commitment and resigned with effect from 21 May 2025.

Terms of Reference

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

 Discover more online
group.legalandgeneral.com/groupboardcommittees

The role of the Committee

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

Key responsibilities

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

During 2025, the Committee focused on supporting the Group in the navigation of ongoing financial and operational challenges, and remained well positioned to advise the Board on the Group's current and emerging risk exposures and profile, through proactive oversight and robust challenge, with particular focus on those arising from macroeconomic uncertainty, inflationary pressures, geopolitical and trade risks, and the increased risk of cyberwarfare.

Following the announcement of the Group's new strategy in June 2024, and the shifted focus to three core businesses, for a growing, simpler, better-connected L&G, the Committee has received detailed business risk deep dives throughout the year, to appropriately aid the Board's understanding of each business' risk profile as the Group continues to grow in both scale and complexity, and to complement the successful execution of the new strategy.

2025 activity

There remains ongoing uncertainty within the geopolitical environment and market volatility, and the Committee has spent a significant amount of time during the year hearing directly from the business, alongside risk and compliance colleagues, about how the associated risks are being managed and appropriately mitigated against. The Committee receives an update from the Group Chief Risk Officer at each meeting which covers an in-depth overview of the risk profile, outlook and landscape.

The Committee remains focused on emerging risks as we look to future-proof the execution of the strategy whilst navigating in tandem a somewhat volatile external macro environment. The emerging risk framework, which was refreshed in 2024, is used as an aid for the Committee's discussion when assessing the impact on and likelihood of emerging risks on the Group's strategy. Within this context, the Committee has received a number of updates which facilitate the sufficient oversight and monitoring of emerging risks across the Group, and debated at length key emerging risk themes, such as the potential impact of weight loss drugs on longevity, evolving pension policy within the UK and the associated impact on the business and wider strategy.

Throughout the year, the Committee has continued to have oversight of the Group's market exposures. Against the backdrop of an evolving political, social and economic landscape in the US, there was particular focus on the Group's balance sheet exposure to US assets. The Committee will continue to have regular and close oversight of the Group's US exposure, particularly sovereign and corporate bond markets, and our holdings therein, to ensure the Group's portfolio remains appropriately positioned, whilst maintaining focus on genuine diversification.

Following the Group Board's approval of the use of gilt-based strategies for PRT investments, the Committee has remained informed as to the continued use of such strategies and the associated operational and liquidity risk management processes that have been implemented.

Since the deployment of these strategies, there has been significant volatility in many markets, however these strategies have continued to remain attractive, and as such, the Committee has had continued oversight throughout the year to ensure that the potential liquidity risks of these strategies are effectively monitored and managed. The Committee has been pleased by the significant effort gone into supporting operational readiness and the establishment of a suitably robust risk framework for managing and monitoring these exposures.

Throughout 2024 and the first half of 2025, the Committee has paid close attention to overseeing the Group's operational resilience in readiness for the implementation of the PRA and FCA's new rules, which required compliance by 31 March 2025. On behalf of the Committee, I am pleased to report that compliance with the rules, as measured against the Severe but Plausible disruption scenarios, was satisfied and the Committee approved the Group Self-Assessment to attest to this fact.

In addition to the geopolitical and macroeconomic climate, the Committee has continued to focus on the management of the Group's non-financial risks. The Committee received regular updates, and challenged the progress made by management, on IT and data, health and safety, and climate and nature risk management.

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

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

In October 2025, the Committee considered the risk profile of the Group's Financial Plan and its alignment with the Group's risk appetite. The Committee undertook a detailed review of the Group's strategic risk appetite statements.

These are differentiated between financial and non-financial risk. This enabled a fulsome review of the respective appetite statements, metrics and tolerances used to determine acceptable risk taking. The differentiation of the risk appetite statements continues to ensure a more reliable and accurate measure of the Group's performance against risk appetite.

Following the detailed review of both the financial and non-financial risk metrics in 2024, to support consistency with the statements that were made at the Group's Capital Markets Event in June 2024 and the application of the taxonomy across the Group, the review in 2025 focused more so on ensuring the metrics continued to reflect the evolving nature of the business as well as the macro-environment. As such, in a world where AI has begun to transform technology, and have a profound impact on every aspect of our lives, offering both significant opportunities and a complex risk landscape for the Group (and businesses more generally), work has commenced to suitably articulate the Group's AI risk appetite, and the development of an AI Risk taxonomy. The Committee will have continued oversight of the development of this new risk appetite throughout 2026, with a view to it being incorporated within the wider Group risk appetite.

Risk-based capital model

The Group's risk-based capital model (internal model) is used to determine the capital requirements for the Group and forms the calculation engine for the Solvency UK internal model. In October 2025, the Committee reviewed and approved the internal model development plan and validation report. As part of this review, the Committee takes into consideration:

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

In addition, the Committee also reviewed and approved the 2025 ORSA policy and scenarios, which are an ongoing assessment of the risks to which the Group is exposed and an assessment of the capital resources available to ensure that the Group is able to sustain its business over the plan horizon.

Climate risk

It is widely recognised that actions taken today can influence the likelihood of different climate outcomes, and impact on future risk exposures.

This, alongside climate scenario analysis, informs our risk management framework.

During the year, the Committee considered the Group's climate risk management approach, how we will continue to evolve our approach to ensure our risk management remains reflective of the underlying risks, and how we are approaching our management of broader nature-related risks.

Working collaboratively

Throughout the year, the Committee has continued to support the Audit Committee on risk and control matters, as well as the Remuneration Committee so that risk management and risk culture are properly considered when setting the remuneration policy and determining remuneration outcomes. In addition, the Committee also works closely with the Enterprise Transformation Committee to consider technology risk. The Committee also considered data risk management and governance during the year, in addition to the increasing risk of operational disruption from cyber-attacks.

L&G has a strong subsidiary governance framework in place to support the Board in discharging its responsibilities for the Group. The Committee also operates as the Risk Committee for LGAS and the Chairs of the Group's principal operating subsidiaries (LGAS and L&G – Asset Management Limited) are also members of the Risk Committee; this brings valuable insight, oversight and challenge to the Committee's discussions on specific aspects of the Group's operations. An overview of the Company's risk appetite and risk management approach, as well as our principal and emerging risks, can be found on pages 38 to 46.

2026 priorities

The Committee has an important role in supporting the Board in the oversight and management of the risk framework. During 2026, the Committee will continue to focus on:

- the continued execution of the new Group strategy and the Plan as approved by the Board at the end of 2025
- impacts and associated risks arising from the macroeconomic and geopolitical environment, and regulatory landscape including global climate change, with continued consideration of emerging risks, including but not limited to AI and cyber attacks
- management of capital and liquidity risks



George Lewis
Chair of the Risk Committee

Directors' report on remuneration



Laura Wade-Gery
Chair of the Remuneration Committee

Committee overview

Committee meetings and membership

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

Meeting attendance

Member	Scheduled	Ad hoc
Laura Wade-Gery (Chair)	5/5	1/1
Henrietta Baldock	5/5	1/1
Philip Broadley ¹	3/3	1/1
Lesley Knox ²	0/2	0/0
George Lewis	5/5	1/1
Ric Lewis ³	3/5	1/1
Tushar Morzaria ³	4/5	1/1
Mark Jordy ⁴	3/3	0/0

1. Retired from the Committee with effect from 31 August 2025.
2. Unable to attend due to prior commitments and retired from the Committee with effect from 21 May 2025.
3. Unable to attend due to prior commitment.
4. Appointed to the Committee with effect from 1 July 2025.

Terms of Reference

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

 Discover more online
group.legalandgeneral.com/groupboardcommittees

I am pleased to present the Directors' report on remuneration for 2025, as the Chair of the Remuneration Committee.

2025 has been a busy year for the Committee. A key area of focus has been the development of our new directors' remuneration policy (the policy), including consulting with investors on our proposals. This report contains our proposed policy which shareholders will be asked to approve at our 2026 AGM. I would like to thank all those we have consulted with for your time and guidance as we refined these proposals.

In addition to our proposed policy, this report also sets out the remuneration decisions we made, under the existing policy. A key item in 2025 was determining the appropriate remuneration as a result of the change in Group CFO. All of the decisions taken were fully in line with our policy.

Link between pay and performance

2025 was a strong year for L&G, with excellent progress in each of our three businesses. As the implementation of our strategy evolves we are continuing to benefit from further synergies between our three businesses. Institutional Retirement reinforced its position as leader in global pension risk transfer writing over £11.8 billion of PRT, including a £4.6 billion PRT transaction with Ford. We have seen material progress in Asset Management, with a strong £34 million in ANNR highlighting our shift to higher margins in income flows. In Retail, our customer base has grown to c.12.1 million, and DC AUM across the Group have surpassed £200 billion.

Progress on our strategy is encouraging. We have sharpened our strategic focus with the agreed sale of our US protection business and partnership with Meiji Yasuda for \$2.6 billion. We have progressed the disposal of assets in our Corporate Investments unit, unlocking value to support our ambition of enhancing shareholder returns.

We believe that the performance of the Group is appropriately reflected in our executive pay outcomes, as outlined here and in the sections that follow.

Annual Variable Pay (AVP)

For executive directors, 70% of the bonus opportunity is determined by Group financial performance, measured against pre-determined targets. This scorecard contains a number of financial metrics which assess both our in-year profitability and performance, as well as growth metrics assessing the extent to which new business is written in the year which will generate profits for shareholders in future years. Targets and outcomes are summarised in the 'Quick read' section on page 88.

The overall outcome across all financial measures is 52% of maximum (vs 50% in 2024).

As set out above, the Board believes the management team have delivered a strong year. This has also generated good outcomes for shareholders with a total shareholder return of 18.5% in calendar year 2025.

The overall outcome of 52% on our financial measures is a combination of the Committee setting genuinely stretching targets and headwinds in a number of areas that made it challenging to exceed our ambitious plan.

In year performance was strong, with our adjusted operating profit up 2.6% and core operating EPS up 9%, resulting in outcomes between target and maximum.

Our growth metrics generally performed well. However the PRT market was materially more subdued, with significantly lower market volumes than envisaged at the start of the year. Whilst we have written strong business in a subdued market, both from a market share and profitability perspective, these overall market conditions have been a drag on a number of our measures, most notably CSM.

Strategic objectives determine the other 30% of bonus opportunity, including strategy, customer and culture, and risk, with climate measures operating as an underpin. In line with previous years, customer and culture and risk measures are assessed taking into account a very wide range of quantitative and qualitative measures.

For 2025, the strategic measure was primarily assessed against the execution of our new strategy. This measure scored highly, and initial progress has been very strong, including building strategic partnerships with Meiji Yasuda and Blackstone. This has been supported by the delivery of our new behaviours helping to drive improvements in pace, execution and accountability across the Group.

The overall non-financial measures were scored at 23.2/30%, resulting in a total bonus opportunity of 59.3% of maximum. As noted further in this report, Jeff Davies who resigned as CFO in the year is not receiving an annual bonus. As Andrew Kail commenced in the role as CFO effective 1 December, the Committee determined that it was appropriate to award Andrew the same non-financial scores as the CEO for this one month period.

The Committee is comfortable that these formulaic outcomes are appropriate and consistent with performance, and therefore no discretion was applied.

Performance Share Plan (PSP)

The 2023 long-term incentive (PSP) award was made in April 2023, with vesting subject to earnings per share (EPS) growth and total shareholder return (TSR) growth metrics over a three-year period ended 31 December 2025. Performance was below threshold on all measures and therefore this PSP is lapsing in full.

As a reminder, the CEO was appointed at the start of 2024, part way through this performance period. He announced a new strategy shortly after his appointment. Whilst the PSP will lapse in full, the Committee is confident that L&G is performing well, progress against our strategy is on track and we are delivering strong outcomes for shareholders. In particular, the share price has recovered from a low point shortly before the CEOs appointment and TSR performance over the full three-year period was only slightly below median, with absolute TSR at 30%.

Executive director changes in 2025

As announced on 30 September 2025, Jeff Davies stood down from the Board on 10 December, with Andrew Kail joining the Board and commencing the role as Group CFO and executive director from 1 December. Jeff continued his employment with L&G until 28 February 2026 to ensure a smooth transition and received his contractual payments during this period.

On the basis that Jeff has left the Group by reason of his resignation, all unvested awards under the Share Bonus Plan (SBP) and PSP will lapse and Jeff is not eligible to receive a bonus in respect of 2025 performance.

Following Jeff's resignation, the Board enacted its Group executive succession plan and Andrew Kail, on the basis of his extensive knowledge and understanding of the business, his relevant financial and audit background and his excellent leadership credentials, was considered to be the standout candidate for this role.

Since joining L&G in 2021, Andrew has been CEO of the Retail Retirement business and more recently CEO of Institutional Retirement. In these roles, he has overseen the development of the integrated savings and retirement strategy and successfully developed and executed the strategy in our PRT business, with notable wins including NatWest, BP and Ford in 2025.

He also served as LGAS CEO from January 2024 and has previously held a number of director roles across L&G.

In determining the appropriate remuneration arrangements for Andrew, we took into account a number of factors including Andrew's calibre and experience, the competitive market for talent and desire to align performance closely to the delivery of our new strategy. We are comfortable that the remuneration arrangements are comparable with levels awarded at our peers. In line with the current shareholder approved policy, Andrew will receive:

- salary of £800,000 p.a.
- pension of 13% of salary (from 1 April 2026), benefits and car allowance
- AVP opportunity of 200% of salary for 2026
- PSP opportunity of 300% of salary for 2026

Revised remuneration policy for executive directors

The current directors' remuneration policy was approved by 95.5% of shareholders at the May 2023 AGM.

As a part of the three-year renewal cycle, the Committee conducted a comprehensive review of the policy in 2025 to ensure that it continues to support L&G's strategy and the attraction, retention, and motivation of key executive talent in a competitive market, while remaining responsive to investor expectations, corporate governance developments and evolving best practice.

Since the current policy was introduced, L&G has undergone significant changes, including the appointment of a new CEO in January 2024, who is now established in their role with a clearly communicated strategy to deliver sustainable growth and enhanced returns. These factors were taken into account during the review to ensure that incentives remain appropriately structured to motivate management to deliver our strategy.

Directors' report on remuneration continued

We carefully assessed the most appropriate form of the policy going forward, and consulted with our largest shareholders (over 40% of the register) and relevant representative bodies to seek feedback on our initial proposals. We are grateful for the time shareholders invested in reviewing our proposals and sharing their views. Their feedback, which covered a range of areas, was taken into account when refining our proposals.

The Committee concluded that the overall structure of the current policy – comprising a market standard bonus, AVP, and a PSP – remains fit for purpose. However, we are proposing limited amendments to quantum and to PSP measures to ensure that the policy is focused on the delivery of our strategy (including retention of our GMC and other senior management) and to strengthen further the link with shareholder experience.

The key changes and accompanying rationale, are as follows:

Increasing policy maximum for PSP:

The Committee recognises that under the current policy, the CEO's total remuneration is below market levels (below median of FTSE 100 Financial Services firms and specific peers of similar or smaller size and complexity). Further, the Committee also notes that the current CEO, António Simões, accepted a significant reduction in total remuneration upon appointment to his current role in January 2024.

We are proposing to increase the maximum PSP opportunity from 300% to 400% of base pay to ensure that total compensation remains competitive and that the Committee has sufficient headroom to respond to changing circumstances over the three-year life of the policy.

For 2026, the PSP grants will be 350% of base pay for the CEO and 300% of base pay for the CFO. We would engage with investors if any further increase in award levels were to be considered.

The Committee knows that António's skills and experience could attract higher levels of pay outside of the UK. While this review was not intended to address the gap with international peers, the proposed increase would align more closely with L&G's UK peers and the resultant level remains at/below the levels observed at our major UK listed peers.

Whilst the PSP quantum is being increased, this will only equate to an increase in actual pay if L&G delivers strong and sustained performance over a three-year period. Alongside this, we highlight that we are not making changes to other aspects of our PSP where our terms are more stretching than market norms. In particular, the payment for achievement of threshold performance will remain at 15% of maximum opportunity (below the market norm of 25%) and maximum pay under the TSR measures required performance at or above the 80th percentile (more stretching than the market norm of 75th percentile).

Increasing shareholding requirement:

The shareholding requirement will be increased from 325% to 350% of salary for the CEO, to align with the level of PSP awarded in 2026 and provide further alignment to shareholder interests. This requirement will apply both in role and for two years post-employment. The shareholding requirement will be reviewed should the Committee decide to award a higher PSP award in future years.

Changes to PSP measures

The current and proposed policy provides flexibility to determine the most appropriate measures annually. Whilst the choice of measures is an implementation matter, the 2026 measures have been a key focus of our review.

The key changes we are proposing are to:

1. Expand the current climate measure (20%) into a wider assessment of strategic progress (including climate) with an increase in weighting to 30% weighting.
2. Reduce the weighting of EPS measure from 40% to 30%.
3. Amend the peer group for our relative TSR measure to be assessed against a bespoke group. The revised group includes fewer general insurance peers and more asset management / diversified financial services groups, especially those in the retirement solutions space.

Our strategy and investment case includes a wide range of quantitative targets, including those for each business. The introduction of a strategic progress measure is intended to allow us to assess the successful delivery against these wide ranging ambitions. The overall assessment will be conducted in a holistic manner, underpinned by a clear framework for assessing these quantitative targets. In order to achieve a maximum outcome we will need to outperform the targets that have been communicated to shareholders in our strategy presentation.

In aggregate, our proposed measures ensure that outcomes will be driven by the successful execution of strategy, a sustainable increase in earnings and delivery of long-term returns to shareholders. Full details can be found on page 101.

Implementation of remuneration policy for 2026

Base pay and pension

There will be no increase in executive director salaries as part of our 2026 salary review process. This compares to an average salary increase across the Group of 2.4%.

Effective 1 April 2026, employer pension contributions for the wider workforce have increased to 13% of base pay. As such, and in line with our current policy, executive director pension levels have also increased to 13%.

AVP

In line with the current policy, maximum AVP opportunities for 2026 will be 200% of salary for both executive directors.

While no changes were proposed to the policy on AVP measures, the Committee undertook a detailed review of AVP measures and weightings for 2026 to simplify our current approach.

The changes made as a part of this review, in consultation with shareholders, are as follows:

- Reduce the number of financial metrics. We now have five metrics (vs 8 in 2024). Two metrics are core group-wide 'output' metrics with three input metrics representing the key measures of growth in each of the businesses.
- Replace the risk measure (10% weighting), with a risk underpin / modifier which will be used to reduce bonus outcomes in the case of poor risk performance.
- Separate Customer and Culture into standalone measures with 10% weighting for each (previously combined as a single measure).

A summary of all measures is included on page 88.

PSP

As noted above, PSP grants for 2026 will be at 350% of salary for the CEO and 300% of salary for the CFO. The measures are as summarised above and included in full on page 101.

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. Following the review of the reward strategy for the wider workforce in 2024, the Committee has monitored the implementation of the new strategy during 2025. The Committee also approved a further increase to the employer pension contribution of 1% of base salary for UK employees below senior management, effective from 1 April 2026, following on from the 1% increases in 2024 and 2025. This is with a view to align employer pension contributions with those for senior management and underpins our commitment to the importance of decent pensions to long-term living standards.

The average annual base pay increase for UK employees was 3.6% in 2025 with base pay increases stratified so that higher base-salary increases applied to employees in lower-paid roles, reflecting their proportionally greater exposure to price inflation. A similar approach has also been adopted for 2026 with those in more junior roles receiving a base pay increase of 2.9%. 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 2025 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 34 and in our Social impact report.

2026 and beyond

As we move into 2026, the Committee maintains its commitment to rewarding sustainable performance. We welcomed Emma Holden, our new Group CPO, as a member of the Group Management Committee on 2 February 2026. Emma brings deep experience in people leadership, with a particular focus on talent, culture and inclusion and has previously held CPO and senior leadership roles at Man Group and Schroders respectively. We look forward to her attendance at future Committee meetings.

We will continue to engage with our shareholders and other stakeholders on pay. In particular, we will be available to meet with shareholders and institutional bodies, to discuss our proposed new policy and pay outcomes for 2025, ahead of the 2026 AGM. It is very important to me that any proposals we bring forward have the support of our shareholders and that we take on board their views and expertise and I greatly look forward to engaging with them later this year.

Conclusion

I hope that you find the information in this letter, and the sections of the remuneration report that follow, to be clear and useful and I would welcome any feedback you may have.

I look forward to receiving your support for the renewal of our directors' remuneration policy and for our 2025 remuneration report at our 2026 AGM.



Laura Wade-Gery
Chair of the Remuneration Committee

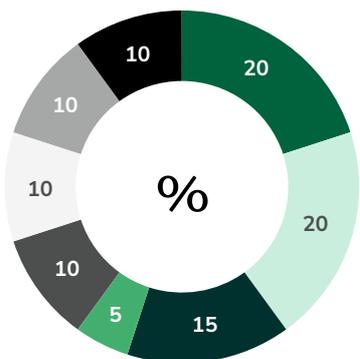
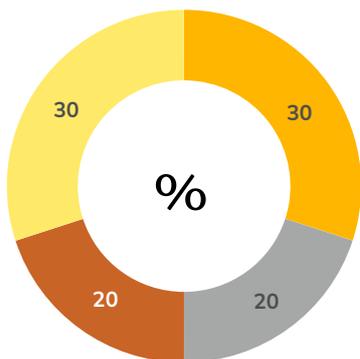
Quick read summary

Overview of proposed changes to the directors' remuneration policy

The table below summarises our proposed changes to the directors' remuneration policy, subject to approval at the 2026 AGM. Full details of the policy can be found on page 90.

Policy element	Summary of proposed change	Rationale for change
PSP opportunity	Increase maximum opportunity from 300% to 400% of base pay. Note, the full headroom has not been utilised for 2026 PSP awards (see below).	To ensure that total compensation remains competitive and that the Committee has sufficient headroom to respond to changing circumstances over the three-year life of the policy.
Shareholding requirement	Increase CEO's role and post-employment shareholding requirement from 325% to 350% of base pay.	To recognise the increase in CEO's PSP opportunity.
PSP measures	Removed limit that strategic measures should have maximum weighting of 20%.	To allow us to set the most strategically aligned measures and targets.

Summary of implementation of directors' remuneration policy for 2026

Policy element	2026 implementation
Base pay	António Simões: £1,210,300 – 0% increase Andrew Kail: £800,000 – 0% increase Wider employee increase: 2.4%
Benefits	Generally in line with benefits provided to other employees and senior managers in the UK.
Pension contributions	Executive Directors: 13% of base pay (in line with wider workforce)
Annual Variable Pay (AVP)	Maximum opportunity (António Simões & Andrew Kail): 200% of base pay <div style="display: flex; align-items: center;">  <div style="margin-left: 20px;"> <ul style="list-style-type: none"> ■ Adjusted core operating EPS ■ Solvency II operational surplus generation ■ Combined Insurance New Business Value Add ■ Workplace net flows ■ Asset Management ANNR ■ Strategic progress ■ Customer ■ Culture </div> </div>
Performance share plan (PSP)	António Simões grant – 350% of base pay Andrew Kail grant – 300% of base pay
Performance measures	<div style="display: flex; align-items: center;">  <div style="margin-left: 20px;"> <ul style="list-style-type: none"> ■ EPS growth ■ TSR performance relative to FTSE 100 ■ TSR relative to a refined bespoke group ■ Strategic progress (including climate) <p>Further details on targets and consequent vesting levels are set out on page 101.</p> </div> </div>
Shareholding requirement	António Simões: 350% of base pay Andrew Kail: 325% of base pay Applies in role and for two years post-employment.

2025 performance outcomes

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

Details of performance against the 2025 AVP and 2023 PSP targets are provided below with further details on page 98 - 101.

Annual Variable Pay

Performance measures	Weightings	Actual	Maximum
Adjusted operating profit (£m)	15.0 %	15.0	15.0
Core operating EPS (p)	10.0 %	5.2	10.0
New business CSM (£m)	12.5 %	0.0	12.5
Solvency II operational surplus generation (£m)	12.5 %	8.9	12.5
Solvency II new business value add (NBVA) (%)			
Institutional Retirement SII NBVA (%)	5.0 %	0.0	5.0
Retail Annuities SII NBVA (%)	1.5 %	0.0	1.5
Protection SII NBVA (%)	1.5 %	1.5	
Asset Management ANNR	12.0 %	5.5	12.0
Strategic priorities	10.0 %	8.0	10.0
Risk management	10.0 %	7.2	10.0
Customer culture	10.0 %	8.0	10.0

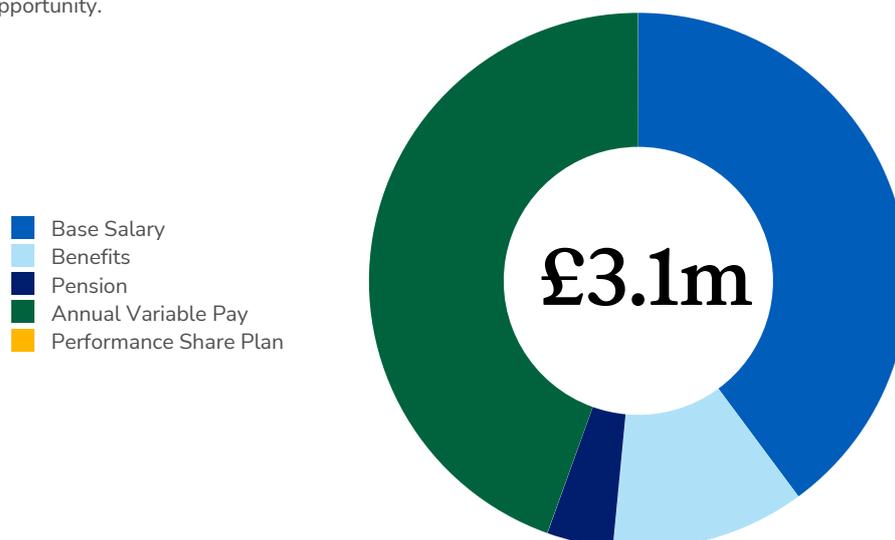
Performance Share Plan

Performance measures	Weightings	Actual	Maximum
EPS Growth	50.0 %	0.0	50.0
TSR vs FTSE 100	25.0 %	0.0	25.0
TSR vs comparator group	25.0 %	0.0	25.0

Total remuneration received

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

António Simões
Actual remuneration



Remuneration policy

The following sections set out our directors' remuneration policy, which is subject to shareholder approval by way of a binding vote at the AGM on 21 May 2026 and which will take effect from the conclusion of the AGM if approved.

	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 that are market competitive and cost effective packages to assist executive directors 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.
Operations	<p>Normally reviewed annually with effect from 1 March, taking into account:</p> <ul style="list-style-type: none"> 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 <p>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.</p>	<p>In line with other employees in the UK, executive directors may:</p> <ul style="list-style-type: none"> participate in a DC pension plan receive a cash allowance in lieu receive some combination thereof <p>Non-UK national executives may be permitted to participate in home-country pension plans where relevant.</p> <p>Base pay is the only element of pensionable remuneration.</p>	<p>Executive directors are eligible to receive a range of benefits, appropriate for their role. Current benefits, generally in line with other employees in the UK, include:</p> <ul style="list-style-type: none"> private medical insurance life insurance income protection all-employee (ShareSave and Share Purchase) share plans <p>Other benefits may be offered from time to time.</p> <p>Executive directors may participate in voluntary benefits and choose to acquire L&G products which they fund themselves, sometimes through salary sacrifice.</p> <p>In line with other senior managers in the UK, executive directors receive a non-pensionable cash allowance in lieu of a company car.</p> <p>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.</p>	<p>In normal circumstances:</p> <ul style="list-style-type: none"> 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) over 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.
Maximum opportunity & performance metrics	<p>Maximum 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:</p> <ul style="list-style-type: none"> 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. <p>Performance metrics Personal performance will be taken into consideration in determining any base pay increase.</p>	<p>Maximum opportunity Pension contributions for executive directors will be aligned to that available to the majority of the UK workforce (currently up to 13% of base pay).</p> <p>Performance metrics There are no performance conditions.</p>	<p>Maximum opportunity 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.</p> <p>The maximum opportunity for participation in the all-employee share plans is the same for all employees and takes into account prevailing HMRC rules.</p> <p>Performance metrics There are no performance conditions.</p>	<p>Maximum opportunity The maximum opportunity in respect of any financial year is up to 200% of base pay for any executive director.</p> <p>Normally, no bonus is payable for threshold performance or below, with up to 50% of maximum for target performance.</p> <p>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, sustainable financial performance and progress against environmental goals and may apply a 'modifier' to reduce (but not increase) an AVP award if there are factors that warrant such a reduction.</p> <p>Performance metrics A combination of:</p> <ul style="list-style-type: none"> 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 Plans (PSP)	Non-executive directors' fees	Shareholding requirements
<p>Provides a direct and transparent link between executive pay and the delivery of L&G's strategy over the longer term.</p>	<p>Compensates non-executive directors for their responsibilities and time commitment.</p>	<p>Provides alignment with shareholder returns and ensures the impact on directors' shareholdings moves in line with L&G's share price.</p>
<p>A conditional award of shares (or nil-cost options, or phantom equivalent, or other forms dependent upon business or regulatory requirements). In normal circumstances:</p> <ul style="list-style-type: none"> • 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. • 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. <p>Exceptionally, the Committee may adjust and amend the PSP awards in accordance with the rules, including:</p> <ul style="list-style-type: none"> • 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. 	<p>Fees for the Chair and non-executive directors are set at an appropriate level to reflect:</p> <ul style="list-style-type: none"> • 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. <p>Fees comprise a base fee for membership of the Board, plus (where applicable) additional fees for:</p> <ul style="list-style-type: none"> • Senior Independent Director (SID) • Committee Chairship • Committee membership (not including the Nominations and Corporate Governance Committee) • Designated Workforce Director • Consumer Duty Champion • Climate Director • Speak Up Champion <p>Additional fees for membership of Committee, or Chairship or membership of subsidiary boards, or other fixed fees may apply if justified by responsibilities or time commitment.</p> <p>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.</p>	<p>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.</p> <p>The Committee retains the discretion to withhold future PSP grants if executive directors are not making sufficient progress towards their shareholding requirement.</p> <p>Shares that count towards the minimum shareholding requirement include shares owned outright, any unvested awards not subject to performance conditions and any vested but unexercised options (on a notional net of tax basis if required). Shares subject to performance conditions do not count towards the shareholding requirement.</p> <p>Non-executive directors may elect to receive a proportion of their fees in L&G shares until their shareholding requirement is met.</p> <p>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.</p>
<p>Maximum opportunity The maximum opportunity for an executive director in respect of any financial year is 400% of base pay.</p> <ul style="list-style-type: none"> • 15% of the award vests for threshold performance. • 100% of the award vests for achievement of maximum. <p>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.</p> <p>Performance metrics An appropriate mix of:</p> <ul style="list-style-type: none"> • Earnings performance – to incentivise growth in earnings. • Shareholder return – to deliver a competitive return for shareholders. • Strategic performance including ESG – to incentivise the delivery of broader aspects of the Company's strategy. 	<p>Maximum opportunity 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.</p> <p>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.</p> <p>Performance metrics No performance conditions.</p>	<p>Minimum shareholding requirement</p> <ul style="list-style-type: none"> • 350% of base pay for the Group CEO • 325% of base pay for other executive directors • 100% of base fee for non-executive directors

Remuneration policy continued

Notes to Table

Decision making process

In determining the new remuneration policy (the policy), the Remuneration Committee discussed the detail of the policy over a series of meetings in 2025. The Committee considered the strategic priorities of the business and evolving market practice. Input was sought from the management team, while ensuring that conflicts of interests were suitably mitigated. An external perspective was provided by our major shareholders and independent advisors.

Deferred share element

The deferred share element of the AVP and the PSP shall be operated in accordance with the rules of the respective plans.

Prior arrangements

The Committee reserves the right to make any remuneration payments and/ or payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the policy set out in this report, where the terms of the payment were agreed:

- before 21 May 2014 when the Group's first approved policy came into effect;
- before the policy above came into effect, provided that the terms of such payment were consistent with the shareholder approved policy at the time the payments were agreed; or
- at a time when the relevant individual was not a director of Legal & General and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a director of Legal & General.

For these purposes 'payments' includes the Committee satisfying awards of variable remuneration and, in relation to deferred awards, the terms of the payment are 'agreed' at the time the award is granted.

Minor amendments

The Committee will follow any statutory requirements when operating the policy and may make minor amendments to the policy for regulatory, exchange control, or administrative purposes without obtaining shareholder approval for that minor amendment.

Malus/clawback

The Committee may apply malus and clawback (i.e. reduce the number of shares in respect of which an award vests, or delay such vesting, or impose additional vesting conditions) in the event of financial misstatement, personal misconduct, failure of risk management, reputational damage, factual error in calculating payment/ vesting, material downturn in performance or other exceptional circumstances identified by the Committee. The Committee may also, in exceptional circumstances, clawback share awards which have already been released to individuals, if it considers it appropriate to do so having regard to such factors as it deems relevant – such as the likelihood of recovery, any loss suffered and the link between the award and the event. Clawback will normally only apply within four years of the end of the relevant performance period. A four year period has been chosen as it is sufficient to allow us to identify if any events have occurred which would require the enforcement of clawback. Malus and Clawback has not been applied in relation to director's remuneration in 2025.

Discretion in relation to future operation of the policy

In the event of a variation of the company share capital or a demerger, special dividend or any other event that may affect the Company's share price, the number of shares subject to an award and/ or any exercise price applicable to the award, may be adjusted. The Committee may amend any performance conditions applicable to PSP awards if any event occurs which causes the Committee to consider that an amended performance condition would be more appropriate and not materially less difficult to satisfy.

Performance measures and targets

The performance conditions for the AVP and the PSP have been chosen by the Committee to align with the Group's strategic priorities and are the key performance indicators in relation to the operation of the business. AVP financial measures support company growth and return to shareholders. AVP strategic and personal measures have been set to safeguard the future of the company, by for instance, focusing on the development of future income streams and to ensure performance related to key metrics such as risk management, customer strategy and culture is taken into consideration. For the PSP, earnings measures are chosen to incentivise growth in earnings and shareholder return measures are chosen to deliver a good return on equity for shareholders.

Remuneration policy for other employees

The remuneration policy for other employees does not differ significantly from the executive remuneration policy.

Recruitment Remuneration

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. The maximum variable remuneration will be in line with that set out in the remuneration policy table, that is 600% of base pay, excluding any compensation for awards forfeited on appointment.

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.

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.

Service contracts and appointment letters

All executive directors are subject to annual re-election. The contracts for executive directors are rolling service contracts.

When determining the leaving arrangements for an executive director, the Committee will take into account any pre-established agreements, including the rules of any incentive plans, statutory and contractual obligations, the performance and conduct of the individual and the commercial justification for any payments.

Standard notice policy is:

- 12 months' notice from the company
- 12 months' notice from the executive director

Executive directors may be required to work during their notice period, or take a period of 'garden leave', or may be provided with payments in lieu of notice if not required to work their full notice period.

Termination and payments for loss of office

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.

Eligibility for annual variable pay, deferred annual variable pay awards and performance share awards are governed by their respective plan rules, as summarised below:

- AVP – there is no automatic entitlement to an annual bonus in the year of cessation of employment. However, for a 'Good Leaver', the Committee may determine that an executive director will receive a bonus pro-rated for the period through to leaving based on targets and performance for the full year and an assessment of overall business and personal performance.
- Deferred AVP awards – in the event that a participant is a 'good leaver' any outstanding unvested deferred awards will normally be released in accordance with the ordinary timescale. Exceptionally, the Committee reserves the right to accelerate any vesting or payment, for example in the case of terminal illness.
- 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.

'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.

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.

Consideration of employment conditions elsewhere in the Group

The remuneration policy for other UK employees is similar to that for executive directors in accordance with our philosophy that remuneration should be appropriate to the local competitive market and reward high performance in a framework of appropriate risk management.

The balance between fixed and variable pay is shifted toward fixed pay for employees in more-junior roles and towards variable pay for those in more-senior roles. A large proportion of variable pay for senior employees or executive directors is delivered in shares over multiple years – aligning their interests more closely with those of shareholders. Other components of remuneration may be paid at different levels based on grade or length of service (for example, pension participation and some benefit entitlements and allowances). There are other variances depending on geographic location and local market practice. However, the general approach is consistent across the group. Further details are provided on page 108.

Remuneration policy continued

The Committee receives information regarding base pay, benefits, variable pay and terms and conditions of employees throughout the Group. This includes relevant background information that allows the Committee to consider not only the highest paid, but the lowest paid and all pay levels across the Group and ensure a consistency of approach when determining the remuneration arrangements for executive directors. The Committee also has oversight of all long-term incentive awards across the company.

The Company does not invite employees to comment specifically on the directors' remuneration policy, but regular employee surveys include questions about pay and benefits and the responses are used to inform remuneration policy across the group.

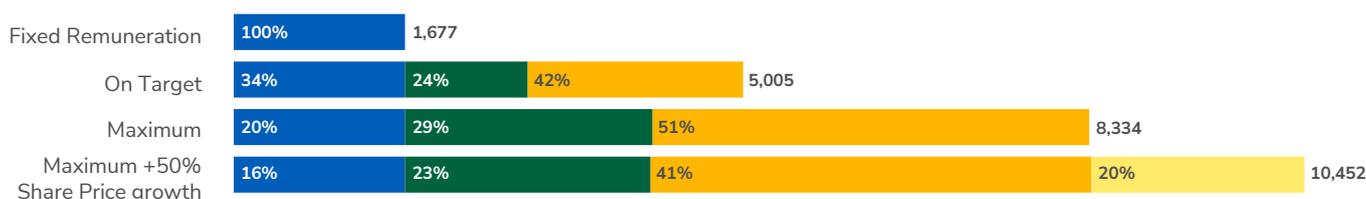
Statement of consideration of shareholder views

The Committee seeks to maintain an active dialogue with investors regarding remuneration and corporate governance more generally. During 2025, the Committee sought feedback from its 20 largest shareholders and representative bodies regarding the directors' remuneration policy, so that shareholders could enter into further discussions with the Chair of the Committee and express their views in advance of the Committee making any final proposals. The responses helped shape the Committee's thinking in formulating the changes to the remuneration policy. The Committee is grateful to shareholders for their feedback and continues to appreciate all feedback.

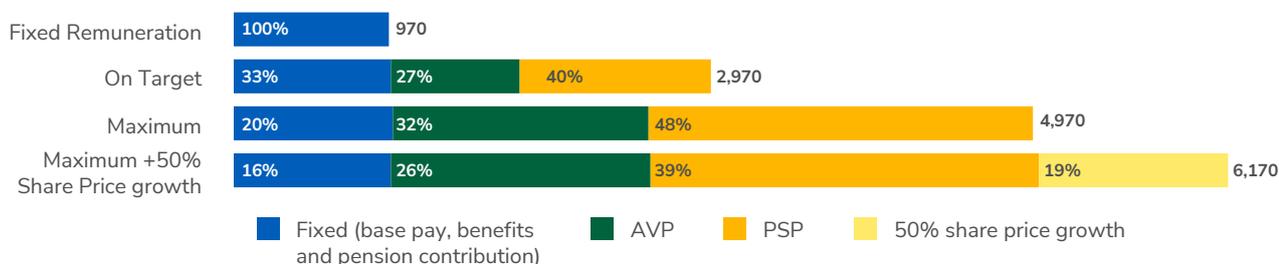
Illustration of the application of the remuneration policy

Remuneration Scenario (£'000)

António Simões



Andrew Kail



In developing the scenarios, the following assumptions have been made:

- Fixed Remuneration – Consists of 2026 base pay, pension allowance of 13% of base pay and benefits of private medical insurance, income protection and all-employee share plans.
- On Target – In addition to fixed remuneration:
 - annual variable element pays out at 50% of maximum and includes the potential value that each executive director could receive for target performance
 - PSP is shown at threshold (15% of maximum).
- Maximum – In addition to fixed remuneration, includes the potential value that each executive director could receive for maximum performance under the annual variable element and the PSP.
- Maximum + 50% share price growth- In addition to the maximum scenario, includes a 50% share price increase assumption on the PSP award.

How our approach to remuneration aligns with strategy

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

Strategic priority	Alignment with strategic priorities through setting KPIs that	2026 AVP	2026 PSP
 Sustainable growth	Reward the delivery of sustainable growth across our three core businesses and the delivery of: <ul style="list-style-type: none"> • future growth in shareholder returns • positive customer outcomes • progress against stated climate commitments. 	Combined insurance NBVA 15% Asset management ANNR 10% Workplace net flows 5%	Assessment of strategic progress (incl. climate) 30%
 Sharper focus	Reward a focus on the implementation of the strategy, focused on the priorities for our core businesses.	Personal objectives linked to: Strategic Priorities, Customer, and Culture 30%	
 Enhanced returns	Reward the delivery of enhanced shareholder returns linked to: <ul style="list-style-type: none"> • achievement of target against key financial metrics • investment in the business for long-term growth. 	Adjusted core operating EPS 20% SII operational surplus generation 20%	EPS 30% TSR v FTSE 100 20% TSR v bespoke comparator group 20%

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 2026

Content contained within a blue box indicates that all the information in the panel is planned for implementation in 2026.

'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 2025 financial year, together with a comparative figure for 2024.

Single figure table

£'000	António Simões		Jeff Davies		Andrew Kail
	2025	2024	Qualifying service as Executive Director - 1 Jan 25 - 10 Dec 25	2024	Qualifying service as Executive Director 1 Dec 25 - 31 Dec 25
Base pay	1,204	1,171	736	684	67
Benefits	353	439	24	24	7
Pensions	120	117	74	68	7
Total Fixed Pay	1,677	1,727	834	776	81
AVP	1,436	1,419	–	583	79
Replacement Award	–	7,421	–	–	–
PSP	–	0	–	–	–
Total Variable Pay	1,436	8,840	–	583	79
Total Remuneration	3,113	10,567	834	1,359	160

Base pay

Executive director	Annual base salary as at 1 January 2025	Annual base salary effective 1 March 2025	Total base salary paid in 2025	Annual base salary effective 1 March 2026	% Increase
António Simões	1,175,000	1,210,300	1,204,417	1,210,300	–
Jeff Davies ¹	689,000	800,000	736,339	–	–
Executive director			Annual base salary as at 1 December 2025	Annual base salary effective 1 March 2026	% Increase
Andrew Kail ²			800,000	800,000	–

1. Jeff Davies salary will remain unchanged until he leaves employment on 28 February 2026.

2. Andrew Kail's salary is effective from 1 December 2025.

Benefits

Benefits include the elements shown in the table below.

Executive Director	Car allowance and insurances £'000	Relocation £'000	Dividends £'000	Discount SAYE and SIP matching shares £'000	Total benefits £'000
2025					
António Simões	49	304	–	–	353
Jeff Davies	20	0	2	2	24
Andrew Kail	2	0	1	4	7
2024					
António Simões	46	393	–	–	439
Jeff Davies	20	0	2	2	24

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

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

Relocation expenses until the end of 2025 have been £303,662 in total relating to travel expenses. In line with the remuneration policy, no further relocation support has been provided after 31 December 2025.

Benefits for 2026

Benefits for 2026 remain in line with policy.

Pension

António Simões, Jeff Davies and Andrew Kail 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. No executive director has a prospective entitlement under a defined benefit plan. All cash allowances are subject to normal payroll deductions for income tax and national insurance.

Pension for 2026

Effective from 1 April 2026, António Simões and Andrew Kail will receive a cash allowance of 13% of base pay, aligned with employer pension contributions for the majority of the UK workforce.

Annual report on remuneration continued

2025 AVP awards

The 2025 AVP awards are based on performance for the year ended 31 December 2025. 70% of the bonus opportunity is determined by financial performance and 30% is based upon the achievement of strategic objectives. As Andrew Kail commenced in the role as CFO effective 1 December 2025 the Committee determined that it was appropriate to award Andrew the same non-financial scores as the CEO for this one month period.

The figures below represent the total 2025 AVP awards to be paid, incorporating the amount payable in cash in 2026 (50%) and the amount deferred into restricted shares for a further three years to be released in 2029 (50%) subject to continued employment with malus and clawback provisions.

Performance Measures	2025 performance targets and outcome				Outcome (% of max)	Weighting	Payout % of maximum
	Threshold	Target	Maximum	Actual			
Adjusted operating profit (£m)	1,560	1,660	1,743	1,756	100.0 %	15.0 %	15.0 %
Core operating EPS (p)	19.3	20.9	21.9	20.9	51.7 %	10.0 %	5.2 %
New business CSM (£m)	721	869	973	573	–	12.5 %	–
Solvency II operating surplus generation (£m) ¹	1,469	1,512	1,555	1,530	70.9 %	12.5 %	8.9 %
Solvency II new business value add (NBVA) (%)							
Institutional Retirement SII NBVA (%)	4.4	4.5	4.9	4.3	–	5.0 %	–
Retail Annuities SII NBVA (%)	4.3	5.0	5.8	3.1	–	1.5 %	–
Protection SII NBVA (%)	3.3	3.5	3.8	4.9	100.0 %	1.5 %	1.5 %
Asset Management ANNR (£m)	20.5	35.0	50.0	34.0	46.6 %	12.0 %	5.5 %
Strategic priorities ²					77.3 %	30.0 %	23.2 %
					Total	100.0 %	59.3 %
Maximum bonus opportunity (% of base pay)							200 %
Base pay - António Simões							1,210,300
Base pay - Andrew Kail ³							66,667
António Simões							1,435,900
Andrew Kail							79,000

1. The methodology for calculating Solvency II operational surplus generation has been updated such that TMTP amortisation is now reflected as an operating variance. See further information on APMs on page 250.

2. See page 99 for further details.

3. Andrew Kail's base salary has been pro-rated for the period 1 December to 31 December, reflecting time served as CFO during 2025.

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 Group 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 (modifier): progress against key environmental commitments as referenced in our 2025 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).
- other non-environmental 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.

Outcomes
(out of 10)

CEO and CFO

Performance measure and focus areas	Commentary	Outcomes (out of 10)
Strategy (10% weighting) Development, communication and roll out of the new strategy.	<ul style="list-style-type: none"> • Engaging closely with the senior team and Board, driving the implementation of the new strategy including delivery of the Asset Management and Retail deep dives. • Strengthening investor engagement through the deep dives and senior-level meetings, including welcoming Meiji Yasuda as a new long term strategic investor. • Executed the sale of US Protection and formed a strategic partnership with Meiji Yasuda, creating a platform for growth in US PRT, Asset Management and future international optionality. • Completed the Proprium acquisition and advanced strategic partnerships across the Group (e.g. Blackstone), expanding private markets, real estate, and international distribution capabilities. • Strengthened Workplace leadership, strategic direction and delivery capability contributing to an improved new business win rate (c.65% vs c.19% in 2024). • Simplified the Group portfolio and strengthened capital discipline through the disposal of non strategic assets – IVG, Bracknell, and Surveying Services. 	8.0
Culture & customer (10% weighting): Alignment of culture with delivery of the new strategy.	<ul style="list-style-type: none"> • Strong performance embedding behaviours in line with L&G strategy, including high level of employee confidence in demonstrating the new behaviours (85%). • Employee engagement remains strong (79%) amid transformation activity and strongly favourable to external benchmarks (Pride +10%, eSat +9%, Recommend L&G as place to work +4%, Intent to Stay +1%). • In 2025, made Group Management Committee changes including new Group CFO, Institutional Retirement CEO, and Chief Operating Officer and continued to invest in wider Group Senior Leadership Team community. • Fully engaged on the Consumer Duty programme ensuring progress on key areas, including improved management information to ensure continued delivery of high quality service to customers. • Strong 'tone from the top' on Speak Up, delivering high level of employee awareness (86%) indicating positive cultural traction. 	8.0
Risk management (10% weighting) Successful delivery of performance within the Group's risk appetite.	<ul style="list-style-type: none"> • Demonstrated consistent and positive engagement with the risk agenda through his Chairing of the Executive Risk Committee focused on driving outcomes and a tangible focus on the root cause of risk events through proactively commissioning read across and lessons learned exercises within the Divisions. • Been a vocal advocate on initiatives to strengthen the company's risk management framework. • Maintained a strong focus on risk/reward trade-offs through committee discussions helping to maintain the strong discipline we have established across the Group. • Open and proactive approach to engaging with our Supervisors at the FCA and PRA helping to build awareness of the Group's strategic direction through constructive dialogue enhancing the trust we have and enabling continued enhancement of our approach. • Provided a continued and ongoing focus on strengthening our controls to keep pace with growing business complexity. 	7.2
Environmental measures (modifier)		
Investment portfolio carbon emission intensity reduction	<ul style="list-style-type: none"> • Investment portfolio carbon emission intensity reduced to 51 tCO₂e/£ million in line with pathway to achieve 50% reduction by end 2030 (from a 2019 baseline). 	
Progress in delivery of operational emissions science-based target (SBT)	<ul style="list-style-type: none"> • Good progress against operational emissions SBT with operational footprint reduced to 19,921 tCO₂e (2024: 27,418 tCO₂e), in line with our SBT and net zero ambition. 	Progress on or exceeding targets
Increase prominence of sustainability considerations in commercial decisions	<ul style="list-style-type: none"> • Group and Asset Management continue to play active roles in industry climate forums, government lobbying and shaping of the regulatory framework for sustainability. 	

In addition, the Committee considers the Solvency II coverage ratio (2025: 203%) and sustainable financial performance and may apply a 'modifier' to reduce (but not increase) an AVP award if there are factors that warrant such a reduction. For 2025, it was determined that no adjustment was necessary to the calculated AVP award.

Annual report on remuneration continued

Risk consideration

The Committee reviewed a comprehensive report from the Group 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 2025 AVP awards have been deferred for three years into restricted shares, subject to continued employment and with malus and clawback provisions.

AVP potential 2026

In line with the remuneration policy, for 2026 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 %
Andrew Kail	100 %	200 %
Financial measures		Weighting (%)
Output	Core operating EPS (p)	20 %
	SII operational surplus generation (£m)	20 %
Input	Combined Insurance New Business Value Add (%)	15 %
	Asset Management ANNR (£m)	10 %
	Workplace net flows (£bn)	5 %
Non-financial measures		Weighting (%)
	Strategic priorities	10 %
	Customer	10 %
	Culture	10 %
Total		100 %

Environmental & risk (modifiers): assessed based on progress against key environmental commitments as referenced in our 2025 Climate and nature report and achievement of objectives within the risk appetite of the Group.

Group financial targets will be disclosed in the 2026 Annual report and accounts. Some strategic and personal targets are considered confidential and will not be disclosed in any future report.

In line with the remuneration policy, 50% of all 2026 AVP awards will be deferred for three years into restricted shares, subject to continued employment, with malus and clawback provisions.

Details of how the 2023 PSP award vested

Outcomes against both the total shareholder return (TSR) performance (50%) and EPS growth (50%) over the three-year performance period ended 31 December 2025 did not achieve the threshold level required for any shares to vest from the 2023 PSP award. A summary of the outcome per measure is shown below, with further detail provided on page 101.

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

The bespoke comparator group comprises:

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

The results are shown below:

Grant date	Performance Period	Comparator group	Legal & General's TSR ¹	Comparator group median rank	Comparator group 80th percentile TSR performance	Legal & General's notional rank	% of award vesting against comparator group
06 April 2023	1 January 2023 - 31 December 2025	FTSE 100	30.1 %	34.1 %	118.1 %	53.1	–
		Bespoke		73.9 %	123.7 %	18.3	–

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

Performance was below the threshold level for all performance conditions. No shares will vest from the 2023 PSP award.

Performance Share Plan (PSP) awards for 2026

For 2026 the PSP award will be assessed against the following measures and targets:

Measure	Weightings	Threshold (15% vesting)	Maximum (100% vesting)
EPS	30%	24.00p	30.71p
TSR vs FTSE100	20%	Median	80th percentile
TSR vs bespoke group ¹	20%	Median	80th percentile
Strategic progress (including climate)	30%	Holistic assessment, underpinned by a range of quantitative KPIs – see details below.	

1. Peer group is: Aberdeen, Aegon, Allianz, Amundi, Aviva, AXA, DWS, Generali, ICG, M&G, MetLife, NN Group, Phoenix Group, Principal Financial, Prudential, Prudential Financial, Schroders, Sun Life, Swiss Life, Zurich Insurance Group

Overview of strategic progress measure

The Committee will assess the extent of L&G's progress against its strategic priorities over the performance period. The Committee will consider progress separately in each of the three businesses, as well as Group-wide progress against our climate goals.

The Committee's assessment will be primarily informed by progress against a number of quantitative measures, with the final assessment determined by the Committee holistically. This holistic assessment enables the Committee to take into account the full extent of our strategic progress.

Strategic progress KPIs

The quantitative measures of success are based on the divisional targets disclosed to investors since our Capital Markets Event in 2024 and the climate targets included in our Social impact report.

Successfully delivering the top end of our publicly stated goals would result in a strong performance outcome, however in order to achieve a maximum outcome, management will need to outperform these publicly stated goals (as set out below).

Measure	Targets
Institutional Retirement	
Adjusted operating profit CAGR	5%-7%
Capital strain UK PRT	<4%
UK New Business CSM	See note 1
Asset Management	
Adjusted operating profit	£500-600m
Cumulative ANNR	£100-150m
Private Markets AUM	>£85bn
Retail²	
Adjusted operating profit CAGR	4-6%
Workplace Savings net flows	£40-50bn

1. We have stated an ambition to generate PRT volumes of £50-65 billion. However, as management are prioritising pricing discipline over volume, UK new business CSM will be used as part of the quantitative measures as a proxy to the UK PRT volume ambition disclosed at our Capital Markets Event in June 2024. As this is a commercially sensitive measure we will not be publishing a target at this time but will provide details retrospectively at the end of the 3 year performance period.

2. For the retail business the Committee will also take into account customer outcomes over this period (and, in particular, net promoter score) as it is critical we deliver a strong outcome for customers alongside our broader strategic ambitions.

Annual report on remuneration continued

Climate

The quantitative measures of success in relation to our climate goals are outlined below. Similarly to the above, performance is in line with the progress required to achieve our long-term goals which would result in a strong performance outcome, however in order to achieve a maximum outcome, management will need to make quicker progress towards our long-term ambitions.

Progress against Climate Transition Plan	Threshold	Maximum
Portfolio GHG emission intensity reduction, from a YE19 baseline, (aligned with the pathway to achieving 50% reduction by 2030)	41 %	47 %
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)	33 %	40 %

Other remuneration information

Total shareholder return (TSR)

The chart shows the value, as at 31 December 2025, of £100 invested in L&G shares on 31 December 2015, 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.

As at 31 December 2025



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	Year	Single Figure Total Remuneration	Annual variable element against max opportunity	PSP vesting rates against max opportunity
2025	António Simões	3,113	59.3 %	– %
2024	António Simões ¹	10,567	60.4 %	– %
2023	Nigel Wilson	3,336	53.8 %	61.1 %
2022	Nigel Wilson	4,016	91.4 %	52.3 %
2021	Nigel Wilson	4,311	94.5 %	82.9 %
2020	Nigel Wilson	2,092	23.5 %	24.2 %
2019	Nigel Wilson	4,592	91.1 %	86.9 %
2018	Nigel Wilson	3,398	80.4 %	48.7 %
2017	Nigel Wilson	3,439	85.3 %	59.9 %
2016	Nigel Wilson	5,417	87.8 %	76.6 %

1. António's 2024 single figure total remuneration reflects the buy-out award he received upon joining Legal & General.

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. For 2024, the 2022 PSP, for which the performance period ended on 31 December 2024, did not vest; therefore, there was no requirement to restate the figures. The figures in the table above have been restated to reflect the actual share price on vesting for the years 2016 – 2023.

Scheme interests awarded during the financial year

The following table sets out details of share awards granted in 2025.

Executive Director	Award type	Reason for award	Awards granted in 2025	Grant price	Face value at grant price
António Simões	PSP	Nil-cost option	1,559,932	2.328	3,630,900
	Deferred bonus assurance	Restricted shares	315,355	2.250	709,550
Jeff Davies	PSP	Nil-cost option	859,254	2.328	2,000,300
	Deferred bonus	Restricted shares	129,511	2.250	291,400

Performance conditions for PSP awards granted in 2025

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

1. TSR performance relative to a bespoke peer group (comprising Abrdn, Aegon, Ageas, Allianz, Assicurazioni Generali, Aviva, AXA, Gjensidige Forsikring, Hannover Rueck, Lincoln National, M&G, Mapfre, Metlife, Muenchener Ruck, NN Group, Phoenix Group, Principal Financial, Prudential Financial, Prudential, Sampo A, Swiss Re, Talanx and Zurich Insurance Group)

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

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

Annual report on remuneration continued

Statement of directors' shareholding and share interests

Total shareholding of executive directors as at 31 December 2025:

Name	Type	Own outright/ vested shares	Unvested deferred awards	Subject to deferral/ holding period	Total vested and unvested shares (excludes any shares with performance conditions)	Shares sold or acquired during the period 1 January 2026 and 2 March 2026		
						Owned outright	Subject to holding period	Owned outright/ vested shares
António Simões	Shares	367,161	–	1,510,830	1,877,991	–	–	–
	ESP	–	–	–	–	–	–	–
	Options	–	2,956,303	–	–	–	–	–
Jeff Davies	Shares	1,179,068	–	416,187	1,595,255	–	–	–
	ESP	7,563	–	1,060	8,623	–	–	–
	Options	–	2,234,941	306,330	306,330	–	–	–
Andrew Kail	Shares	–	–	647,643	647,643	–	–	–
	ESP	1,318	–	749	2,067	169	82	251
	Options	–	2,023,885	290,754	290,754	–	–	–

Shareholding requirement – executive directors

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

Name	Actual share ownership as % of 2025 base salary: vested shares	Guideline met	Shares owned at 1 January 2025	Shares owned at 31 December 2025	Shares sold or acquired during the period 1 January 2026 and 2 March 2026	
					January 2026 and 2 March 2026	2026
António Simões	253 %	No	932,177	1,167,900	–	–
Jeff Davies	388 %	Yes	1,032,821	1,186,631	–	–
Andrew Kail	163 %	No	481,264	499,065	–	251

1. Closing share price as at 31 December 2025: 2.619 pence.

Notes

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

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

Share options exercised during 2025

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 2025, they are shown below:

Executive Director	Date of Grant	No. of shares exercised	Exercise date	Share price at date of exercise (£)	Gain (£)
Jeff Davies	12 August 2020	397,311	12/08/2025	2.520	1,001,224
Jeff Davies	08 April 2022	2,107	02/06/2025	2.541	1,035

Payments to past directors and for loss of office

As announced on 30 September 2025, Jeff Davies stood down as Group CFO on 1 December 2025 with Andrew Kail taking over the role from that date.

Jeff remained employed by L&G until 28 February 2026 in order to ensure a smooth transition and continued to receive his current base salary, pension and benefits until that date.

As a result of his resignation, Jeff did not receive an AVP award in respect of 2025 and he will not be eligible for an AVP award in respect of the period of 2026 for which he is employed by the Company. Consistent with the remuneration policy and the rules of the SBP and PSP, Jeff will be deemed a 'bad leaver' and as such his outstanding share awards will lapse in full. Jeff will need to comply with his post cessation shareholding requirement of 325% of base salary for two years post departure.

Details of payments to Jeff Davies as a past director are shown in the table below.

	Base Salary £000	Benefits £000	Pension £000	Total Remuneration £000
10 December 2025 - 31 December 2025	45	1	4	50

Non-executive directors' remuneration – 2025

Non-executive directors' fees

The fees for the Chair and non-executive directors were reviewed during 2025 and with effect from 1 August 2025 the fee for the Chair was increased from £617,000 to £625,000. From 1 August 2025, the fees for the membership of the Audit, Enterprise Transformation, Remuneration and Risk Committees were increased from £16,500 to £18,000. Fees were introduced for the Climate Director and Speak Up Champion from 1 April 2025 and 1 August 2025, respectively, which are aligned with the committee membership fee.

All other non-executive director fees remained unchanged from 1 August 2024. The table below sets out the current fees.

Annual fees	Current fee £
Chair	625,000
Base fee	80,500
Additional fees:	
Senior Independent Director	31,500
Committee Chair	50,000
Committee membership	18,000
Designated Workforce Director	31,500
Consumer Duty Champion	31,500
Climate Director	18,000
Speak Up Champion	18,000

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

Annual report on remuneration continued

The table below shows the actual fees paid to our non-executive directors in 2025 and 2024.

Non-executive director		Fees for 2025	Benefits for 2025 ⁷	Total remuneration for 2025	Fees for 2024	Benefits for 2024	Total remuneration for 2024
Sir John Kingman	Chair N	620,333	803	621,136	609,125	2,419	611,544
Henrietta Baldock ¹	N R Ri	334,079	1,459	335,538	222,479	2,774	225,253
Clare Bousfield ²	A E N Ri	181,700	502	182,202	9,458	–	9,458
Philip Broadley ³	A E N R Ri	98,167	1,696	99,863	145,479	3,335	148,814
Carolyn Johnson	A E N Ri	155,500	19,336	174,836	117,979	52,453	170,432
Mark Jordy ⁴	N R Ri	307,615	103	307,718	–	–	–
Nilufer Kheraj	A E N Ri	152,750	719	153,469	160,479	–	160,479
Lesley Knox ⁵	N R Ri	176,023	2,364	178,387	278,229	4,547	282,776
George Lewis ⁶	A N R Ri	254,750	24,962	279,712	233,527	48,223	281,750
Ric Lewis	N R	97,625	217	97,842	98,729	–	98,729
Tushar Morzaria	A N R Ri	164,750	294	165,044	157,813	430	158,243
Laura Wade-Gery	E N R Ri	229,125	2,376	231,501	188,051	2,333	190,384

Key:

NED Committee membership: A = Audit E = Enterprise Transformation N = Nominations and Corporate Governance R = Remuneration Ri = Risk

- Henrietta Baldock is also Chair of the Legal and General Assurance Society (LGAS) Board for which she receives a separate fee to that paid to her as a Non-Executive Director of the Company. The actual fees in the table above include her total fees for both roles. The fee as Chair of LGAS increased from 1 January 2025, the first increase since Henrietta's appointment to the role.
- Clare Bousfield is also a Non-Executive Director of the LGAS Board (appointed March 2025) and serves as the Speak Up Champion (appointed August 2025). She receives separate fees for these additional roles, to that paid to her as a Non-Executive Director of the Company. The actual fees in the table above include the fees for all three roles.
- Philip Broadley resigned from the Board with effect from 31 August 2025.
- Mark Jordy is also the Chair of the L&G - Asset 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 include his fees for both roles.
- During the year, Lesley Knox was also a Non-Executive Director of the L&G - Asset Management Limited Board for which she received 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. She resigned from the Group Board on 21 May 2025 and from the Asset Management Board on 31 December 2025.
- George Lewis is also Chair of 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.
- The Chair and non-executive directors are not eligible to participate in any benefits, pension or incentive plan. The amounts disclosed in the benefits section above relate to taxable travel and accommodation expenses incurred, during the tax year ending in 2025, while undertaking their roles as non-executive directors of the Company.

Shareholding requirements – non-executive directors¹

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 31 December 2025.

Name	Shareholding as at 31 December 2025	Holding as a % of base fee	Met criteria of 1 x base fee	Shares purchased from 1 January 2026 to 2 March 2026
Sir John Kingman - Chair	425,266	178 %	Met	1,862
Henrietta Baldock	76,334	248 %	Met	–
Clare Bousfield ²	21,610	70 %	On track	–
Philip Broadley	92,260	300 %	Met	–
Carolyn Johnson ³	10,500	171 %	Met	–
Mark Jordy ⁴	27,606	90 %	On track	2,985
Nilufer Kheraj	53,810	175 %	Met	–
Lesley Knox	37,600	122 %	Met	–
George Lewis	69,373	226 %	Met	–
Ric Lewis	77,901	253 %	Met	2,575
Tushar Morzaria	80,000	260 %	Met	–
Laura Wade-Gery	54,081	176 %	Met	2,839

1. Shareholding for non-executive directors includes connected persons.
2. Clare Bousfield was appointed on 1 December 2024 and is expected to meet the shareholding requirement within three years of appointment.
3. Carolyn Johnson holds 10,500 L&G Group American Depositary Receipts.
4. Mark Jordy was appointed on 1 July 2025 and is expected to meet the requirement within three years of appointment.

Non-executive directors' terms of employment

NED	Initial appointment date	Current letter of appointment end date
Sir John Kingman	24 October, 2016	21 May, 2026
Henrietta Baldock	4 October, 2018	4 October, 2027
Clare Bousfield	1 December, 2024	1 December, 2027
Carolyn Johnson	17 June, 2022	17 June, 2028
Mark Jordy	1 July, 2025	1 July, 2028
Nilufer Kheraj	1 May, 2021	1 May, 2027
George Lewis	1 November, 2018	1 November, 2027
Ric Lewis	18 June, 2020	18 June, 2026
Tushar Morzaria	27 May, 2022	27 May, 2028
Laura Wade-Gery	3 January, 2022	3 January, 2028
Scott Wheway	2 January, 2026	2 January, 2029

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.

Annual report on remuneration continued

Remuneration for the wider workforce

General remuneration policy

The Group's remuneration policy is designed to reward, motivate and retain high performers in line with the risk appetite of the Group. Remuneration is considered within the overall context of the Group's sector and the markets in which it operates. The policy for the majority of employees is to pay at a market-competitive level 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.

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

Summary of the remuneration structure for the wider workforce

Element	Policy
Fixed	
Base pay	<p>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:</p> <ul style="list-style-type: none"> the individual's skills, experience and performance scope of the role external market data pay and conditions elsewhere in the Group overall business performance. <p>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 2025, the average increase was 3.6% but with increases applied on a stratified basis with the more junior employees receiving, on average, the highest increases (generally 3.8%). For 2026, the average increase was 2.4%, applied again on a stratified basis with more junior employees receiving increases, on average, of 2.9%.</p>
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 businesses 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 2025 was 12% of base pay. With effect from 1 April 2026, the pension opportunity for the majority of the UK workforce will increase to 13%, with further adjustments planned over the next two years to complete the alignment of pension contribution rates across the wider workforce and senior managers. Employees of non-UK businesses may be provided with pension provision, in line with the local market practice and applicable legislative requirements.
Variable	
Annual bonus	<p>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.</p> <p>The Group operates bespoke bonus plans where business-appropriate. However, the Remuneration Committee has ultimate discretion over all bonus plans.</p> <p>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.</p> <p>The Company reserves the right to adjust deferral levels for Material Risk Takers and Code staff, as deemed necessary to comply with regulatory requirements.</p>
Share Bonus Plan (SBP)	<p>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.</p> <p>The SBP is also used as the vehicle for deferral of annual bonuses in the majority of cases.</p>
Performance Share Plan (PSP)	<p>Participation in the PSP is offered to the most 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.</p> <p>PSP awards were made to around 320 employees during 2025.</p> <p>Where appropriate, grants under the PSP may also be made for new employees who join the Company during the year in key roles.</p>
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 businesses.

Gender pay reporting

The Group has published a new Social impact report, which contains the statutory disclosure of our gender pay gap for 2025.

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

Year	Method	Pay Ratio			All UK Employees (£)		
		75th percentile	Median	25th percentile	75th percentile	Median	25th percentile
2025	B	30	43	81	103,055	72,803	38,457
2024	A (incl. replacement award)	110	194	324	95,704	54,380	32,575
2024	A (excl. replacement award)	33	58	97			
2023	A	30	61	91	111,017	55,108	36,780
2022	A	46	77	135	87,152	51,834	29,804
2021	A	52	88	146	82,475	49,226	29,531
2020	A	26	48	81	78,989	43,726	25,839
2019	A	61	105	167	70,892	40,982	25,814
2018	A	49	83	132	69,923	40,814	25,730
2017	A	52	89	137	66,572	38,802	25,023

Base pay

Year	Method	Pay Ratio			All UK Employees (£)		
		75th percentile	Median	25th percentile	75th percentile	Median	25th percentile
2025	B	16	23	39	75,165	51,750	31,085
2024	A	15	24	39	80,000	49,400	30,328
2023	A	13	21	33	84,981	51,800	32,229
2022	A	14	23	38	72,530	44,549	26,875
2021	A	14	23	38	68,675	42,444	26,000
2020	A	15	26	42	65,101	37,677	23,232
2019	A	16	27	42	60,000	35,000	22,550
2018	A	16	27	41	57,853	34,475	22,781
2017	A	16	27	42	58,020	33,649	22,148

Pay ratio commentary

Between 2024 and 2025 the ratio of total remuneration for the Group CEO compared to median UK employees has decreased when considered both with and without the one-off replacement award received in 2024. The decrease is principally the result of the increase in the median total remuneration for the UK workforce.

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 2025, consistent with the methodology for gender pay reporting. The total remuneration figures for the UK employees are based on salaries during 2025. Bonus amounts for 2025 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 2025 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.

Annual report on remuneration continued

Percentage change in directors' 2025 remuneration compared with all UK employees

As required by the Companies (directors' remuneration policy and directors' remuneration report) Regulations 2019, the analysis covers all executive directors and non-executive directors.

		Executive directors		UK Group
		António Simões	Jeff Davies	
Year ended 31 December 2025	Base pay/fees (% change)	3.0 %	16.1 %	3.8 %
	Benefits (% change)	(19.7)%	(2.0)%	4.5 %
	AVP (% change)	1.2 %	n/a	4.5 %
Year ended 31 December 2024	Base pay/fees (% change)	n/a	4.3%	4.7 %
	Benefits (% change)	n/a	(2.6)%	5.4 %
	AVP (% change)	n/a	11.6%	5.8 %
Year ended 31 December 2023	Base pay/fees (% change)	n/a	4.9%	5.7 %
	Benefits (% change)	n/a	(13.7)%	5.7 %
	AVP (% change)	n/a	(39.8%)	5.2 %
Year ended 31 December 2022	Base pay/fees (% change)	n/a	5.9%	4.7 %
	Benefits (% change)	n/a	4.0%	4.7 %
	AVP (% change)	n/a	6.3%	(0.3)%
Year ended 31 December 2021	Base pay/fees (% change)	n/a	0.0%	2.4 %
	Benefits (% change)	n/a	0.7%	2.4 %
	AVP (% change)	n/a	282.2%	19.6 %
Year ended 31 December 2020	Base pay/fees (% change)	n/a	6.6%	3.5 %
	Benefits (% change)	n/a	6.3%	3.5 %
	AVP (% change)	n/a	(72.1)%	2.7 %

Chair and non-executive directors¹

		Sir John Kingman	Henrietta Baldock ²	Clare Bousfield ³	Philip Broadley ⁴	Carolyn Johnson ⁵	Nilufer Kheraj ⁶	Lesley Knox ⁷	George Lewis	Ric Lewis	Tushar Morzaria	Laura Wade-Gery ⁸	UK Group
Year ended 31 December 2025	Base pay/fees (% change)	1.8 %	50.2 %	60.1 %	(32.5)%	31.8 %	(4.8)%	(36.7)%	9.1 %	(1.1)%	4.4 %	21.8 %	3.8 %
	Benefits (% change)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	4.5 %
	AVP (% change)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	4.5 %
Year ended 31 December 2024	Base pay/fees (% change)	3.5 %	(9.2)%	n/a	(7.6)%	6.4 %	7.5 %	10.8 %	6.8 %	(11.0)%	3.2 %	28.1 %	4.7 %
	Benefits (% change)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	5.4 %
	AVP (% change)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	5.8 %
Year ended 31 December 2023	Base pay/fees (% change)	4.8 %	18.0 %	n/a	(3.7)%	2.0 %	(8.0)%	8.0 %	25.1 %	3.4 %	2.3 %	50.4 %	5.7 %
	Benefits (% change)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	5.7 %
	AVP (% change)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	5.2 %
Year ended 31 December 2022	Base pay/fees (% change)	5.1 %	3.4 %	n/a	5.0 %	n/a	59.7 %	3.5 %	69.9 %	8.1 %	n/a	n/a	4.7 %
	Benefits (% change)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	4.7 %
	AVP (% change)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	(0.3)%
Year ended 31 December 2021	Base pay/fees (% change)	4.2 %	0.8 %	n/a	28.7 %	n/a	n/a	2.8 %	11.0 %	7.8 %	n/a	n/a	2.4 %
	Benefits (% change)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	2.4 %
	AVP (% change)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	19.6 %
Year ended 31 December 2020	Base pay/fees (% change)	3.3 %	4.5 %	n/a	3.6 %	n/a	n/a	1.9 %	4.9 %	n/a	n/a	n/a	3.5 %
	Benefits (% change)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	3.5 %
	AVP (% change)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	2.7 %

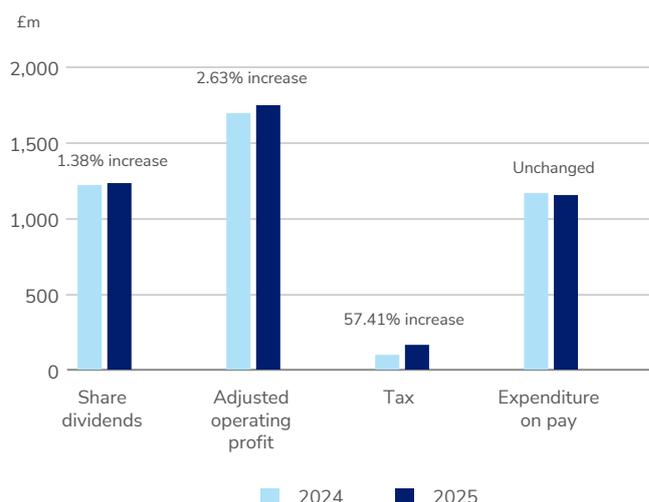
1. The increase in fees for non-executive directors of the Company reflects the increases in Committee membership fees as well as changes in the membership of the Committees.
2. Henrietta Baldock had a change in fees reflecting an increase to her Chair of the LGAS Board fee and her appointment as Senior Independent Director in May 2025.
3. Clare Bousfield was appointed to the Board on 1 December 2024. The percentage increase reflects the change in her annualised fees from 2024 to 2025, including additional fees relating to her appointments to the LGAS Board (from March 2025) and as Speak Up Champion (from September 2025).
4. Philip Broadley resigned from the Board with effect 31 August 2025.
5. Carolyn Johnson had a change in fees due to her appointment as Designated Workforce Director in April 2025.
6. Nilufer Kheraj's fees changed in April 2025 to reflect remuneration for her climate role.
7. Lesley Knox resigned from the Board with effect 21 May 2025 and from the L&G Asset Management Board with effect 31 December 2025.
8. Laura Wade-Gery's fees changed in August 2025 to reflect remuneration for her Consumer Duty Champion role.

Mark Jordy has not been included in the above table as he was appointed on 1 July 2025 and so does not have any prior year fees for comparison. As with prior years, the whole UK employee population has been selected as the comparator group. This group was chosen because it includes a wider cross-section of the Group's employees. The increase in benefits for the employee comparator group relates to the impact of increases in base salaries and employer pension contributions for the wider UK workforce.

Annual report on remuneration continued

Relative importance of spend on pay

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



Remuneration Committee

The table below shows the key items covered by the Remuneration Committee during 2025.

Committee undertakings

Quarter	Governance	Performance	Remuneration policy	Regulatory
First	<ul style="list-style-type: none"> Reviewed the 2024 gender & ethnicity pay gap report. Reviewed findings of board effectiveness review. 	<ul style="list-style-type: none"> Reviewed findings of the 2024 CRO report, climate report and group-wide culture and customer review. Approved the 2024/25 annual pay review and executive pay awards. Approved vesting outcome of the 2022 PSP. 	<ul style="list-style-type: none"> Reviewed proposals for the 2025 AVP performance measures. Approved the 2025 PSP award performance conditions. Approved 2025 ShareSave invitation. 	<ul style="list-style-type: none"> Approved 2025 variable pay awards for Material Risk Takers.
Second			<ul style="list-style-type: none"> Review of executive director remuneration policy & proposals for updates. 	
Third	<ul style="list-style-type: none"> Reviewed outcomes of AGM. Project specific incentive structures. 	<ul style="list-style-type: none"> Financial update and indicative variable remuneration update for the GMC. Reviewed PSP vesting forecasts. 	<ul style="list-style-type: none"> Shareholder consultation on updates to the executive director remuneration policy. 	
Fourth	<ul style="list-style-type: none"> Reviewed and approved the Committee's terms of reference. Reviewed report on the activities of the Group Reward Steering Committee. 	<ul style="list-style-type: none"> Consideration of forecasted AVP out-turns in respect of 2025. 2026 base salary increase budget. 	<ul style="list-style-type: none"> Review of feedback from shareholders on the executive director remuneration policy. Reviewed remuneration policy for the wider workforce. Reviewed AVP and PSP performance measure proposals for 2026. 	<ul style="list-style-type: none"> Reviewed Material Risk Taker lists and criteria for identification. Approved remuneration policy statements for PRA and FCA. Approved the 2026 maximum fixed to variable pay ratio for MiFIDPRU firms.

At the invitation of the Remuneration Committee, the Group Chair attends Committee meetings. Where appropriate, the Group Chief Executive Officer, the Group Chief People Officer, Group Reward Director, Director of Group Finance, Group Chief Risk Officer, Group Performance Director 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 2025, 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 2025, were £228,675 (excluding VAT). While fee estimates are required for bespoke pieces of work, fees are generally charged based on time with hourly rates in line with the level of expertise and seniority of the advisor concerned. During the year, PwC also provided the Company with HR consulting services including advice to management on regulatory aspects of reward, as well as other professional services including tax, consulting, accounting, regulatory compliance and other advice to the Group.

Considering risk

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

Reward Steering Committee (RSC)

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

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

Group Regulatory Risk and Compliance function

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

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

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

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

Statement of voting at the AGM

The table below shows the voting outcomes on the directors' remuneration policy, approved at the 2023 AGM and the directors' remuneration report, approved at the last AGM in May 2025.

Item	For	Against	Abstain number
Remuneration policy	95.46%	4.54%	
	3,646,065,245	173,407,374	1,515,264
Remuneration report	93.68 %	6.32 %	
	2,815,780,815	189,920,674	28,533,671

Dilution limits

The Company's CSOP and the now-closed ESOS operate within the ABI's dilution limit of 5% of issued capital in 10 years for executive schemes and its CSOP and SAYE will operate within the 10% of issued capital in ten years limit for all plans.

As at 31 December 2025, the Company had 4.95% of share capital available under the 5% in 10 years limit and 9.55% of share capital under the 10% in 10 years limit.

As at 31 December 2025, 67,219,365 shares were held by the Employee Benefit Trust to hedge 96,866,709 outstanding awards of shares for the PSP and SBP.

Other information relating to directors' remuneration

External appointments

During 2025, António Simões was a Trustee of the Kings Trust International, Jeff Davies was a Non-Executive Director of Ethniki Hellenic General Insurance Company S.A. and Andrew Kail was a Non-Executive Director of TheCityUK. 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.