Investing in our people

We offer a range of different programmes suitable for university graduates and school leavers.

In particular, we provide apprenticeship pathways, alongside an intern and graduate placement programme, in business areas spanning data analysis, finance, project management, IT and more.

We are proud to provide a range of opportunities for first time employment along with a culture of encouraging development and rotation to empower our future leaders. Our business is proof that these programmes are a great foundation to a successful career.

Governance

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

Compliance with the Code

Details of how we have applied the principles, and complied with the provisions, of the Code are set out within this report, the Directors' report on remuneration and the Directors' report. For more information on our compliance, please visit the relevant sections outlined below. Our compliance statement can be found on page 67 of this report.

Letter from the Chair

"Our governance framework is the foundation upon which we remain confident in our decision making across the Group as we continue to navigate challenges presented by ever-changing market conditions."

Dear shareholders,

Introduction

2023 has been another year where the Board's role in monitoring and managing emerging risks in the macro-economy, and in markets, has been critical. The UK has continued to face a number of challenges and global market conditions have continued to be volatile during the period. Throughout this, Legal & General has remained robust and resilient, and we have much to be positive about going into 2024.

As a Board we remain confident in our strategy and in our ability to deliver resilient growth, supported by our strong competitive positioning in attractive and growing markets. Our strategy positions us well to navigate the prevailing market environment. We are confident we can continue to deliver profitable growth as we execute on our strategy and deliver on our purpose to improve the lives of our customers, create value for our shareholders and build a better society.

Our 2023 half year results were the first under a new accounting standard for insurance contracts. IFRS 17 was first conceived in the late 90s, but for most insurers significant work started in earnest in 2017. I would like to express my gratitude to everyone that contributed to the IFRS 17 programme across the Company. More detail on the implementation of this standard can be found in the Audit Committee report on pages 86 to 91.

As shareholders will be aware, in January 2023, Sir Nigel Wilson informed the Board of his intention to retire from executive life after 14 years with Legal & General, 11 of those years as Group Chief Executive Officer. Nigel's achievements over those years, and the leadership qualities he brought to the Company, are immense. Nigel has successfully navigated significant geopolitical changes as well as challenges in the regulatory and market environments of each of our core businesses and has steered the Group into a position of strength from which it can continue developing on behalf of its shareholders, customers and people. These achievements were rightly recognised, not only by Nigel's knighthood, but also when we were voted Britain's Most Admired Company by our fellow FTSE 100 and FTSE 250 companies last year. Under his stewardship, the Group has consistently delivered profitable, sustainable and inclusive growth. Nigel has been a tireless champion for investment-led growth and responsible investment. On behalf of the Board, I thank Nigel for his significant contribution and leadership of the Company and wish him well for the future.

Following Nigel's decision to retire from executive life, the Nominations and Corporate Governance Committee led a rigorous, global, selection process which led to the appointment of António Simões, who joined us on 1 January 2024. I look forward to working with António over the coming years. Further detail on the selection process can be found in the Nominations and Corporate Governance Committee report on page 81.

As a Board we continue to oversee and test the Company's strategy. The development and delivery of that strategy falls to our executive colleagues, led by our new Group Chief Executive Officer, António Simões, our Group Chief Financial Officer, Jeff Davies, and the heads of our four business divisions: Laura Mason, Andrew Kail, Michelle Scrimgeour and Bernie Hickman, each in turn supported by their management teams.

They are highly effective, individually and collectively, and there were a number of major successes across the Company during the period, which you will read about throughout this report. Our divisions work best when they work together: Legal & General Capital (LGC) creates real assets to support the Legal & General Retirement Institutional (LGRI) buy-out deals and fund annuities. Legal & General Investment Management

(LGIM) helps clients de-risk in preparation for buy-out – the majority of LGRI clients have been LGIM clients first. We are also a UK market leader in Retail for life insurance, workplace pensions and retirement income, and our divisions continue to work together to drive synergies to help us maintain excellent customer service, competitive market positions and business growth. Our collegiate and collaborative approach is crucial for maximising opportunities.

I would also like to note the opening of Calon, our new office in Cardiff. 'Calon' translates to 'Heart' in English and was chosen as the preferred name in a vote by our employees. The development of Calon and the wider investment into the Central Square of Cardiff has drawn upon the input of many key stakeholder groups. In addition to surveying our own people to understand their requirements, Legal & General fostered close relationships with local partners, suppliers and communities throughout the development process to ensure that the investment in the office benefits the local community as well as our employees. The office has been designed to operate with a lower carbon footprint than a standard office and is a key milestone towards Legal & General's commitment of achieving net zero carbon emissions from our occupied offices (where we control the management of utilities) by 2030. More information about Calon can be found on page 77.

Our approach to governance

As a Board, it is our role to promote the highest levels of corporate governance and ensure these values are embedded within our culture and throughout the organisation. As our business continues to evolve and as we pursue our strategic objectives in an ever-changing environment, our strong governance framework supports the Board in ensuring that across the Group we make decisions in the right way. The Board has worked closely with the executive team throughout the year as the business has continued to navigate the challenges presented by volatile market conditions to ensure our business can continue to flourish.

Ahead of 2024, a group-wide project was initiated which has led to the optimisation of our executive decision making across the Group through the implementation of a new executive governance framework, which took effect from 1 January 2024. More information on this new enhanced framework can be found on page 66.

For the year ended 31 December 2023, we were required to measure ourselves against the Code. The Board has considered carefully the requirements of the Code and I am pleased to report that we have complied with all provisions of the Code throughout the year. Further details on our compliance with the Code and how we have applied the various principles can be found on page 67.

Stakeholder engagement

As a Board, we are very focused on the impact that our business and decisions have on our stakeholders, as well as our wider societal impact. Our stakeholders are key to our decision making and it is hugely informative for us to hear the viewpoints from a variety of parties with an interest in the Company. We were able to conduct a number of face-to-face interactions this year, including site visits to our offices in Hove and Cardiff. I am always impressed during our Board site visits how evident our purpose is and how our values are demonstrated every day in ensuring we are doing the right thing for our customers. I would like to thank all of our colleagues for their significant contribution to our business. Through their roles as Designated Workforce Director and Consumer Duty Champion, non-executive directors Nilufer von Bismarck and Laura Wade-Gery have also conducted a number of meetings and site visits. We view these visits as an important way to meet with our partners and employees and experience Legal & General's culture first hand.

We presented our Climate transition plan at our 2023 AGM, and I was pleased this was supported by 97.7% of our shareholders. The Climate transition plan sets out our climate commitments and how we plan on achieving them. We spoke with a range of our major institutional investors about the plan who provided useful feedback during its development. Our Climate transition plan details how we are going to make our ambitions a reality, organised under three pillars: invest, influence and operate. It is important that we make our plans for addressing climate change public and ensure that our shareholders are supportive of them. More about our progress against the Climate transition plan can be found on page 43.

Board changes and succession planning

Legal & General continues to benefit from an outstanding Board with a diverse range and depth of expertise and skills.

The Nominations and Corporate Governance Committee spent a considerable amount of time this year focusing on executive succession planning, particularly in relation to the Group Chief Executive Officer. Each year, the Nominations and Corporate Governance Committee also considers the Board's skills and experience to support discussions around non-executive succession planning, which once again was a focus for the Nominations and Corporate Governance Committee in 2023. In September 2023, Lesley Knox succeeded Philip Broadley as the Board's Senior Independent Director. Philip remains a non-executive director of the Company and as a member of all five of its Committees. In February 2024, Laura Wade-Gery succeeded Lesley Knox as Chair of the Remuneration Committee. Lesley remains as a member of the Remuneration Committee.

Annual General Meeting (AGM)

The 2024 AGM will be held on Thursday 23 May at 11am at the British Medical Association, BMA House, Tavistock Square, Bloomsbury, London WC1H 9JZ, once again in a hybrid format, with additional facilities for shareholders to join and vote electronically. Full details of the business to be considered at the meeting will be included in the Notice of Annual General Meeting that will be sent to shareholders by their chosen communication means and published on our website: group.legalandgeneral.com/AGM.

Board effectiveness

During 2023, we conducted an external effectiveness review of our Board and its Committees. Following a tender process, Clare Chalmers Limited was appointed as the preferred provider to facilitate the review, which consisted of one-to-one interviews with Board members and observations at a series of Board and Committee meetings. The output of this review was considered by the Nominations and Corporate Governance Committee and the Board, and I am pleased to report that the conclusion was that the performance of the Board and each of its Committees continues to be highly-rated. Further details of the process and outcome of the external evaluation can be found on pages 84 to 85.

Conclusion

I would like to take this opportunity to thank my fellow Board members and colleagues at Legal & General for their dedication to the business and our customers. I have confidence that in the coming years Legal & General will continue to adapt, and grow, thanks to our greatest asset, our people.

Sir John Kingman
Chair

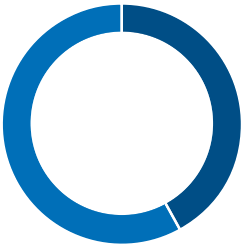
Board of directors

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

Other Board members during the year were:

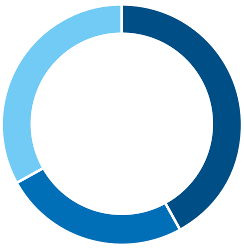
Sir Nigel Wilson (retired from the Board on 31 December 2023).

Gender



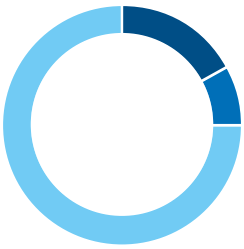
As at 31 December 2023 the Board comprised:
- **42%** Women
- **58%** Men

Tenure



As at 31 December 2023 the length of tenure of the Board varied:
- **42%** Over 6 years
- **25%** Between 3 – 6 years
- **33%** Between 0 – 3 years

Ethnicity



As at 31 December 2023 the Board comprised individuals from the following ethnic groups:
- **17%** South Asian
- **8%** Black
- **75%** White

Sir John Kingman KCB FRS
Chair
Appointed October 2016
N

Skills and experience:
John brings financial sector, government and regulatory experience to the Board. 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 – 2012, John was Global Co-Head of the Financial Institutions Group at Rothschild. From 2016 – 2021 he was the first Chair of UK Research & Innovation, which oversees government science funding of around £8 billion a year.
In 2018, John undertook a highly critical independent review for the UK government of the Financial Reporting Council.

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

António Simões
Group Chief Executive Officer
Appointed January 2024

Skills and experience:
António has extensive financial services experience, spanning over 25 years. Prior to his appointment, he 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:
- Prince's Trust International (Trustee)

Jeff Davies
Group Chief Financial Officer
Appointed March 2017

Skills and experience:
Jeff was appointed Group Chief Financial Officer in March 2017. He brings a wealth of insurance experience, having previously served as a senior partner of Ernst & Young LLP (EY) and led its European risk and actuarial insurance services. Prior to joining EY in 2004, he held a number of senior actuarial roles at Swiss Re Life & Health. Jeff is a Fellow of the Institute of Actuaries.

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

Philip Broadley
Independent Non-Executive Director
Appointed July 2016
A D N R Ri

Skills and experience:
Philip has over 30 years experience in the insurance industry, including 6 years as Group Finance Director of Old Mutual plc and prior to that 8 years in the same role at Prudential plc. He is a former Chair of the 100 Group of Finance Directors. Philip graduated from St Edmund Hall, Oxford, where he is now a St Edmund Fellow. Philip is a Fellow of the Institute of Chartered Accountants in England and Wales.

Other appointments:
- AstraZeneca PLC (Senior Independent Director)
- Lancashire Holdings Limited (Non-Executive Director)
- Eastbourne College (Chair of Governors)
- London Library (Treasurer and Trustee)

Henrietta Baldock
Independent Non-Executive Director
Appointed October 2018
N R Ri

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

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

Nilufer von Bismarck OBE
Independent Non-Executive Director
Appointed May 2021
A D N Ri

Skills and experience:
Nilufer 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. As well as a deep and extensive understanding of the financial services sector, Nilufer has considerable experience across a range of other industries and sectors, including real estate, green infrastructure and fintech. Nilufer is the Designated Workforce Director and Non-Executive Director for Climate.

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

Lesley Knox OBE
Senior Independent Director
Appointed June 2016; Senior Independent Director from September 2023
N R Ri

Skills and experience:
Lesley brings a wealth of international, strategic and financial services experience having spent over 18 years in senior roles in financial services, including with Kleinwort Benson, the Bank of Scotland and British Linen Advisors. Lesley previously served as Chair of Alliance Trust Plc and as Senior Independent Director at Hays Plc.

Other appointments:
- Legal & General Investment Management (Holdings) Limited (Non-Executive Director)
- 3i Group Plc (Senior Independent Director)
- Genus Plc (Senior Independent Director)
- Dovecot Studios Limited (Non-Executive Director)
- Grosvenor Group Limited Pension Fund (Trustee)

Carolyn Johnson
Independent Non-Executive Director
Appointed June 2022
A N Ri

Skills and experience:
Carolyn has extensive knowledge of the insurance and financial services industries following a 30-year executive career in the United States. Carolyn has deep experience in the life insurance market and is an accomplished business leader and experienced board member. She has previously held senior roles at AIG, Voya Financial and Protective Life Corporation.

Other appointments:
- Kuvare Holdings (Director)
- Beazley Plc (Non-Executive Director)

George Lewis
Independent Non-Executive Director
Appointed November 2018
A N R Ri

Skills and experience:
George has significant executive and professional experience in financial services, with a strong focus on global asset management from experience in Canada, Asia, the US and UK. George joined the Royal Bank of Canada in 1986, serving in various financial and wealth management roles. 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)

Ric Lewis
Independent Non-Executive Director
Appointed June 2020
N R

Skills and experience:
Ric has significant experience in investment management and, in particular, a focus on the real estate sector where he has more than 25 years of experience, 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:
- Dartmouth College (Trustee)
- Royal National Children's SpringBoard Foundation (Director)
- Black Heart Foundation (UK) Limited (Trustee, Chair and Founder)
- Black Equity Organisation (BEO) (Trustee)
- Imperial College London (Council Trustee)

Tushar Morzaria
Independent Non-Executive Director
Appointed May 2022
A N R Ri

Skills and experience:
Tushar is a chartered accountant and brings a wealth of financial services experience to the Board and has extensive knowledge of strategic financial management, investment banking and operational and regulatory relations. Tushar 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)
- Barclays PLC (Chair of Global Financial Institutions Group)

Laura Wade-Gery
Independent Non-Executive Director
Appointed January 2022
N D R Ri

Skills and experience:
Laura has extensive knowledge of digital transformation, business strategy and customer experience transformation. Her 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 the Chair of NHS Digital from 2021 – February 2023 and was a Non-Executive Director of NHS England from 2018 – 2023. She was previously a Non-Executive Director of the John Lewis Partnership.

Other appointments:
- The British Land Company PLC (Non-Executive Director)
- Moorfields Hospital Foundation Trust (Chair)
- Britten Pears Arts (Trustee and Chair of Trading Subsidiary)

Geoffrey Timms
Group General Counsel and Company Secretary

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

Group Management Committee

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

António Simões
Group Chief Executive Officer

Jeff Davies
Group Chief Financial Officer

Emma Hardaker-Jones
Group HR Director

Bernie Hickman
Chief Executive Officer, Legal & General Retail

Andrew Kail
Chief Executive Officer, Legal & General Institutional Retirement

Chris Knight
Group Chief Risk Officer

Laura Mason
Chief Executive Officer, Legal & General Capital

Michelle Scrimgeour
Chief Executive Officer, Legal & General Investment Management

Geoffrey Timms
Group General Counsel and Company Secretary

Our executive governance framework

Towards the end of 2023, a group-wide project was initiated to explore how we could best optimise executive decision making across the Group and enhance collaboration across executive management, whilst simultaneously promoting appropriate divisional and functional accountability and autonomy. Following this, a new executive governance framework was implemented from 1 January 2024.

Group Chief Executive Officer (Group CEO)

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

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

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

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

Governance report

The 2018 UK Corporate Governance Code (the 'Code') – 2023 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 2023. A Code compliance reference table can be found on page 61. Following the publication of the 2024 UK Corporate Governance Code in January, the Board is in the process of conducting a gap analysis against the new requirements to ensure that we are in a position to comply from the relevant effective dates.

Our governance framework

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

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

Chair
Leads the Board and, in consultation with the Group CEO, sets the agenda. Creates the conditions for overall board and individual director effectiveness, both inside and outside of the boardroom.

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

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

Group Chief Executive Officer
The Board has delegated the day-to-day management, and the responsibility of the successful execution of the strategy, to the Group CEO.

Group Chief Financial Officer (CFO)
The Group CFO is responsible for supporting the Group CEO in establishing group-wide financial and strategic objectives.

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

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

Read more on pages 86 to 91

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

Read more on page 79

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

Read more on pages 80 to 85

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

Read more on pages 94 to 119

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

Read more on pages 92 to 93

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

More information on the roles and responsibilities of our Chair, SID and Group CEO can be found on page 69.

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, whilst simultaneously generating value for shareholders and contributing to wider society; how the Board achieved this throughout 2023 is outlined in greater detail in our s.172 statement on pages 76 to 78. The Board is committed to maintaining the highest standards of corporate governance across the Group to support the delivery of our strategy, the fostering of positive stakeholder relationships and the creation of long-term sustainable value for our shareholders.

The specific parameters of the Board's role and responsibilities are set out in the Matters Reserved for the Board and are separated into eight categories:

- strategy and management
- structure and capital
- financial reporting and dividends
- risk and internal control
- corporate governance
- key personnel and remuneration
- product distribution and pricing
- brand.

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

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

Those matters which are not reserved for the Board's consideration are delegated by the Board to Group-level Committees and the Group CEO. The Board has delegated the day-to-day management of the Company, and the responsibility of the successful execution of the strategy, to the Group CEO. Throughout 2023, the Group CEO, Sir Nigel Wilson, delegated further decision making onward to the Group Capital Committee, an executive decision-making forum, as well as to his direct reports. Following the appointment of António Simões as Group CEO on 1 January 2024, a new governance framework has been implemented. Further information on the changes is outlined on page 66.
Although the Board delegates the day-to-day management of the Company, it is accountable for the long-term sustainable success of the Company and must continue 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, material transactions and critical projects in the context of the Group's strategy, risk appetite, the interests of the Group's stakeholders and our wider social purpose.

The Board is supported in its work by its Committees, each of which is governed by its own terms of reference, which clearly outline its remit and decision-making powers. The Committees of the Board, and their core responsibilities, are set out in the governance framework outlined on page 67, and each of the respective Committee reports on pages 79 to 119.

Composition, independence, and effectiveness

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

When considering the appointment of new directors, the Board is mindful of the contribution and skillset that each new appointee will bring to the Board; the Board has an established skills matrix which supports Board succession planning. The Board continues to focus on maintaining 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. More information on the Group's Diversity and Inclusion Policy can be found on pages 82 and 83.

In January 2023, Sir Nigel Wilson announced his intention to retire from his role as Group CEO after over a decade in the role. Following a rigorous, global, selection process managed by the Chair, António Simões was appointed as Group CEO with effect from 1 January 2024. Prior to joining Legal & General, António was CEO of Banco Santander Spain and Regional Head of Europe, and previously spent 13 years at HSBC in various roles including CEO of UK and Europe and CEO of Global Private Banking. António strengthens the Board's experience having worked across complex, global organisations and brings a formidable leadership track record at the most senior level of financial services. António will help ensure that Legal & General continues to deliver on its enormous potential for its shareholders, employees, customers and the communities of which it is a part, through his executive leadership and strategic direction. More information on the Group CEO appointment process can be found on page 81.

A board effectiveness review is conducted on an annual basis. In line with the requirements of the Code, this review was externally facilitated in 2023. As part of this review, board dynamics and board decision-making, including non-executive directors' engagement, constructive challenge and contribution to board discussions, is assessed. Throughout the year, there were no concerns as to the operation of the Board or management of the Company.

Further information relating to the external effectiveness review can be found on pages 84 to 85.

Committee terms of reference
All Committee terms of reference can be found on our website at group.legalandgeneral.com/committees.

Division of responsibilities

In line with the provisions of the Code, a clear division of responsibilities between the leadership of the Board and the executive leadership of the Company's business has been established and, in particular, set out in writing between the Chair, Group CEO and the Senior Independent Director, as illustrated in the table below. Each of these role and responsibility statements is reviewed and approved by the Board as part of an annual corporate governance review, to ensure they remain relevant and accurately reflect the requirements of the Code, the Companies (Miscellaneous Reporting) Regulations 2018 and industry best practice.

Role on the Board	Responsibilities
 **Sir John Kingman, Chair**	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 • Ensuring the Board receives accurate, timely, high quality and clear information, with the support of the Group Company Secretary • 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, and building effective relationships based on mutual respect and open communication • 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**	As Group CEO, António Simões is responsible for: • Proposing the Group strategy and delivering the strategy as agreed by the Board • Upholding the highest standards of integrity and probity and thereby setting the style and tone for the Group Management Committee • Embodying the Group's three 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.
 **Lesley Knox, Senior Independent Director**	As Senior Independent Director, Lesley Knox is responsible for: • Providing support to the Chair in the delivery of their objectives and being a trusted channel of communication to the Chair for the other directors • Being available to shareholders and other non-executive directors for any concerns which cannot be resolved through the normal channels • Attending meetings with major shareholders to listen to their views and develop a balanced understanding of issues and concerns and ensure that they are being considered by the Chair • Leading the annual evaluation of the performance of the Chair.

You can read more about the skills and experience of the Board in their biographies on pages 64 to 65.

The Role and Responsibilities document can be viewed on our website: group.legalandgeneral.com/en/about-us/corporate-governance/group-board-roles-and-responsibilities

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 by the Board, as part of an annual corporate governance review. When identifying and managing any potential rise in conflict of interest, a record is maintained for each Board members' disclosed directorships and appointments. In the instance of an actual or potential conflict of interest arising, if the Board authorises said conflict, a formal record is maintained as part of the Company's records and would be declared at the start of each relevant meeting and noted within the minutes of the meeting, as stipulated and governed by our directors' conflict of interest policy. To ensure accurate records, on an annual basis, Board members are required to formally approve and sign their conflicts of interest register, thereby 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. At times, their commitment may be required to go beyond that set out in the letter of appointment. The time commitment is reviewed regularly. External commitments, which may have an impact on existing time commitments, must be agreed in advance with the Chair and approved by the Nominations and Corporate Governance Committee, acting under its delegation from the Board. As part of the external appointments approval process, each director's time commitments are assessed in detail. The significant commitments of each director are detailed in their biographies on pages 64 to 65.

Non-executive directors' time commitments are considered by the Nominations and Corporate Governance Committee as part of its ongoing assessment of the Board's composition. Upon review, the Committee assesses the directors' commitments to the Company alongside their other significant commitments to ensure that they continue to be able to fulfil their duties to the Company. Where the Committee approved new external appointments, it was satisfied that they did not give rise to a conflict of interest and would not impact the directors' time commitment to the Company. In line with our conflicts of interest policy, directors absent themselves from any discussions relating to their own internal or external appointments.

The Board, on the recommendation of the Nominations and Corporate Governance Committee, is satisfied that each non-executive director serving at the end of the year remains independent, effective and continues to have sufficient time to discharge their responsibilities to the Company. Upon making new appointments to the Board, prospective candidates are expected to devote sufficient time to fulfil their responsibilities and duties to the Company and to do so by acting with integrity, leading by example and promoting the desired culture.

The Chair's commitments were considered on appointment, are regularly reviewed, and are assessed robustly whenever he proposes to take on an external appointment. In June 2023, the Chair took up the roles of chair at Barclays UK PLC and non-executive director at Barclays PLC. The Nominations and Corporate Governance Committee, led by the SID, carefully considered these external appointments and determined that, given the length of the Chair's tenure at the Company and significant experience, he was capable of balancing the time commitments and any potential conflicts, and overall the new roles would be additive to the Chair's experience, and accordingly, to the Company. Thus, the Nominations and Corporate Governance Committee was comfortable that the Chair is able to devote sufficient time to the Company.

Diversity and inclusion (D&I)

At Legal & General, we are building an inclusive culture that celebrates diversity and creates fair opportunities for everyone. Diversity is important to the Board, and the Group as a whole, because it generates a wider pool of talent by reflecting the broadest range of human attributes, experience and backgrounds, whilst simultaneously supporting good decision making and reducing the risk of groupthink.

It is important for our Board to have a broad range of insights and perspectives to help us make better decisions as a business and create an inclusive culture for our people. All appointments to the Board are based upon an impartial gap analysis of knowledge, skills, experience and diversity across the Board as a whole. This gap analysis is routinely conducted to review the composition of the Board and make relevant recommendations for any changes; it also takes account of succession plans to ensure a sustainable pipeline of diverse board talent.

D&I continues to be an area of focus for both the Board and the Nominations and Corporate Governance Committee. For more information on the Board's commitments to D&I, please visit our Nominations and Corporate Governance Committee report on pages 80 to 85.

Our purpose and culture

The Company's three core 'behaviours' embody our values and reflect the belief that it's not just what we do that is important, but how we do it. Together we are: purposeful, straightforward and collaborative.

These behaviours are the foundations of our long-term sustainable success and define how we do what we do. Throughout 2023, we have reshaped the way we assess 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 whilst achieving our goals. This approach not only helps us to further enhance our performance culture, but also to ensure our core behaviours are embedded into the way we do what we do.

The Board regularly receives updates on the Voice survey which provides insights into employee satisfaction. The surveys include questions on purpose, values and culture to enable the Board to understand whether these areas are aligned to the three key pillars used to measure satisfaction; engagement, culture and productivity, and enablement.

As well as reshaping the way we assess and measure performance against our core behaviours and values, in September we sought to achieve further insight into what it is like to work as part of the Company, by seeking views directly from our employees globally. This qualitatively complimented the findings from our Voice survey and enabled a deeper understanding which was not led or constrained by questions in a survey, but instead facilitated via a forum for employees to communicate their views, in confidence.

Throughout the year, the Board attended site visits across our UK offices, which enabled our directors to meet with our employees and gain insights into our culture and behaviours in action. In addition, Board members meet with smaller groups of employees to speak directly with them, both with and without management present, and hold town hall events to answer questions from employees. The executive management team also held numerous town hall events at various locations throughout the year to update the workforce on topical issues. Employees are offered the chance to ask the management team questions throughout these sessions. These events are run as hybrid events to maximise engagement.

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

For further detail on our group-wide D&I strategy and goals, please see page 49 of this report.

Subsidiary boards

At Legal & General we have benefited from a strong governance framework operating at subsidiary level for many years now.

Henrietta Baldock and Lesley Knox continue in their roles on the board of two of our principal operating subsidiaries: Henrietta as Chair of Legal and General Assurance Society Limited (LGAS) and Lesley as non-executive director of Legal & General Investment Management (Holdings) Limited (LGIM(H)). George Lewis was also appointed as the Chair of Legal and General Assurance (Pensions Management) Limited in February 2024, having been a member of the board since April 2022. This crossover of directors on our Group Board, principal and other key subsidiary boards allows greater interactions, information flows and promotes enhanced collaboration.

Induction, training and development

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

Following his appointment as Group CEO, António received a comprehensive and tailored executive director induction to the Board. All Board members receive regular training throughout the year; the Board believes that continual director training and development is important to maximise the effectiveness of the Board and ensures the Board can effectively challenge the executive. The training programme is generated on an annual basis, based on the needs of the Board, and internal and/or external circumstances, including any recommendations from the annual evaluation of the Board and its Committees. It is the responsibility of the Chair to help ensure directors continually update their skills, knowledge and familiarity with the Group, and the Chair does so with input from the Board and the Group Company Secretary. In 2023, the Board received specific training on various topics, including cyber security, biodiversity and AI. In addition, Board and Committee meetings are regularly used to update the Board on developments in the areas in which the Group operates, and specific training sessions for directors are scheduled for key topical issues. As part of their ongoing training and development, Board members are invited to attend site visits to the Group's various offices, developments and investments, with the aim of widening Board members' knowledge of the business, gain first-hand insights and to provide Board members with the opportunity to meet personally with our employees. Throughout the year, site visits were carried out at our offices in London, Hove and Cardiff, as well as individual director visits to Solihull.

Board and Committee meeting attendance during 2023

			Board		Audit Committee		Data and Technology Committee[1]	Nominations and Corporate Governance Committee		Remuneration Committee		Risk Committee[1]
Director	Appointment date	Committee appointments[2]	Scheduled	Ad-hoc	Scheduled	Ad-hoc	Scheduled	Scheduled	Ad-hoc	Scheduled	Ad-hoc	Scheduled
Non-executive directors												
H Baldock[3]	4 October 2018	N R Ri	7/7	3/3				3/4	2/2	5/5	3/3	5/5
N von Bismarck OBE[4]	1 May 2021	A D N Ri	7/7	3/3	4/5	0/1	4/4	3/4	2/2			5/5
P Broadley	8 July 2016	A D N R Ri	7/7	3/3	5/5	1/1	4/4	4/4	2/2	5/5	3/3	5/5
C Johnson	17 June 2022	A N Ri	7/7	2/3	5/5	1/1		4/4	2/2			5/5
L Knox[5]	1 June 2016	N R Ri	7/7	2/3				3/4	0/2	5/5	3/3	4/5
G Lewis	1 November 2018	A N R Ri	7/7	3/3	5/5	1/1		4/4	2/2	5/5	2/3	5/5
R Lewis[6]	18 June 2020	N R Ri	6/7	3/3				2/4	2/2	5/5	3/3	5/5
T Morzaria	27 May 2022	A N R Ri	7/7	3/3	5/5	1/1		4/4	2/2	5/5	3/3	5/5
L Wade-Gery[7]	3 January 2022	N D R Ri	7/7	3/3			4/4	4/4	2/2	5/5	3/3	4/5
Chair and executive directors												
Sir J Kingman[8]	24 October 2016	N	7/7	3/3				4/4	2/2			
J Davies	9 March 2017		7/7	2/2								
Sir N D Wilson[9]	1 September 2009		7/7	2/2								

1. No ad-hoc meetings throughout 2023.
2. Committee appointments in accordance with appointments as at 31 December 2023.
3. Unable to attend Nominations and Corporate Governance Committee meeting on 6 December 2023 due to pre-agreed commitments.
4. Unable to attend Audit Committee and Nominations and Corporate Governance Committee meetings on 6 December 2023 due to personal reasons.
5. Unable to attend Risk and Nominations and Corporate Governance Committee meetings on 12 October 2023 due to pre-agreed travel arrangements.
6. Unable to attend Board meeting on 17 May 2023 and Nominations and Corporate Governance Committee meetings on 17 May and 12 December 2023 due to pre-agreed travel arrangements.
7. Unable to attend Risk Committee meeting on 15 May 2023 due to pre-agreed travel arrangements.
8. Attends all Audit, Data and Technology, Remuneration and Risk meetings as an invitee.
9. Retired from the Board on 31 December 2023.

Committee membership key

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

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.

How the Board spent its time in 2023

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 2023, the Board held 10 Board meetings, including one strategy event, and one additional site visit. Board Sub-Committees were also constituted on a number of occasions in order to deal with particular matters arising outside of the formal schedule of meetings: a Sub-Committee was constituted during the year to oversee and closely manage the Group CEO search process. The non-executive directors have private meetings without the executives present before and after each Board meeting, and otherwise as required.

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

The Board informs itself of the views of shareholders on a regular basis through updates from the Group CEO and Group CFO, as well as an update from the Chair following his annual schedule of investor meetings. Where relevant, Board Committee Chairs also hold meetings with investors.

The Board has established the Company's purpose, values and strategy, and has satisfied itself that these and its culture are aligned.

This is reflected in the Board agendas throughout the year, which are set by the Chair, with input from the Board, and consist of regular reports on the following discussion areas:

- updates from the Group CEO, the Group CFO and the Chair of each of the Committees
- updates from key business divisions on business performance and progress against strategy, key business initiatives, customer and employee engagement, the control environment and culture
- discussions on strategic ambitions, material transactions and other material initiatives, to ensure alignment with strategic objectives
- updates about meetings held between directors and key regulators, such as the FCA and PRA
- implementation of the Consumer Duty and a greater board focus on customer outcomes
- risk and compliance matters, including regular updates on whistleblowing
- audit matters, including IFRS 17 considerations
- legal and governance matters from the Group General Counsel and Group Company Secretary
- people, culture, and employee engagement matters, including updates from the Designated Workforce Director and updates on the results of the employee Voice survey
- ESG, climate and sustainability considerations
- the Group's relationship with various stakeholder groups. For more information on the Board's stakeholder engagement throughout the year, see pages 76 to 78.

"I was honoured to receive the Instant Impact Award at the 2023 Legal & General Awards, and have this presented to me by one of our non-executive directors. It was a fantastic opportunity for all nominees and winners to meet and integrate with the Board."

Jack Maclean
Pensions Consultant

Jan

Discussed the Group's growth opportunities in pension risk transfer (PRT)

Mar

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

Received training on cyber security

Apr

The Chair, Sir John Kingman, and non-executive directors, Laura Wade-Gery, Tushar Morzaria and Nilufer von Bismarck spoke at town hall events for colleagues at our Hove office

May

Hosted the Group's Annual General Meeting

Hosted the first 'talent dinner' of 2023 with colleagues who have demonstrated potential to progress into senior roles within the business

Jun

Approved the appointment of António Simões, following recommendation from the Nominations and Corporate Governance Committee

Aug

Approved the half year financial results and interim dividend

Received a presentation from the PRA on the 2023 Periodic Summary Meeting Letter

Oct

Held an executive business awareness session on nature and biodiversity

Held interactive sessions with LGIM senior leadership in the London Head Office

Hosted the second 'talent dinner' of 2023

Nov

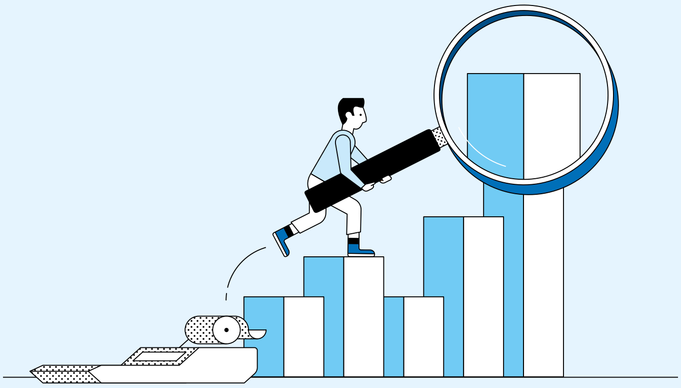
Held an off-site event and attended the Legal & General awards at our new Cardiff office, Calon

Received training on Artificial Intelligence

Dec

Reviewed and approved the annual corporate governance review, to maintain compliance with legal and regulatory requirements and corporate governance best practice

Approved the Group Financial Plan for years 2024 – 2028



Employee engagement

> “On behalf of the Board, I will continue to listen to our people.”

Nilufer von Bismarck
Designated Workforce Director

> “It’s clear that Nilufer is passionate about collaboration and our unique partnership with Unite. She has had a positive impact on the business and our members, particularly around Diversity and Inclusion and Wellbeing.”

Pam Edwards
Head of Unite

My role

The wellbeing of our employees is a key priority for the Board and we recognise that our success is driven by our people. As Workforce Director, I engage with, and listen to the concerns of, our employees. I seek to support our people by representing their views to the Board and finding ways to address the issues I uncover.

At the end of 2022, with input from both employees across divisions and the Board, we established my 2023 programme for engagement with our people based around three pillars:

- Diversity and Inclusion and Wellbeing
- Collaboration
- Growth.

These pillars are relevant to all areas of the business and align with the priorities established by wider management. Engagement with employees during 2023 was structured around these pillars and we tracked the impact and outcomes of my engagement.

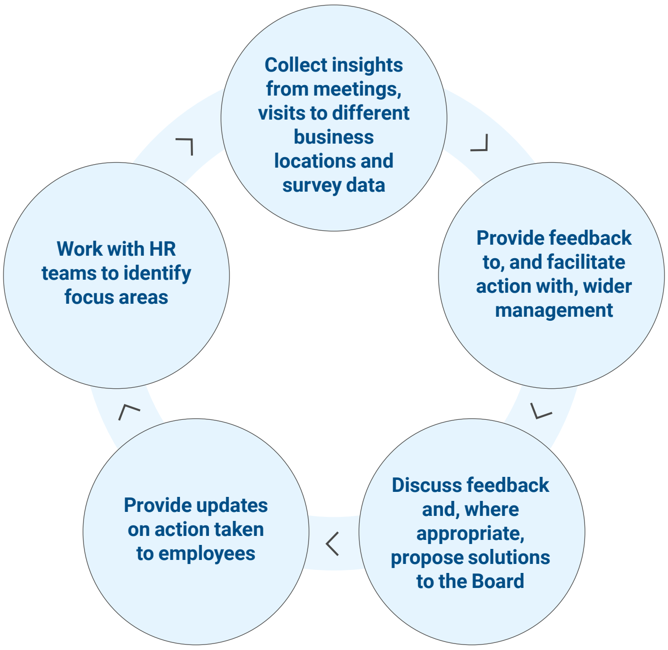
Elevating employee views

There is a standing item at each Board meeting to discuss my activities as Workforce Director since the last meeting and to provide relevant feedback. During 2023, I reported against the programme and discussed relevant issues and any potential responses or changes.

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

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

Elevating employee views



Some of my 2023 activities

My relationships with Unite and the Management Consultative Forum (MCF) are key. Through these bodies, I can gather the views and concerns of a range of employees at a variety of grades across the Group. During 2023, I met with representatives from both organisations every quarter.

For each business division, I received regular updates on Diversity and Inclusion, Wellbeing and on the Voice survey results and actions being taken following such results. This links to my 2023 programme pillar of Diversity and Inclusion and Wellbeing, but also to Collaboration as I have been able to share best practices across different parts of the business.

I have participated in various events across the business, such as the Women in Business & Finance panel, LGC's 'Grade 5 forum' and the summer internship induction programme, all supporting the focus on Growth.

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

Voice

I interrogate the Voice survey data to understand how our people feel and this is discussed by Board members at the Nominations and Corporate Governance Committee, together with any appropriate actions to take in response. Employee satisfaction is at 79%, and work is underway to improve this even further in 2024.

2024

On behalf of the Board, I will continue to listen to our people, provide feedback, and, where relevant, implement changes through wider management and the Board.

In 2024, my priorities as Workforce Director will again be aligned with the Board and wider management's focus. I will continue to focus on Diversity and Inclusion and Wellbeing, and Collaboration, whilst Growth will evolve to Performance and Capability. I will build my interactions with employees around these pillars, complemented with analysis and understanding of the results of employee surveys.

> "We are grateful for the regular forum with Nilufer to raise issues impacting management-level employees and have been able to shape approaches to benefits and internal policies."

Sarah Hilton
Management Consultative Forum representative

Section 172 statement and stakeholder engagement

Statement on Section 172 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 2023 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 2023 can be found below. This, combined with our key engagement activities on page 78, makes up our section 172(1) statement. Further information on our key stakeholders and their importance is set out on pages 14 and 15.

Key employee engagement in the year

Following the announcement of the appointment of António Simões as Group CEO Designate, effective from 1 January 2024, a new group-wide CEO edition of the employee Voice survey was launched in preparation for António's arrival. The survey invited employees to share their feedback on working at Legal & General which was shared directly with António upon his appointment.

Major decisions and activities during 2023

The following examples of major decisions and activities during the year illustrate how the Board considers different stakeholders' interests in its decision making and how this supports the implementation of the Group's long-term strategy and its strategic growth drivers (as set out on pages 10 and 11).

We believe that major decisions are those that are both material to the Group and to its key stakeholders. Whilst 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.

Our strategic growth drivers

1. Ageing demographics
2. Globalisation of asset markets
3. Investing in the real economy
4. Welfare reforms
5. Technological innovation
6. Addressing climate change

Major decision

Approval of a £2.7 billion buy-in with the British Steel Pension Scheme

1 3 4

The Board approved a final buy-in policy with the British Steel Pension Scheme (the 'Scheme'), totalling £2.7bn, under which the remaining 40% of liabilities was insured. This was the final transaction in a series of four phased buy-ins to fully insure the £7.5bn of the Scheme's liabilities, securing the benefits of all circa 67,000 retired and deferred members. In doing so, the Scheme became the largest pension scheme in the UK to have fully insured all its members' benefits.

This transaction demonstrates our expertise in pensions de-risking and our commitment to helping schemes find solutions to secure pension commitments against a backdrop of ageing demographics.

At the core of these transactions, and to insure benefits at this scale, Legal & General developed strong relationships with the Trustees' sponsoring company, the Scheme's in-house teams and advisors and brought together expertise across Legal & General. These transactions signal a successful continuation of our long-term, collaborative relationship with the Scheme.

Through rigorous board review and decision making, and a series of well-timed transactions, the Scheme capitalised on volatile markets and strong decision making to capture attractive pricing and achieve the Trustees' and Sponsors objective of full insurance.

For more information on the Group's institutional retirement business, please visit pages 29 to 31.

Key stakeholder consideration

Customers

Circa 67,000 members will benefit from the security that Legal & General provides to their pensions. As populations live longer, their pensions last longer too. By delivering on a carefully considered and well-established plan, we helped the Trustees and sponsoring company of the Scheme secure the benefits of their members for the long-term – far faster than initially anticipated.

Regulators

We continue to maintain strong and positive regulatory engagement with the Prudential Regulation Authority and we provided updates on the transaction through our periodic pipeline reporting.

Shareholders

This transaction has helped us to deliver another strong result for our pension risk transfer business and create long-term value and strong returns for our shareholders.

Major activity

The development and residency of our new Cardiff office, Calon

3 4 5 6

Throughout the year, the Board was updated on the £475 million regeneration project in Cardiff's Central Square, which included the development of Calon, our new Cardiff headquarters. Our aim was to create a workplace with sustainability, wellbeing and our purpose of inclusive capitalism at its core. By October 2023, all of our Cardiff based colleagues had been successfully relocated to Calon, bringing our people and our Company into the heart of the investments we're making in the city, and their long-term future.

To celebrate the opening of Calon, our Group CEO, Group CFO, Group HR Director and Retail CEO joined employees and community stakeholders for an official 'opening ceremony' to celebrate our new home for our circa 2,500 people in Wales. In November, the Board held its strategy event at Calon and combined this with an interactive site visit to experience the new office for themselves and to meet with colleagues.

As part of this, the Board held an in person town hall and invited all colleagues to join. Updates were provided on diversity and inclusion within the Board, emerging risks and opportunities and Consumer Duty. Employees were invited to ask a range of questions and provide their feedback on their new working environment.

Calon has been designed for sustainability, wellbeing and inclusivity. The new office has been developed using a climate-focused approach and represents the delivery of our socially responsible investing agenda and our continued relationship with all of our stakeholders. It is hoped that Calon will drive an evolution on how cities are suitably designed to be sustainable, long-term.

The development of Calon is the result of a £475 million investment by Legal & General into the regeneration of Cardiff's Central Square, run in partnership with Cardiff Council, the Welsh Government and Rightacres. It demonstrates our commitment to investing in the real economy and forms part of our wider £1 billion investment in Cardiff in recent years.

Key stakeholder consideration

Employees

Engaging with our employees throughout the planning and development stages of Calon has supported our inclusive company culture whilst understanding what is important to them in a hybrid working environment. Our workforce is vital to our success. To help us understand the views of our employees, we engaged through formal and informal channels; the name of the new office 'Calon' – Welsh for heart – was chosen in a vote by our employees.

Communities and environment

Calon meets the highest standards in sustainable design. There is no gas in the building, and it can generate its own electricity from solar panels and air source heat pumps. It has achieved a BREEAM Outstanding rating and is also targeting Nabers UK 5-star. With over 3,000 living plants and natural lighting throughout, it has occupants' wellbeing at its core.

Suppliers

In line with our commitment to inclusive capitalism, we utilised local suppliers and products throughout the development process where possible, to further improve the social impact the building delivers.

Major activity

The development of our partnership with Bruntwood SciTech to achieve additional investment for the regeneration of our towns and cities in the UK

2 3 5

The Board oversaw the development of our science and technology real estate joint venture with Bruntwood SciTech, the leading property and innovation services provider in the UK, including a new partnership with Greater Manchester Pension Fund (GMPF), the UK's largest local government pension fund, securing £500m of additional investment.

We're bringing a fresh injection of capital which reinforces our commitment to investing purposefully in the real economy. The long-term vision for our joint venture with Bruntwood SciTech is to provide the infrastructure that businesses and the public sector need to thrive and to provide the UK's regional cities with the capacity they need to support future growth.

Opportunities exist to export our investment expertise internationally to support our global ambitions. The success of Bruntwood SciTech has paved the way for the expansion of our UK business model to the US market with Ancora L&G, where we believe there is significant potential for further growth.

For more information on the Group's capital investment business, please visit pages 32 to 34.

Key stakeholder consideration

Communities and environment

We are committed to creating and supporting thriving cities and our joint venture with Bruntwood SciTech has enabled us to work with cities and universities to create modern science infrastructure. The growth of the Bruntwood SciTech partnership through the introduction of GMPF supports the delivery of a significant long-term investment project that is economically viable and bolsters innovation strategies and regeneration of towns and cities in the UK.

At Bruntwood SciTech's core is the drive to invest in an innovation backbone for the UK. The new capital will be used to expand and redevelop existing science and technology campuses and city centre innovation hubs, delivering additional world-leading lab and office space in the UK across a secured 3.6m sq ft development pipeline.

The investment supports the drive to regenerate towns and cities in the UK, helping to create highly skilled jobs, increase productivity and drive wage growth, while supporting the UK's target to become a global science and technology superpower by 2030.

Section 172 statement and stakeholder engagement
continued

Key stakeholder engagement during the year

Stakeholder	Key engagement activities throughout the year
Shareholders Our shareholders are vital to the future success of our business, providing funds which aid business growth and the generation of sustainable returns.	• The Chair, Group CEO and Group CFO attend numerous investor roadshows throughout the year with our key institutional investors to understand their views on areas such as our strategy, financial performance, AGM voting and macroeconomics. • Following the release of our full and half year financial results, the Group CEO and Group CFO met with investors and analysts. In addition, a webcast of each result presentation is made publicly available on the corporate website to enable accessibility for our shareholders. • The AGM continues to provide an important opportunity to engage with all shareholders, particularly our retail shareholders.
Suppliers Interaction with our suppliers and treating our suppliers fairly allows us to drive high standards and reduce risk in our supply chain whilst also benefitting from cost efficiencies and generating positive outcomes for the environment and wider society.	• The Group CFO and members of the senior management team meet with key suppliers during the year to discuss performance and strategy. • The Legal & General Resources Limited board, our main contracting entity for suppliers, is responsible for reviewing and monitoring the Group's key supplier relationships and receives an update at each board meeting on our relationships with suppliers and their performance. • The Executive Risk Committee, Group Risk Committee and Group Data and Technology Committee receive reports relating to supplier resilience and security. • The Group Environment Committee also receives updates on suppliers in the context of setting environmental targets aligned with our net zero ambitions.
Regulators We actively engage with appropriate regulatory bodies to ensure that we maintain high standards of business and deliver for our customers. We work closely with regulatory authorities to effectively monitor external developments and identify and respond to the evolving landscape.	• Board members meet with the PRA and FCA periodically to discuss various priorities and supervisory strategies. • Regular meetings continue to take place between management, our risk function and our regulators, the outcomes of which are reported to the Board and relevant Board Committees. • Periodic meetings continue to take place between management, trustees of our master trust pension scheme and The Pensions Regulator, the outcomes of which are reported to relevant subsidiary boards, as appropriate.
Communities and environment Contributing positively to wider society enables us to create stronger communities and have a positive environmental impact.	• Through organised site visits, members of the Board are able to see first-hand how the Group's direct investments in infrastructure positively impact local communities by delivering socially and environmentally positive housing and workplaces at scale. • Our Group Sustainability function is responsible for developing areas of focus for sustainability activity, as well as forming charitable partnerships and enabling our employees' fundraising and volunteering endeavours. • Our Group Environment Committee is responsible for providing strategic direction for the management of environmental impact.
Customers Listening to our customers helps us to better understand their needs and provide suitable and reliable products and services.	• Laura Wade-Gery, in her role as Consumer Duty Champion, continues to lead on providing Board oversight of the implementation of the Consumer Duty regulations across the Group to ensure that we continue to deliver good outcomes for retail customers. • The Board receives detailed customer management information at each meeting to ensure that customer outcomes are robustly monitored. • We hold annual member forums for thousands of members of our pension schemes which allow members to ask questions in a live Q&A environment.
Employees Engaging with our people enables us to create an inclusive company culture and a positive working environment.	• Nilufer von Bismarck continues to engage with our workforce through her position as our Designated Workforce Director. Further details of Nilufer's engagement can be found on pages 74 and 75. • Members of the Board host numerous employee town halls throughout the year at our various office locations, including following the announcement of full year and half year results, which provides an opportunity for the Board to increase employee awareness of the factors affecting the performance of the Company and provides the opportunity for direct engagement through live Q&A sessions.

For more information on:
- the sustainability of our supply chain and actions against modern slavery, refer to page 51 of this report
- the Board's oversight of climate and environmental issues, and the non-environmental aspects of our sustainability agenda, refer to our Social impact report and Climate and nature report: group.legalandgeneral.com/reports
- our gender pay gap, alongside other people-related KPIs, refer to our Social impact report: group.legalandgeneral.com/reports.

Data and Technology Committee report

Committee overview

Committee meetings and membership

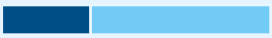
The Committee met 4 times during the year. The Committee is composed entirely of independent non-executive directors. As well as the Committee members, the Group CEO, the Group CFO, the Group CRO and the Chief Technology Officer are expected to attend each meeting. The Committee is advised by an independent Cyber Security Advisor and an independent Information Technology Advisor who attend each meeting and provide key insights into industry trends and advice on the evolution of our technology, data and cyber strategies.

Members
Laura Wade-Gery (Chair)
Philip Broadley
Nilufer von Bismarck

Gender

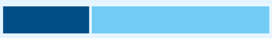
67% Women
33% Men

Tenure



33% Over 6 years
0% Between 3 – 6 years
67% Between 0 – 3 years

Ethnicity



33% South Asian
67% White

The role of the Committee

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

Key responsibilities

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

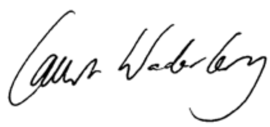
The Committee's terms of reference can be viewed on our website: group.legalandgeneral.com/committees

I am pleased to present my second report as the Chair of the Data and Technology Committee. During the year, the Committee's remit evolved to include oversight of Legal & General's data strategies. This is an important area of focus for Legal & General as we recognise the opportunities that can be derived from data. This change has enabled the Committee to become a more forward-looking and strategic forum to drive innovation.

The Committee's focus during the year has been around four key themes: control & risk; capability & capacity; strategy & innovation; and change delivery. These themes have allowed the Committee to explore technology, data and cyber in depth and has created an environment where these key strands can be brought together to support the Board in seizing technological and data opportunities and overseeing the challenges presented by technology and cyber. The Committee is supported by an executive level technology and security governance framework. This framework has provided greater oversight of, and allowed the Committee to place greater reliance on, the Group's executive-level governance arrangements.

During the year, the Committee has focused considerably on data as it becomes an increasingly important element of our business. Data touches every application, process and business decision we make. We have an ambition to become a more data driven and insight led organisation, and to do this, we need to ensure data is treated as a highly valuable and strategic asset. The Committee also spent time focusing on how divisions can collaborate to drive greater efficiencies and capabilities. In October, we concentrated on this from a people and capabilities' perspective. This was a useful exercise as it highlighted some shared challenges and opportunities across the Group and recognised that the different markets in which our businesses operate demand different skill sets, experiences and capabilities to meet their divisional needs. I have been pleased to see the formation of a technology leadership community across the Group which is bringing together these shared challenges and opportunities.

As Artificial Intelligence continues to embed into society, the Committee will continue to discuss and oversee its associated opportunities and challenges.



Laura Wade-Gery
Chair of the Data and Technology Committee

Nominations and Corporate Governance Committee report

"The Board was delighted to appoint António Simões and I look forward to working with António to ensure that we continue to deliver on our enormous potential for our shareholders, employees, customers and the communities of which we are a part."

Committee overview

Committee meetings and membership

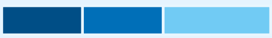
The Committee met 6 times during the year. The composition of the Committee remains in compliance with the Code, the requirements of its terms of reference and comprises only independent non-executive directors. Details of members' experience and skills can be found in the biographies on pages 64 and 65.

Members
Sir John Kingman (Chair)
Henrietta Baldock
Nilufer von Bismarck
Philip Broadley
Carolyn Johnson
Lesley Knox
George Lewis
Ric Lewis
Tushar Morzaria
Laura Wade-Gery

Gender

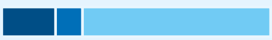
50% Women
50% Men

Tenure



30% Over 6 years
30% Between 3 – 6 years
40% Between 0 – 3 years

Ethnicity



20% South Asian
10% Black
70% White

The role of the Committee

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

Key responsibilities

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

The Committee's terms of reference can be viewed on our website: group.legalandgeneral.com/committees

Chair's introduction

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

One of the Committee's main areas of focus for the year was succession planning, particularly the extensive search and full and robust selection process to appoint our new Group Chief Executive Officer. The Board was delighted to appoint António Simões with effect from 1 January 2024 and I look forward to working with António. In addition, we implemented succession planning for the Chair of the Remuneration Committee, as well as the Senior Independent Director, as part of our commitment to, and support of, the FCA's targets on board diversity as set out in the Listing Rules.

The external Board effectiveness review was another key area of focus this year for the Committee. Further information on the process and results can be found on pages 84 and 85 of this report.

Sir John Kingman
Chair

Key activities during 2023

- Led the process for the search and appointment of the new Group Chief Executive Officer.
- Considered director reappointments, external appointments and changes to the composition of the Board and its Committees.
- Recommended the appointment of the external facilitator for the annual effectiveness review of the Board and each of its Committees.
- Oversaw the development of a diverse pipeline of talent for succession to the Group Management Committee across near- to long-term time horizons.
- Oversaw the development of, and progress against, the Group's diversity and inclusion workforce policies, including the annual review and approval of the Board's Diversity and Inclusion Policy.
- Considered the results of the employee Voice surveys.

Corporate governance

The Committee is responsible for overseeing and monitoring the Company's corporate governance framework and compliance with the Code. The Company has complied with all provisions of the Code throughout the year. Further details of the Group's corporate governance framework, including compliance with the Code, can be found on page 67.

Appointment of our new Group Chief Executive Officer

Upon recommendation from the Committee, the Board appointed António Simões as our new Group Chief Executive Officer with effect from 1 January 2024. António's appointment followed a rigorous, global selection process managed by a Sub-Committee of the Nominations and Corporate Governance Committee, led by the Chair. A summary of the process is outlined below.

Talent management and succession planning	The Committee annually reviews and assesses the executive talent pipeline to ensure there is a pipeline of credible and capable successors for executive management, including for the role of Group CEO.

1. Constitution of Sub-Committee to manage and oversee the process	A Sub-Committee of the Committee, led by the Chair, was constituted to provide direction and Board oversight of the Group CEO succession planning process.
2. Engagement with executive search firm and creation of role specification	The Sub-Committee engaged with independent external search firm Russell Reynolds. Russell Reynolds has no other connection with the Company or its directors and is a signatory to the Voluntary Code of Conduct for Executive Search Firms. Russell Reynolds was chosen for its significant depth in insurance and financial services more generally, a track record of focusing on diversity, and a strong leadership team who would challenge the Board on its thinking on candidates. The Sub-Committee worked with Russell Reynolds to devise a role specification, which was approved by the Board.
3. Candidate long lists	The search firm produced a diverse long list of candidates which was reviewed, thoroughly discussed and refined by the Sub-Committee. The long list included internal candidates and best-in-class external talent. In reviewing the long list, the Sub-Committee was mindful of diversity, including of background and experience, as well as the desired skills and attributes for the role as set out in the role specification.
4. Candidate short list and interviews	All candidates on the long list were interviewed by the Sub-Committee, following which a short list of final candidates was produced. All shortlisted candidates were assessed against the role specification, on merit and with due regard to all forms of diversity. The final candidates were interviewed by the full Committee, which included a presentation from candidates. In addition, they underwent psychometric testing, and references were taken on the external candidates.
5. Candidate selection	Following shortlisted candidates' presentations and interviews, the Board discussed each candidate in detail, taking into account all elements of the search process. Following this discussion, it was agreed that António was the outstanding candidate.
6. Candidate appointment and approval	The Committee unanimously recommended to the Board the appointment of António Simões as the next Group CEO, subject to regulatory approval, and the Board duly approved the appointment. The Remuneration Committee led on the development of an appropriate remuneration package. António was interviewed by the PRA and FCA as part of the approval process, and approval for his appointment was granted in October 2023.

Induction	A comprehensive, tailored induction programme was undertaken by António upon appointment, led by the Chair and the Group Company Secretary. This included a focus on the markets and regulatory regions in which the Group operates, as well as meetings with all senior management, key external stakeholders, and undertaking site visits to the Group's offices in the UK and globally.

Nominations and Corporate Governance Committee report
continued

Key activities during the year
Board composition, succession and other changes throughout the year
CEO succession
A key activity for the Committee in 2023 was managing and overseeing the search for the new Group CEO, António Simões. For more information on the appointment process, please see page 81.

Board composition
The Committee undertakes a rigorous annual review of the Board's composition to support discussions on succession planning. This includes a capability assessment of Board members' knowledge, skills and experience in the context of the Company's short and medium-term strategy, supported by a self-assessment analysis undertaken by each individual director, which forms part of an overall Board skills matrix. The skills matrix reflects the results of the assessment. The skills matrix is refreshed and reviewed on an annual basis and is used by the Committee to support discussions on succession. Various other considerations, including the tenure of the Board as a whole, independence and diversity, are also considered by the Committee when reviewing the Board's composition.
The outcome of the 2023 discussion on composition was that, overall, the Board was of an appropriate size and composition, with key succession plans having been executed over the course of the year. The upcoming focus for the Committee will be succession planning for the Chair and non-executive directors who will be coming to the end of their tenure.

The Committee also considered reappointments of directors to the Board, and directors' external appointments to the boards of other companies. Where the Committee approved new external appointments, it was satisfied that the appointments did not give rise to a conflict of interest and would not impact the directors' time commitment to the Company. In line with our conflicts of interest policy, directors absent themselves from any discussions relating to their own reappointment, chair appointment or other internal or external appointments.

Other board changes
The Committee considered and approved the following board composition changes throughout the year.

Following the 2022 and 2023 discussions on board composition, Lesley Knox succeeded Philip Broadley as SID in September 2023. As a result of this change, the Company now complies with the FCA's targets on board diversity to have at least one of the following senior board positions held by a female: Chair, Chief Executive, SID or Chief Financial Officer. Philip remains a member of the Board and we continue to benefit from Philip's experience and counsel. Lesley was considered by the Committee as the outstanding candidate for the role of SID due to her length of tenure, strong understanding of, and experience in dealing with, the Group and its various stakeholders from her roles as Remuneration Committee Chair, Designated Workforce Director and her role on the board of one of our principal subsidiaries.

Being mindful of the time commitment for Lesley to take on the role of SID, Laura Wade-Gery succeeded Lesley as the Chair of the Remuneration Committee in February 2024. The Committee considered Laura an excellent candidate due to her established track record as a UK-listed company Remuneration Committee Chair and her strong understanding of the Committee's current workings and short- and medium-term priorities. Laura fulfils the Code requirement for any appointee to the Remuneration Committee Chair role to have served on a Remuneration Committee for at least 12 months prior to appointment. Having discussed Laura's internal and external time commitments, the Committee considered that Laura has sufficient time to dedicate to the Remuneration Committee Chair role.

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

Subsidiary succession
The Company benefits from a strong governance framework operating at subsidiary level. The continued strength of the boards of the Group's subsidiaries is vital for ensuring the Group's high standards are maintained and there is sufficient oversight of activity further down the Group, particularly in our principal subsidiaries. While succession planning remains the responsibility of each subsidiary board, it is nevertheless very important for the Committee to have continued oversight of its key subsidiaries and ensure orderly succession plans are in place. In addition, I meet regularly with the non-executive directors of our principal subsidiary boards, without the presence of executive management, to gain direct feedback.

Appointments to the Group's principal subsidiaries are made on the recommendation of the Committee. This year the board of one of the Group's principal subsidiaries, Legal and General Assurance Society Limited (LGAS), approved the appointment of Andrew Kail as its new CEO, following regulatory approval, on the recommendation of the Committee. Andrew succeeded Sir Nigel Wilson who held the LGAS CEO role (in addition to the Group CEO role) until his retirement in December 2023. In making its decision, the Committee highlighted Andrew's knowledge and understanding of the Group and the LGAS business, having run the Group's PRT business for the last two years as well as previously running the Group's Retail Retirement division, meaning that Andrew was well-placed to take on the role.

Diversity and inclusion (D&I)
D&I across the Group
As a Group, we are working towards a more equitable workplace where all our people can realise their potential. We believe that diversity of experience and skills brings diversity of thought and perspective, which in turn drives greater proximity to our customers and promotes a culture which more readily embraces innovation.

Last year, we set ourselves deliberately challenging ethnicity goals across the Group in order to expand the scope of our D&I agenda and to complement existing goals for gender. These goals are for 17% of our workforce, senior management roles and Board members to be from minority ethnic backgrounds by 2027. During 2022, we built these new goals into group-wide and divisional D&I plans, including key operational areas like recruitment. As a Group we have made good progress on achieving our ethnicity goals by 2027, and good progress on our employees' voluntary disclosure of ethnicity data. However, we are aware that faster progression is required to achieve our gender diversity goals, particularly achieving 40% female leadership at the senior/middle management level, and we continue to explore areas of opportunity to achieve this.

Throughout 2023, the Committee received regular updates on the progress against the group-wide and divisional D&I plans and the following key D&I focus areas:

- embedding the progress made in 2022, including inclusive recruitment, improving line manager capabilities and the creation of opportunities for those from underrepresented backgrounds
- evolving the D&I governance and operating model across the Group by increasing transparency, reducing duplication and elevating the voice of our employee networks
- holding leaders and line managers to account on diversity matters.

The Committee continues to support the work of the executive management and the D&I Council in driving the D&I agenda across the Group. For more information on our group-wide D&I activity during 2023, including our progress on achieving our objectives, please see page 49 of this report.

D&I of the Board

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

Lesley Knox was appointed as SID in September 2023. This appointment reflects our commitment to gender diversity in senior board positions and complies with the FCA's targets on board diversity as set out in Listing Rule 9.8.6(9)(a)(ii), that at least one of the following senior board positions should be held by a female; Chair, Chief Executive, SID or Chief Financial Officer.

We are proud to have a Board which is diverse, both in terms of gender and ethnicity. As at 31 December 2023, the Board comprised 42% women, and 25% of the Board was from an ethnically diverse background. Both of these percentages exceed regulatory requirements, the targets in the FTSE Women Leaders Review (Hampton-Alexander) and Parker Review, as well as the goals we set ourselves in our Board Diversity and Inclusion Policy. The Board is also compliant with the board diversity requirements in the Listing Rules and discloses its compliance in the prescribed format below.

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

D&I of senior management

A diverse senior leadership team is as important as a diverse Board, because we believe that executive decision-making is more effective if it takes into account a wider range of views and opinions. Last year we introduced a new goal of 17% of our senior management roles to be held by people from minority ethnicity backgrounds by 2027. During 2023, we are pleased that our hiring rates for minority ethnicities are trending positively, increasing our confidence in our ability to achieve our 2027 goals.

We continue to monitor the progress of our gender diversity goals of 40% female leadership by 2025 and a 50:50 gender balance across the workforce by 2025. We have made good progress on the representation of women over the last 5 years, particularly in some of our most senior roles, however the pace of change has been slow. As a result, focus on areas of opportunity for this particular segment of employees, such as optimising incentives, job-sharing and job design, continues.

From 1 January 2024, we implemented a new executive governance framework. The Group Management Committee was formed as a formal committee of the Group CEO. As at 31 December 2023, our Group Executive Committee (which existed under our previous governance framework) comprised 40% women*, with 50% of our businesses led by a female CEO. Also at 31 December 2023, representation at the middle/ senior management level was 37.2% women (2022: 38%). We are eager to increase the ethnic diversity of senior management across the Company, which is why we have set ourself the goal of 17% by 2027 – we are currently at 17.3% for this constituency.

Board D&I Policy

During the year, the Committee reviewed and approved the Board Diversity and Inclusion Policy, which complements the Group's wider workforce policies and values on D&I. The Board Diversity and Inclusion Policy sets out the approach to diversity and inclusion of the Board of Legal & General Group Plc, and its Committees, in compliance with the Disclosure Guidance and Transparency Rules (DTR). As a business, we have a clear purpose to improve the lives of our customers, build a better society for the long term and create value for our shareholders. Inclusive capitalism lies at the heart of our business strategy and is built on the belief of being economically and socially useful, embracing diversity and being fully inclusive in everything we do. As part of the policy, the Board, upon recommendation from the Committee, has committed to building a diverse and inclusive Board and a more diverse and inclusive senior management team, as well as driving diversity and inclusion across the Group.

More information on the diversity of our workforce, including the gender and ethnic diversity of our Board and executive management, can be found in our Social impact report: group.legalandgeneral.com/reports

The Board Diversity and Inclusion Policy is available here: group.legalandgeneral.com/en/about-us/corporate-governance/diversity.

Listing Rule disclosure on diversity

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management*	Percentage of executive management*
Men	7	58%	3	6	60%
Women	5	42%	1	4	40%
Not specified/prefer not to say	–	–	–	–	–

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management*	Percentage of executive management*
White British or other White (including minority-white groups)	9	75%	4	10	100%
Mixed/Multiple Ethnic Groups	–	–	–	–	–
South Asian	2	17%	–	–	–
East Asian/Southeast Asian	–	–	–	–	–
Black/African/Caribbean/Black British	1	8%	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

* exclusive of the Group CEO and Group CFO who are included in the number of Board members.
The information in this table was collected on a confidential and voluntary self-reporting basis and is accurate as at the date of this report. For the purpose of this disclosure, 'executive management' means the Group Executive Committee as at 31 December 2023. From 1 January 2024, a new executive governance framework was implemented as detailed on page 66.

Nominations and Corporate Governance Committee report
continued

Assessing board and committee effectiveness

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

Following a robust tender process conducted by the Chair and Group Company Secretary, upon the Committee's recommendation, the Board approved the appointment of Clare Chalmers Limited as the independent external reviewer to conduct the 2023 evaluation. Clare was chosen due to her specialism in financial services firms. Clare Chalmers Limited has no other connection with the Company or individual directors.

The process, findings and resulting actions from the 2023 effectiveness review of the Board and its Committees can be found in the diagram below across pages 84 and 85. Clare had the opportunity to comment on these disclosures.

Chair and individual director performance evaluations

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

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

2023 Board and Committees' effectiveness review

Process

1

Scoping
Clare met with the Chair and Group Company Secretary to agree the scope of the 2023 effectiveness review. This included the objectives of the review and the key areas of focus. The agreed aim of the review was to assess the effectiveness of the Board, both as a collective unitary Board and at Committee level. The review focused on, amongst other things:

- board composition, including diversity
- succession planning for the Board and senior management
- board dynamics, board decision-making and how effectively members work together to achieve objectives
- strategy, performance and risk
- purposes, values and culture
- stakeholder considerations.

2

Document review and meeting observations
Clare and her associates conducted a thorough review of previous Board and Committee papers, minutes and other relevant documentation to provide context on Board matters and the decision-making process, to help inform the one-to-one interviews. Following this review, Clare observed a series of Board and Committee meetings to enable her to form an independent view of the meeting dynamics.

3

Interviews
Clare held in-depth one-to-one interviews with Board members covering a broad range of topics, as agreed with the Chair and the Group Company Secretary. The topics for consideration were shared with the Board members prior to their individual interviews. Clare also interviewed certain members of senior management, including the Group Chief Risk Officer, Group HR Director, Group Chief Auditor and Group Company Secretary, to bring useful insights on the performance of the Committees and an overall holistic view of effectiveness. Discussions with all interviewees remained confidential.

4

Report
Clare produced an initial, draft report on her independent review findings, which she discussed with the Chair and Group Company Secretary in the first instance. Clare then presented a final written report to the Committee and invited discussion on the report's findings and recommendations.
No views were attributed to any individual in the final report.

Update on previous board evaluations

In 2021 and 2022, internal reviews of the performance of the Board and its Committees were undertaken, externally facilitated by Ffion Hague at Independent Board Evaluation (IBE). IBE has no other connection with the Company or individual directors. At each board meeting, an update on progress against the review recommendations is provided. An overview of the recommendations from the 2022 review and progress against them is provided below.

Recommendations from 2022 review	Progress against recommendations
Continuing the practice of 'top down' risk discussions and 'lessons learnt' exercises	'Lessons learnt' exercises continued to be requested and presented to the Board and its Committees throughout 2023, including lessons learnt in relation to the LDI crisis and data security and privacy. The Group Chief Risk Officer now presents an annual update on emerging ('top down') risks to the Group Risk Committee.
Ensuring that strategy papers continued to be forward-looking	The Board strategy papers continued to be reviewed by the Group Strategy & Investor Relations Director and Chair at an early stage to ensure papers were sufficiently 'forward-looking'. Throughout the year, divisional CEOs provided the Board with assessments of macro-economic changes applicable to their divisional businesses and the potential strategic and operational impacts.
Continuing to prioritise stakeholder impacts and views	Following a review by Group Secretariat, new board paper and coversheet templates were rolled out across the Group during 2023; these templates now require paper authors to specifically include information on wider stakeholder impacts in their papers for the Board's consideration, including nature and climate. In addition, the Board paper pre-review process continues to focus on ensuring that papers consider stakeholder impacts and views, where relevant.

Results of effectiveness review

5

Findings

The tone of Clare's report was very positive overall and indicated that the Board, and each of its Committees, continued to be effective. The report identified a number of key strengths, including the experience and skillsets of the non-executive directors, the level of debate in meetings and the strong contributions of all Board members, as well as the supportive, positive nature of interactions between the non-executive directors and management, both inside and outside of formal meetings.
The strength of the Company's culture was also noted, built around good behaviours, positive and open stakeholder relationships and the value-adding engagement from designated board roles such as the Designated Workforce Director.

The appointment process of the Group CEO was felt to have been well-managed and it was recognised that succession planning for the longer-serving non-executive directors on the Board would be a key area of focus for the coming year, particularly in terms of ensuring that the Board's composition would effectively support the development of strategy under the Company's new executive leadership. The report commented on the strength of the Chair and the Committee Chairs, noting their extensive work outside of the boardroom, as well as the considerable roles performed by each of the Committees in supporting the Board. Clare provided a number of thoughtful recommendations in the report for the Board's consideration.

6

Action plan

The Board discussed the findings of the 2023 effectiveness review and subsequently agreed an action plan for the coming year. The key actions included (i) continuing to support the new Group CEO as he transitions into the role, (ii) continuing to develop relationships with, and appropriate governance of, the Group's principal subsidiaries, and (iii) continuing to oversee how the Consumer Duty is embedded into the organisation and how reporting on consumers could be more strategic.
Progress to implement the agreed actions is underway. Progress is monitored by the Group Company Secretary and will continue to be reported to the Board at each meeting.

Audit Committee report

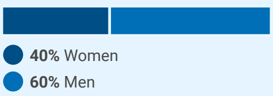
Committee overview

The role of the Committee

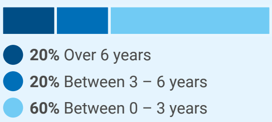
The Committee monitors the integrity of the Group's financial reporting (including climate and other ESG-related disclosures) and provides oversight of the control environment. In addition, the Committee monitors the adequacy and effectiveness of the Group's system of risk management and internal control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

Members
Tushar Morzaria (Chair)
Nilufer von Bismarck
Philip Broadley
Carolyn Johnson
George Lewis

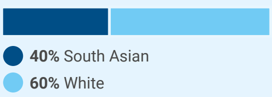
Gender



Tenure



Ethnicity



Key responsibilities

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

The Committee's terms of reference can be viewed on our website: group.legalandgeneral.com/committees

Chair's introduction

I am pleased to present my report for the year ended 31 December 2023. During my first full year as the Chair of the Audit Committee, the Committee continued to assist the Board in fulfilling its core responsibilities, 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.

A key area of focus for the Committee in 2023 was the final phase of implementation of the new IFRS accounting standard IFRS 17, 'Insurance Contracts'. The Group has applied IFRS 17, alongside IFRS 9, 'Financial Instruments', for the first time from 1 January 2023. These standards have brought significant changes to the accounting treatment for insurance and reinsurance contracts and financial instruments respectively and have had a material impact on the Group's financial statements in the period of initial application. It was therefore appropriate that the Committee spend a significant proportion of its time overseeing the final elements of implementation.

This included regular updates on the results of a series of 'dry runs' ahead of initial reporting under the new standards and monitoring the development and implementation of the required changes to systems, processes and operating models. In addition, the Committee paid close attention to the effectiveness of the systems of controls over the new IFRS 17 reporting systems and also reviewed, challenged and approved the material accounting judgements, methodologies, policies, assumptions and new reporting metrics.

The Committee has also received regular updates from KPMG in relation to IFRS 17 and commissioned Group Internal Audit to perform audits on various aspects of the implementation and received regular updates on the outcome of these audits.

IFRS 17 was an unusually complex accounting standard to implement. It required fundamental changes to accounting records, as well as new systems and processes for preparing financial statements in accordance with the required framework. In common with other insurers, the Group began significant implementation work in 2017, some years before the final form of the standard was known. I would like to express my gratitude to everyone that contributed to the IFRS 17 programme for their dedication and tenacity in ensuring the Group was fully prepared for the transition.

Committee meetings and membership

The Committee met 6 times during the year – this represents 1 more meeting than in an average year due to additional time spent on monitoring and reviewing the implementation of IFRS 17. 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. The Board considers that the Committee, as a whole, has a balance of skills and experience to deliver its responsibilities and has competence relevant to the sector and broader financial services industry. In addition, the Board considers that I, as Chair of the Committee, have recent and relevant financial experience and am competent in accounting and auditing.

All members of the Committee are also members of the Risk Committee, which ensures that there is appropriate identification and management of any issues that are relevant to both committees. The full biographies of all Committee members can be found on pages 64 and 65. Between meetings, I meet regularly with senior management across the Group's Finance, Tax and Internal Audit functions, as well as with the lead external audit partner.

Review of financial disclosures

The Committee reviewed the half year and annual financial statements, which focused on the integrity and clarity of disclosure, application of accounting policies and judgements and compliance with legal and financial reporting standards. With the implementation of IFRS 17 and IFRS 9, and their impact across multiple reporting periods, including the transition as at 1 January 2022 and a restatement of the Group's 2022 half year and annual results, additional meetings were scheduled in advance of the Group's half year 2023 results to ensure that the Committee had sufficient opportunity to understand, review and challenge those first financial statements and disclosures under the new 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 throughout the year on internal controls in relation to financial reporting.

During the second half of 2023, the Financial Reporting Council (FRC) undertook a thematic review of 'IFRS 17 'Insurance Contracts' Interim Disclosures in the First Year of Application'. The Group received the outcome of this review in respect of the Group's half year report to 30 June 2023. This review was conducted in accordance with the FRC's usual procedures, and accordingly was based solely on that half year report without detailed knowledge of our business or an understanding of the underlying transactions entered into. The review does not provide assurance that the half year report was correct in all material respects. The Committee was pleased to note both that, based on the review, there were no further questions or queries that the FRC wished to raise, but also that the FRC's report on their thematic review, published in November 2023, included a number of disclosures contained in the Group's half year report as examples of better practice.

As part of its review of financial disclosures, the Committee also considered whether the annual report was fair, balanced and understandable (FBU) and whether it provided the information necessary for shareholders to assess the Company's position, performance, business model and strategy, as well as the risks facing the business including in relation to increasingly important ESG and climate considerations. The Committee reviewed the FBU assessment taking into consideration the impact of market volatility and the changing interest rate and inflationary environment and giving due attention to the use of 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 II disclosures and disclosures made in relation to internal control and risk management, as well as the principal risks and uncertainties the Group faces. The Committee can confirm that the key judgements and significant issues considered in relation to the 2023 financial statements are consistent with the disclosures of key estimation uncertainties and critical judgements as detailed in Note 1 on page 151. 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.

Climate and other non-financial reporting

While the FRC chose not to include any revisions to the UK Corporate Governance Code in respect of wider responsibilities and considerations for boards and audit committees in relation to ESG objectives and other sustainability matters, following its consultation in 2023, the Committee provides close oversight over the Group's climate and other non-financial reporting, in light of ever-increasing stakeholder expectations. During the year, the Committee has received updates on the European Union's Corporate Sustainability Reporting Directive and the release of the inaugural standards from the International Sustainability Standards Board.

Other key areas of focus for the Committee during 2023

In addition to the implementation of IFRS 17, the Committee has also focused on:

Macroeconomic environment: the impacts of economic volatility on key accounting and actuarial areas of judgement and estimates that are sensitive to changing interest rates and inflation, as well as consideration of geopolitical events and their potential impact on balance sheet valuations and valuation uncertainty.

Internal controls: activities associated with the operation and effectiveness of the Group's framework of internal controls over financial reporting and the evaluation of any failings or weaknesses.

Non-financial reporting: the adequacy of climate-related and other non-financial disclosures, including recommending the approval of the Group's first Climate transition plan.

Internal Audit effectiveness review: reviewing the outcomes of the assessment by an independent external party.

UK audit and corporate governance reform: overseeing the Company's approach to proposed reforms, particularly in relation to internal controls, in light of a changing approach from both the Government and FRC.

In addition, the Committee has focused on improvements that can be made to the Group's climate-related disclosures in the financial statements and ensuring that there is a coherent link between those disclosures and the narrative in the front half of the Annual report and accounts. The Committee also has responsibility for reviewing and approving the Group's Climate and nature report and Social impact report and, to that end, has sought to understand the verification and assurance framework that is in place to ensure that disclosures were in line with relevant requirements, and were materially accurate, consistent, fair and balanced. The Committee remained supportive of the proposal to commission limited third-party assurance over specific climate and pay gap-related metrics.

Internal control

The Committee has the primary responsibility for the oversight of the Group's system of internal controls including controls over financial reporting and the work of the Internal Audit function. The Committee, in collaboration with the Risk Committee, seeks to ensure that the Group operates within a framework of prudent and effective controls that allow risks to be identified, assessed and managed.

Policies and manuals in relation to International Financial Reporting Standards (IFRS) and Solvency II reporting requirements and a Financial Control Framework (FCF) are in place across the Group. FCF is a first line framework that supports the Committee in enabling it to understand and assess the design and effectiveness of controls over financial reporting, covering IFRS, APMs, Solvency II and, going forward, 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 financial reporting-related controls.

The Committee has completed its review and approval of the effectiveness of the Group's system of internal control policies and procedures, during the year and up to the date of this report, in accordance with the requirements of the guidance on risk management, internal control and related financial and business reporting published by the FRC. During this review, the Committee did not identify any weaknesses which were determined to be significant to the preparation of the financial statements. Where areas for improvement were identified, processes are in place to ensure that the necessary actions are taken, and progress is monitored by the Committee.

UK audit and corporate governance reform

2023 has seen a significant scaling back of proposals relating to audit and corporate governance reform in the UK, with: primary legislation required for, amongst other things, the establishment of the Audit, Reporting and Governance Authority (ARGA) now likely delayed until post the general election; the late withdrawal of proposed secondary legislation on the Audit and Assurance Policy, Resilience Statement, fraud reporting and reporting on distributable reserves; and finally the removal of a number of proposed changes to the UK Corporate Governance Code following the FRC's consultation in 2023. As a Group, Legal & General remains supportive of proposals that make the UK an attractive market for shareholders, investors and broader stakeholders through high quality and transparent audit and corporate governance activities. The Committee has been actively engaged throughout the year in overseeing the Group's readiness for the proposed reforms and, while it was disappointing to see such late changes, it will continue to keep a close focus on the changes to the UK Corporate Governance Code that remain, notably in relation to the declaration on the effectiveness of the risk management and internal control framework.

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 Group Chief Internal Auditor presents a report at each Committee meeting, to update the Committee on the results of audits since the previous meeting. The report includes: details of any significant control weaknesses and positive assurance provided; themes arising from audits and management's progress in addressing actions related to audit findings; and Group Internal Audit's (GIA) evaluation of the overall control environment for each of the Group's divisions. Key areas of GIA's work reported to the Committee during the year included: financial reporting processes and controls related to IFRS 17; IT and data security; data privacy risk management; IT and operational resilience; Solvency II compliance; financial risk governance including credit, market and liquidity risk; financial crime risk management; third-party oversight including material outsourcing; readiness for the FCA's Consumer Duty regulation; climate change reporting; and major IT change programmes. GIA continues to evaluate the risk and control culture across the Group and includes specific reporting to the Committee on the results of this work. The Committee approved GIA's risk-based audit plan for the year and monitored the delivery of the plan throughout the year as well as the associated key performance metrics.

During 2022, Deloitte were engaged to perform an external quality assessment of GIA, which assessed the function's effectiveness including its independence and positioning within the organisation. Deloitte presented its report to the Committee in May 2023. The function was assessed as a mature internal audit function, generally conforming with International Internal Audit Standards and applicable professional codes for effective internal audit in financial services. The Deloitte report noted the function's clear purpose and support from management; appropriate safeguards related to independence and objectivity; mature working practices; a high quality experienced team, and a strong focus on data analytics and continuous improvement.

The Committee continued to meet with the Group Chief Internal Auditor in private throughout the year. In accordance with the Institute of Internal Auditors' Financial Services Code of Practice, the Committee conducted its annual review of the independence and objectivity of the Group Chief Internal Auditor and concluded that independence and objectivity had been maintained throughout the year. The Committee undertook its annual review of, and approved, the GIA Charter and undertook a regular review of key performance indicators, including: audit plan delivery progress; resourcing and skill levels; and progress in completing actions to implement the recommendations from Deloitte's 2022 External Quality Assessment, which were incorporated into GIA's continuous improvement plan.

Based on regular internal audit reporting, private sessions with the Group Chief Internal Auditor, and taking into consideration the externally facilitated evaluation noted above, the Committee is satisfied with the effectiveness of the GIA function and the appropriateness of its resources.

External audit

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

The Committee meets regularly and privately with the external auditor. These meetings allow for regular and open dialogue of any issues relevant to the Committee's work. Audit Committee members also meet regularly with management outside of formal Committee meetings to discuss the relationship with the external auditor and the efficiency of the audit process. Throughout the year, the Committee has received updates on the quality of the external audit process and has continued to work with, and challenge, management and KPMG on efficiency gains and ensuring that audit fees are fair and proportionate to the audit work required for the Group. In addition, the Committee has overseen the succession of the KPMG lead audit partner in 2023.

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 Legal & General subsidiaries and other material entities over which the Group has significant influence. The core principle of the policy is that non-audit services (other than those legally required to be carried out by the Group's auditor) should be performed by the auditor only in certain controlled circumstances. The policy sets out those types of services that are permitted (permitted services) and those types of services which are not permitted. The policy pre-approves a number of the permitted services, provided the fee is below a certain threshold; all other permitted services must be specifically approved in advance by the Committee.

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

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 2023, KPMG was reappointed as the Group's external auditor for the financial year ended 31 December 2023, which is their sixth year as the Group's external auditor. In accordance with the ICAEW's requirements, Salim Tharani stood down as KPMG's lead audit partner during 2023, and was replaced by Phil Smart, who had previously shadowed Mr Tharani during the 2022 audit.

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 before the end of the current required period of 10 years. The Committee believes it would not be appropriate to tender before the end of this period as it recognises that, while it is important to ensure the audit firm remains objective and does not become overly familiar with management, there is an important balance to be struck with the investment of time required both from management and any completely new audit team for them to gain sufficient understanding of a large and complex organisation, such as Legal & General, to ensure a top-quality audit.

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 £23.1 million (2022: £17.5 million), of which £1.9 million (2022: £1.7 million), was spent on non-audit and other assurance services. £1.6 million (2022: £1.6 million) was spent on audit-related services required by legislation, which is excluded from any calculation of the ratio of non-audit to audit fees in accordance with the UK FRC Revised Ethical Standard for Auditors (2019). Further details can be found in Note 29 to the consolidated financial statements. The non-audit fee represents 10% of the total audit fee for 2023.

Included within KPMG's fees for 2023 are additional audit fees related to the implementation of IFRS 17 and IFRS 9, and specifically work to support KPMG's audit opinion in respect of the transitional impact to the Group's balance sheet and equity position as at 1 January 2023. The Committee is satisfied that this level of fee is appropriate in respect of the audit services required for the Group and that an effective audit can be conducted for this fee. The Committee continues to work with KPMG to ensure costs remain appropriate and proportionate to the services provided.

	2023	2022	2021
Audit	19.6	14.2	9.3
Audit-related required by legislation	1.6	1.6	1.3
Other audit-related	1.0	0.9	1.2
Other assurance	0.9	0.8	0.1
Non-assurance	–	–	–
Total	23.1	17.5	11.9

Assessment of independence and effectiveness

The Committee is responsible for assessing the effectiveness, objectivity and independence of the external auditor. This assessment is on-going throughout the year and concludes with a formal, internal, effectiveness review, which was conducted in December 2023. As part of the on-going assessment, the Committee assesses the external auditor against a number of criteria, including but not limited to: provision of timely and accurate industry-specific and technical knowledge, maintaining a professional and open dialogue with the Audit Committee Chair and members at all times, delivery of an efficient and effective audit, the ability to meet objectives within the agreed time frames and the quality of judgements and audit findings, management's response and stakeholder feedback. In addition, the Committee holds private meetings with the external auditor to discuss the audit process and relationship with management.

Overall, the assessment of KPMG was positive, with a small number of areas noted for consideration in future audit cycles. Taking into account the result of all of the above, the Committee concluded that KPMG maintained its independence and objectivity and that the audit process was effective. Upon the Committee's recommendation, the Board has recommended that KPMG be reappointed as the Company's auditor, by shareholders, at the 2024 AGM.

Tushar Morzaria
Chair of the Audit Committee

Key accounting and reporting judgements

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

Issue	Committee's response
Valuation of insurance contract liabilities – retirement: The insurance liabilities for retirement products are significant in size and their estimation is inherently judgemental.	The Committee evaluated the significant judgements that have an impact on the valuation of insurance liabilities for retirement products. This included considering: Longevity assumptions – which estimate how long policyholders receiving annuity payments will live. The challenge around the setting of longevity assumptions was a particularly significant area for review as the judgements made could be expected to have a material impact on the Group's results. The Committee considered the effectiveness of the controls over the accuracy and completeness of the data used in determining the longevity assumption and the validity of independent industry data supporting those assumptions. The Committee also reviewed available data illustrating recent trends in mortality experience in the UK population and the mortality experience on different blocks of our business, taking account of the uncertainty in more recent data as a result of Covid-19. Valuation interest rates – which are used to discount the liabilities. These are sensitive to judgements made, for example, on credit default of the backing assets, as well as the investment data used to calculate the internal rate of return. The Committee focused on management's proposed changes to reserving assumptions, other modelling changes, and the determination of the credit default assumption. This included analysis of internal historical data and external market experience. Directly attributable expense assumptions – which determine the specific future expenses that are incorporated in the calculation of the IFRS insurance liabilities. The Committee considered the allocation between servicing new and existing business and the consistency of approach applied. The Committee concluded that the retirement insurance contract liabilities are appropriate for including in the financial statements, reflecting the asset risks and the available data on policyholder longevity.
Valuation of complex investments: Mark to model investments can involve significant judgement and can produce valuation challenges for investments in new classes. Mark to model valuations inherently include assumptions that lead to the existence of a range of plausible valuations for financial instruments (known as valuation uncertainty). Certain assets are subject to a higher degree of valuation uncertainty, particularly where valuations are modelled using no market inputs or the valuations are affected by other factors such as the illiquidity of the asset.	The Group balance sheet carries exposure to complex investments (typically classified as Level 3 in the fair value hierarchy), in line with the Group's strategy and risk appetite. The valuation of these investments, including property assets, lifetime mortgages and private credit, requires the use of complex models and management judgement. The Committee seeks to ensure that the valuation process for these investments is robust. These harder to value assets remain a key area of focus, partially heightened in 2023 as a result of macro-economic volatility and geo-political events. The valuation of a number of asset classes is sensitive to higher interest rates and inflation, and these have therefore been areas of enhanced challenge and review by the Committee. The Committee has continued to review the processes and controls over investment valuations, and in particular the valuation uncertainty policies and governance which include management's assessment of valuation uncertainty by asset type. While we do not currently see any material impact on the valuation of our asset portfolio arising from climate change, there is an increased consideration of climate and other ESG factors in both internal and third-party valuations. We expect this to be an increasing area of judgement (and therefore disclosure) in future years, and it will form a key area of focus in the Committee's review of this area. The Committee concluded that there are appropriate controls surrounding the valuation of complex assets and that they are valued appropriately for inclusion in the financial statements.
Valuation of insurance liabilities – protection: The insurance liabilities for protection contracts are an important driver of the profitability for this line of business and require judgements to be made regarding the assumed rates of mortality and persistency. The Company makes extensive use of reinsurance to reduce mortality risk.	The Committee has reviewed the methodology for calculating reserves including the allowance made for payments to and from reinsurance counterparties. The assumptions for the rate of future mortality and morbidity (how many customers will die or become ill during the policy term) and persistency (how many customers will discontinue cover) are based on the Company's internal experience and use judgement about how experience may vary in the future. During 2023, the Committee has spent time reviewing the findings and judgements in respect of the continuing elevated levels of mortality experience in the UK and the US, reflecting indirect impacts of Covid-19 related illness, and potentially reflecting the deferral of diagnostics and medical treatments for other conditions. The Committee reviewed the judgements underlying the directly attributable expenses included in the insurance liabilities and considered the effectiveness of controls in place over valuation models. The Committee concluded that the insurance liabilities of the Group's insurance businesses are appropriate for inclusion in the financial statements.

Issue	Committee's response
Alternative performance measures (APMs): APMs offer investors and stakeholders additional information on the Company's performance and the financial effect of 'one-off' events, and the Group uses a range of these metrics to enhance understanding of the Group's performance.	As part of its consideration of whether the annual report is fair, balanced and understandable, the Committee has paid particular attention to the use of APMs in reporting the Group's performance. The Committee has reviewed the changes to the definition of adjusted operating profit to reflect the adoption of IFRS 17 and its application. Specifically the Committee has considered the inclusion of certain items either as part of adjusted operating profit or investment variances, to ensure that they are aligned to both the Group's disclosed policies on these APMs and the underlying principles of fair and consistent reporting. Where appropriate the Committee has reviewed additional disclosures provided to enhance transparency in respect of the Group's APMs. The Committee concluded that the use and disclosure of APMs, including the clarity of labelling the prominence of APMs versus statutory measures, are appropriate for inclusion in the annual report.
IFRS 17: IFRS 17 is a new accounting standard for insurance contracts which took effect from 1 January 2023. IFRS 17 has had a significant impact on the reporting of the Group's financial performance.	As well as continuing to monitor the preparedness of the Group to implement IFRS 17, the Committee has reviewed a number of papers during both 2022 and 2023, covering various areas of policy, methodology and assumptions. In particular, the Committee reviewed the methodology and assumptions to support the transition to IFRS 17, and has reviewed and approved both the impact of that transition on the Group's balance sheet and equity position as at 1 January 2022 and the results of the comparative period ended 31 December 2022. This included a particular focus on the assumptions and judgements that have underpinned the calculation of the contractual service margin (CSM) at transition, most notably CSM for business transitioned using the fair value methodology, and the determination of the compensation required for bearing the uncertainty about the amount and timing of the cash flows arising from non-financial risk as insurance contracts are fulfilled. The Committee concluded that the disclosures in respect of IFRS 17 (and IFRS 9) included in Note 1 Basis of Preparation and the comparative period results are appropriate for inclusion in the annual report.

Risk Committee report

"The Risk Committee assists the Board with strategic advice in relation to current and potential future risk exposures. The risk management framework supports informed risk taking and sets out those risks within appetite. The Committee conducts a thorough review of the risk management framework on an annual basis to ensure it remains fit for purpose."

Committee overview

Committee meetings and membership

The Committee met 5 times during the year. The composition of the Committee remains in compliance with the Code, the requirements set out in its terms of reference and comprises only independent non-executive directors. Details of members' experience and skills can be found in the biographies on pages 64 and 65.

Members
George Lewis (Chair)
Henrietta Baldock
Nilufer von Bismarck
Philip Broadley
Carolyn Johnson
Lesley Knox
Ric Lewis (until 26 February 2024)
Tushar Morzaria
Laura Wade-Gery

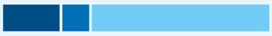
Gender

56% Women
44% Men

Tenure

22% Over 6 years
33% Between 3 – 6 years
45% Between 0 – 3 years

Ethnicity



22% South Asian
11% Black
67% White

The role of the Committee

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

Key responsibilities

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

The Committee's terms of reference can be viewed on our website: group.legalandgeneral.com/committees

I am pleased to present my report as your Chair of the Risk Committee. I joined the Committee upon appointment to the Board in 2018 and assumed the role of Chair in 2022. Since becoming Chair of the Committee, I have further developed my knowledge and understanding of the risk environment in which the Company operates and sought to ensure that the Committee continues to operate effectively. Throughout 2023, I have continued to engage with my fellow Committee members to understand their views, in particular, on any risk areas which they feel require further oversight and challenge. This has been supported by my active and regular engagement with key colleagues in the business, with particular emphasis on the support received from the Group Chief Risk Officer and his team.

Oversight of risk management

In a challenging macroeconomic and geopolitical environment, the Committee has continued to oversee, robustly challenge and provide advice to the Board, on the Group's current and future risk exposures and profile. During the year, geopolitical risks have continued to heighten with ongoing conflict and rising political tensions. Macroeconomic risks have also increased as many major economies faced slowing growth against a backdrop of high inflation, energy market shocks and rising interest rates, abating somewhat in the latter part of 2023. The Committee has continued to monitor the ongoing global economic uncertainties and, with the prospect of several important elections in the coming year, this will continue to remain an important focus for the Committee in 2024. Despite these challenging market conditions, the Company has remained resilient to a number of risk events and has largely continued to operate within risk appetite. The Committee, in conjunction with the Audit Committee, keeps under review the effectiveness of the Company's risk management and internal control systems, which monitors and reviews all material controls including financial, operational and compliance controls. In addition, we closely monitor risk appetite and tolerance levels and challenge management to ensure these are regularly stress tested to ensure they are able to withstand wider macroeconomic risk events.

2023 activity

Given the ongoing uncertain macroeconomic and geopolitical environment, the Committee has spent a significant amount of time during the year hearing directly from the business, alongside risk and compliance colleagues, about how they are managing the associated risks and what mitigating actions are being taken. In addition, 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. During the year, the Committee paid close attention to the Group's capital and liquidity position, in light of the macroeconomic and geopolitical landscape, and received in depth updates on credit, insurance, longevity and market risk. A particular area of focus for the Committee during the year centred around property risk. The UK commercial property markets continued to reflect the broader uncertainty in the economic outlook and the Committee paid close attention to the Company's exposure to commercial property, particularly the office sector, and the management action being taken to mitigate the risks.

In addition to the geopolitical and macroeconomic climate, the Committee has continued to focus on the management of the Group's non-financial risks. The Committee received regular updates, and challenged the progress made by management, on operational resilience, embedding the Consumer Duty regulations, change management, governance controls around technology and data risk and operational risks such as those related to conduct risk and ensuring appropriate mitigations are in place to prevent the facilitation of financial crime.

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

Risk appetite review

In July 2023, the Committee considered the risk profile of the Group's strategic plan and its alignment with the Group's risk appetite. The Committee undertook a detailed review of the operation of the Group's strategic risk appetite and the key metrics and tolerances used to determine acceptable risk taking. As part of the review, refinements were recommended to the metrics to ensure a more reliable and accurate measure of the Group's performance against risk appetite. The Committee also conducted an annual review of emerging risks and continues to encourage management to be alert to areas of emerging risk, particularly in light of the rapidly evolving macroeconomic and geopolitical climate to ensure that the Company remains well diversified and robustly protected against market shocks.

Risk-based capital model

The Group's risk-based capital model (internal model) is used to determine the capital requirements for the Group and forms the calculation engine for the Solvency II internal model. During the year, 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 2023 recovery and resolution plans as well as 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 and reviewed and approved the 2022 Climate report, prepared in line with recommendations by the Task Force on Climate-related Financial Disclosures. In addition, the Committee reviewed and approved the Group's climate goals and commitments, including our stated journey to net zero, as well as the Company's Climate transition plan, which was presented for a shareholder advisory vote at the Annual General Meeting in 2023.

Working collaboratively

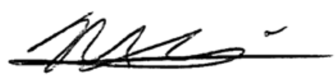
The Committee continued to work closely throughout the year with the Audit Committee on risk and control matters as well as the Remuneration Committee so that risk management and risk culture are properly considered in setting the Remuneration Policy and determining remuneration outcomes. In addition, the Committee also works closely with the Data and Technology Committee to consider technology risk. An important element of this will be the emerging risk and opportunities that Artificial Intelligence presents. The Committee also reviewed and approved the Group Technology Risk Policy and Technology Risk Appetite statements during the year.

Legal & General has a strong subsidiary governance framework in place to support the Board in discharging its responsibilities for the Group. Directors of the Group's principal subsidiaries (LGAS and LGIM(H)) are 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 56 to 59.

2024 priorities

The Committee has an important role in supporting the Board in the oversight and management of the risk framework. During 2024, the Committee will continue to focus on:

- impacts and associated risks arising from the macroeconomic and geopolitical environment, regulatory landscape including the UK Solvency reforms, and global climate change, with a focus on consideration of emerging risks
- management of capital and liquidity risks
- oversight of the current and emerging non-financial and conduct risk exposures of the Group, including operational resilience, change management and the embedding of the Consumer Duty regulation
- review the output of the Bank of England's system-wide exploratory scenario exercise, investigating the behaviours of banks and non-bank financial institutions following a severe but plausible stress to financial markets.



George Lewis
Chair of the Risk Committee

Directors' report on remuneration

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

Committee overview

Committee meetings and membership

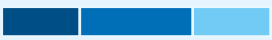
The Committee met eight times during the year. The Committee comprises only independent non-executive directors, fulfilling the requirements of the UK Corporate Governance Code. The Board is satisfied that the members of the Remuneration Committee have the relevant expertise and experience to deliver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

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

Gender

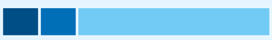
43% Women
57% Men

Tenure



29% Over 6 years
42% Between 3 – 6 years
29% Between 0 – 3 years

Ethnicity



14% South Asian
14% Black
72% White

The role of the Committee

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

Key responsibilities

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

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

Our remuneration report is organised into the following sections

Dear Shareholder

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

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

Link between pay and performance

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

Annual Variable Pay (AVP)

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

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

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

Performance Share Plan (PSP)

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

EPS growth is determined based on measuring the change in EPS over the three-year performance period. However, the introduction of IFRS 17 from 1 January 2023 prevents EPS from being measured on the same basis from the start of the period (on an IFRS 4 basis) to the end of the performance period (on an IFRS 17 basis). In order to fairly measure the EPS growth performance, the Committee has considered the annual change in each of the three years, as the EPS for 2022 has been reported on both an IFRS 4 and IFRS 17 basis. On this basis, EPS grew by 52.3% over the period (15.1% per annum). Further details on this are provided on page 107 of the report.

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

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

Board changes

Sir Nigel Wilson

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

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

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

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

António Simões

Context

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

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

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

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

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

Ongoing remuneration policy

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

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

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

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

Replacement award

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

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

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

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

Implementation of Remuneration Policy for 2024

Base pay

Having reviewed pay and conditions across the Group, and considered the broader market and overall business performance, the Committee have determined to increase base pay for Jeff Davies by 4.3% with effect from 1 March 2024. For 2024, the average base pay increase for UK employees is expected to be around 4.3% but with higher increases for lower paid employees. The first review of base pay for António Simões will be in 2025 and so his base pay will remain unchanged during 2024.

Annual Bonus

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

PSP

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

Consideration of the wider workforce

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

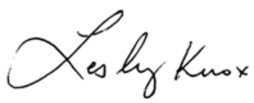
The Committee has continued to be mindful of both the immediate and longer term financial wellbeing of the wider workforce, particularly in these economically uncertain and challenging times. We made a one off payment of £750 in July 2023 to lower paid employees to mitigate inflation pressures, in addition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

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

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

Most employees are eligible to be considered for a bonus payment based on group, divisional, individual and/or other specific performance metrics, with bonuses for performance during 2023 paid shortly after the year end, at the same time as bonuses for executive directors.

The Committee continues to maintain an oversight of progress on continuing work on diversity and inclusion and achieving a further narrowing of the gender pay gap. Further details on this can be found on page 49 and in our Social impact report. I hope that you will find this report a clear account of the Committee's considerations and decisions, and the remuneration outcomes for the year.



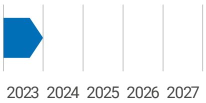
Lesley Knox
Chair of the Remuneration Committee

Quick read summary

Remuneration policy summary and 2023 implementation

Remuneration element and time horizon	Policy summary	2023 implementation

Base pay



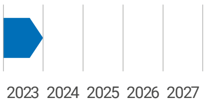
Operation
Reviewed annually, with any increases effective 1 March.

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

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

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

Pension contributions



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

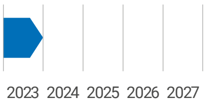
Opportunity
For executive directors, appointed since 2019, pension contributions are aligned to that available to the majority of the workforce (currently 10% of base pay). Pension contributions for executive directors appointed before 2019 have been aligned with the contributions for other senior managers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

Performance
No performance conditions.

Pension contributions during 2023 (as % of base pay):	
Sir Nigel Wilson	10%
Jeff Davies	10%
Majority of UK workforce	*10%*
Other senior managers in the UK	*15%*

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

Benefits



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

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

Performance
No performance conditions.

Benefits during 2023 included:

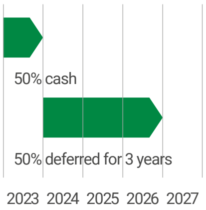
- allowance in lieu of a company car
- private medical insurance
- life insurance
- income protection
- all-employee (ShareSave and Share Purchase) plans.

Quick read summary
continued

Remuneration policy summary and 2023 implementation

Remuneration element and time horizon	Policy summary	2023 implementation

Annual Variable Pay (AVP)



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

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

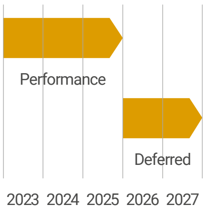
Performance
Financial performance (at least 70% weighting), plus strategic and personal performance, including ESG measures.

2023 implementation

70% Financial performance
30% Strategic and personal performance

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

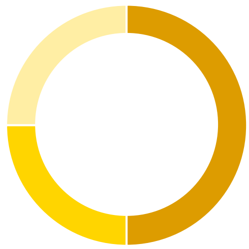
Performance Share Plan (PSP)



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

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

Performance
An appropriate mix (normally an equal weighting) of earnings performance and shareholder return.



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

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

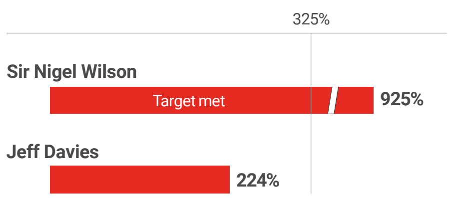
Shareholding requirements

Executive directors' share ownership

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

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

Share ownership at 31 December 2023



Alignment with strategy and 2023 performance outcomes

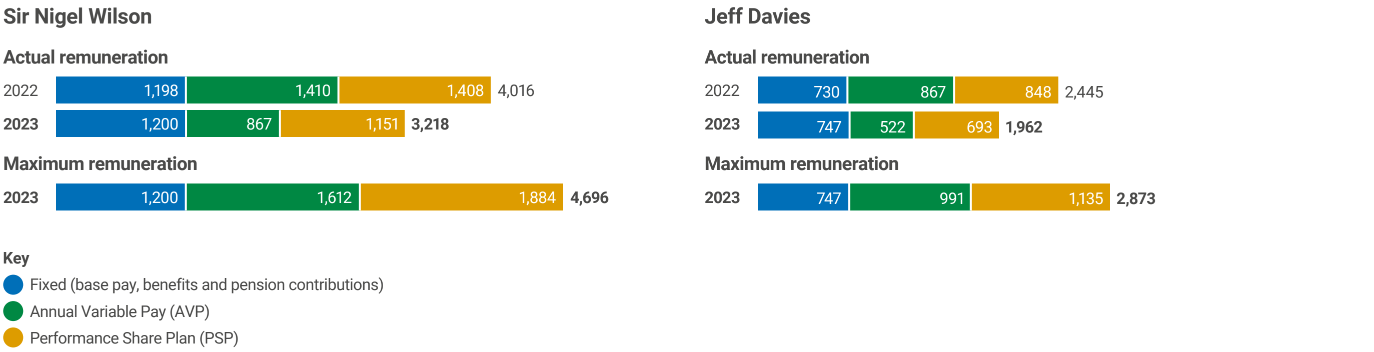
The performance measures for the incentive plans are directly aligned to the Group's key performance indicators (KPIs). The Group Board reviews the KPIs annually and adds to or changes them where appropriate. KPIs are explained in more detail on pages 24 and 25 and further details of performance measures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

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

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

Total remuneration received (£'000)

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



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

Summary of remuneration policy

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

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

	Performance Share Plan (PSP)	Non-executive directors' fees	Shareholding requirements
Purpose and link to strategy	Provides a direct and transparent link between executive pay and the delivery of shareholder returns over the longer term.	Compensates non-executive directors for their responsibilities and time commitment.	Provides alignment with shareholder returns and ensures the impact on directors' shareholdings moves in line with Legal & General's share price.
Operation	A conditional award of shares (or nil-cost options, or phantom equivalent, or other forms dependent upon business or regulatory requirements). In normal circumstances: • subject to a performance period of no less than three years and a further holding period of no less than two years following the end of the performance period • performance measures and targets are set annually by the Committee to ensure they are relevant and appropriately stretching, and aligned with the delivery of shareholder returns over the longer term • performance targets take into account internal forecasts, any guidance provided to the market, market expectations, prior performance, and the company's risk appetite • dividends or dividend equivalents may accrue during the performance period based on the number of shares that vest but not those that have lapsed • malus and clawback apply. Exceptionally, the Committee may adjust and amend the PSP awards in accordance with the rules, including: • lengthening the performance period and/ or the holding period for future awards • reducing (but not increasing) the level of vesting dependent upon the performance of the Group.	Fees for the Chair and non-executive directors are set at an appropriate level to reflect: • time commitment required to fulfil the role • responsibilities and duties of the positions • typical competitor practice in the FTSE 100 and other financial services institutions. Fees comprise a base fee for membership of the Board, plus (where applicable) additional fees for: • Senior Independent Director (SID) • Committee Chairship • Committee membership (not including the Nominations and Corporate Governance Committee) • Designated Workforce Director. Additional fees for membership of Committee, or Chairship or membership of subsidiary Boards, or other fixed fees may apply if justified by time or commitment. The Chair receives an inclusive fee for the role. The Chair's fee is reviewed annually by the Committee, and the non-executive directors' fees are reviewed by the executive directors. There is no obligation to increase fees upon any such review.	Executive directors are expected to retain any after-tax vested share awards until their shareholding requirements are met, and maintain that shareholding requirement (or their actual shareholding at the date of leaving, if lower) for at least two years after leaving employment with the Group. The Committee retains the discretion to withhold future PSP grants if executive directors are not making sufficient progress towards their shareholding requirement. Non-executive directors may elect to receive a proportion of their fees (normally 50%) in Legal & General shares until their shareholding requirement is met. The sale of shares prior to the shareholding requirements being met may be permitted in extenuating situations, for example, a change to personal circumstances, ill health, etc.
Opportunity or requirement	The maximum opportunity for an executive director in respect of any financial year is 300% of base pay. • 15% of the award vests for threshold performance • 100% of the award vests for achievement of maximum. The Committee assesses the formulaic vesting outcome, and may amend the vesting downwards (but not increase the level of vesting) considering a range of factors including overall performance, risk management, capital generation, Solvency II coverage ratio, and ESG.	Fees are subject to the aggregate limit in the Company's Articles of Association or any subsequent shareholder resolution. Any changes in this limit would be subject to shareholder approval. The Chair and non-executive directors are not eligible to participate in any benefit, pension or incentive plan. However, additional benefits may be provided if the Board feels this is justified, such as tax compliance advice, work permits or similar. Expenses incurred in carrying out duties (and any associated tax liability) may be reimbursed or paid directly by the Company.	Shares owned outright equivalent to: • 325% of base pay for executive directors • 100% of base fee for non-executive directors.
Performance	An appropriate mix (normally an equal weighting) of: • earnings performance – to incentivise growth in earnings • shareholder return – to deliver a competitive return for shareholders; and • strategic performance including ESG – to incentivise the delivery of broader aspects of the Company's strategy. The maximum weighting for any strategic measures will be 20%.	No performance conditions.	Not applicable. See page 102 for Remuneration policy notes

Summary of remuneration policy
continued

Recruitment Remuneration

Component	Policy and operation
Overall approach	The Committee will pay no more than it considers necessary to attract appropriate candidates, and it is not contemplated that remuneration will need to be different from the structure or exceed the limits set out in the remuneration policy table.
Maximum variable remuneration	The maximum variable remuneration will be in line with that set out in the remuneration policy table, that is 500% of base pay, excluding any compensation for awards forfeited on appointment.
Compensation for forfeited awards	As a result of regulations around the globe in the financial services sector, executives are likely to have accrued deferred remuneration which may be lost upon a change of employment. Accordingly, to aid the recruitment of a new executive director, the Committee may grant deferred cash and share awards to compensate for awards forfeited upon leaving a previous employer, taking into consideration relevant factors including: • the form of the award • any performance conditions • the vesting profile and likelihood of vesting • relevant regulatory requirements and guidance. Any awards will reflect the terms and the value of the arrangements forgone, and any such compensation will be subject to forfeiture and clawback if the executive leaves the Company voluntarily within a fixed time period determined by the Committee, being not less than three years. Where possible the Committee will use existing share-based plans. However, in the event these are not appropriate, the Committee retains the discretion to use the Listing Rules exemption (LR 9.4.2) for the purpose of making an award to compensate for amounts forfeited upon leaving a previous employer. For internal appointments, the Committee may continue to honour prior commitments made before joining the Board.
Relocation	Where a new executive director has to relocate to take up the appointment, either within the UK or from overseas, practical and/ or financial support may be provided in relation to relocation or mobility including the cost of any tax incurred for a period not exceeding two years. For appointments from overseas, certain home country benefits may continue to apply. Relocation and mobility support may also apply to the recruitment of a non-executive director.

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

Termination and payments for loss of office

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

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

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

António Simões Remuneration Disclosure

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

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

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

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

Replacement award
As is common practice in Financial Services, and in particular in banking, António had numerous unvested awards which he forfeited as a result of joining Legal & General. Our policy on recruitment remuneration provides, that in these circumstance, the Committee may grant awards equivalent to the remuneration arrangements forfeited upon leaving the previous employer, taking into consideration relevant factors including but not limited to, the form of the award, any performance conditions attached to those awards, the vesting profile and likelihood of vesting and any relevant regulatory requirements and guidance in relation to awards.

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

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

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

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

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

Cash awards

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

Share awards

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

1. Effective grant price fixed at time of appointment.

Annual report on remuneration

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

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

'Single figure' of remuneration – executive directors

The following table shows a single total figure of remuneration for each executive director in respect of qualifying services for the 2023 financial year, together with a comparative figure for 2022.

Single figure table

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

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

Base pay

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

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

Benefits

Benefits include the elements shown in the table below.

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

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

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

Pension

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

Pension for 2024
For 2024 António Simões and Jeff Davies will receive a cash allowance of 10% of base pay, aligned with employer pension contributions for the majority of the UK workforce.

2023 Annual Variable Pay (AVP) awards

The 2023 AVP awards are based on performance for the year ended 31 December 2023. 70% of the bonus opportunity is determined by financial performance and 30% is based upon the achievement of strategic objectives.

The figures below represent the total 2023 AVP awards to be paid, incorporating the amount payable in cash in 2024 (50%), and the amount deferred into restricted shares for a further three years to be released in 2027 (50%) subject to continued employment with malus and clawback provisions.

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

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

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

- **Strategy:** focus on safeguarding the future of the company and developing future income streams.
- **Culture & Customer:** based on a range of metrics which reflect the impact of culture on employees and customers, including customer performance scores and feedback, employee engagement scores, and progress against gender and other diversity goals.
- **Risk:** supported by analysis from the Chief Risk Officer, using quantitative and qualitative metrics, including divisional and group operational performance, capital management, prudential risk, IT and cyber risk, and internal audit.
- **Environmental:** (moderator*): progress against key environmental commitments as referenced in our 2023 Climate and nature report and increase in the prominence of sustainability considerations in commercial decisions taken during the year (including operational, investment and product development decisions).
  *ESG metrics are incorporated into the existing strategic and personal performance measures, rather than a separate or additional component. AVP may be reduced if insufficient progress is made against ESG metrics.

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

In addition, the Committee considers the Solvency II coverage ratio (2023: 224%) and sustainable financial performance, and may apply a 'moderator' to reduce (but not increase) an AVP award if there are factors that warrant such a reduction. For 2023, it was determined that no adjustment was necessary to the calculated AVP award.

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

Deferral policy
In line with the remuneration policy, 50% of all 2023 AVP awards have been deferred for three years into restricted shares, subject to continued employment and with malus and clawback provisions.

AVP potential 2024

In line with the remuneration policy, for 2024 the target and maximum AVP opportunities for our executive directors will be:

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

The proportion of the AVP measures assessed against financial metrics will remain 70%, with 30% assessed against non-financial objectives. Financial metrics will cover profitability and growth, aligned to António's strategic review. Group financial targets will be disclosed in the 2024 annual report. Some strategic and personal targets are considered confidential and will not be disclosed in any future report.

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

Details of how the 2021 PSP award vested

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

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

The bespoke comparator group comprises:

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

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

Approach to calculation of EPS growth

EPS growth is determined based on measuring the change in EPS over the 3 year performance period. However, as previously indicated, the introduction of IFRS 17 prevents EPS from being measured on the same basis from the start of the performance period (where EPS was reported based on IFRS 4) to the end of the performance period (where EPS was reported based on IFRS 17). In order to fairly measure the EPS growth performance, the Committee has considered the annual change in each of the three years, as the EPS for 2022 has been reported on both an IFRS 4 and IFRS 17 basis. The basis for the calculation is illustrated in the table below:

		Year on year EPS growth			EPS growth p.a. over 3-year performance period
	Accounting Standard	2020 to 2021	2021 to 2022	2022 to 2023	
Adjusted EPS	IFRS 4	75.4%	12.0%		15.1%
	IFRS 17			(22.4)%	

The results are shown below:

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

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

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

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

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

Performance Share Plan (PSP) 2024 awards: António Simões will be granted an award with a face value of 300% of base pay and Jeff Davies will be granted an award with a face value of 250% of base pay

For the 2024 award, the following performance measures will be used:

- TSR performance relative to the FTSE 100 (20% of award)
- TSR performance relative to a bespoke comparator group of companies (20% of award), noting that the bespoke comparator group will be unchanged from the 2023 PSP
- EPS growth (40% of award)
- progress against published commitments in our Climate transition plan, aligned to our three-pillar strategy of Invest, Influence, Operate (20% of award) as detailed in the table on the following page.

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

In setting targets for the 2024 PSP awards the Committee have considered:

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

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

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

In determining the final outcome for the Climate transition measures, the Remuneration Committee may make a downwards adjustment if they are not satisfied that positive and sufficient progress has been made against our target of 70% of eligible AUM to be managed in alignment with net zero[1].
The Remuneration Committee will also consider material market movements or business composition changes when assessing the final outcome and may make adjustments to the outcome as a result.

1. This reflects the important and significant impact that the Company has though influencing its investments whilst acknowledging the challenges in setting quantitative targets at this point in time

Other remuneration information

Total shareholder return (TSR)

The chart shows the value, as at 31 December 2023, of £100 invested in Legal & General shares on 31 December 2013, compared to £100 invested in the FTSE 100 on the same date. The FTSE 100 Index was chosen as the comparator because the Company is a member of this index.

Group Chief Executive – historical remuneration information

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

Year	Name	Group Chief Executive single figure of total remuneration (£'000)	Annual variable element against maximum opportunity	PSP vesting rates against maximum opportunity
2023	Sir Nigel Wilson	3,218	53.8%	61.1%
2022	Sir Nigel Wilson	4,016	91.4%	52.3%
2021	Sir Nigel Wilson	4,311	94.5%	82.9%
2020	Sir Nigel Wilson	2,092	23.5%	24.2%
2019	Sir Nigel Wilson	4,592	91.1%	86.9%
2018	Sir Nigel Wilson	3,398	80.4%	48.7%
2017	Sir Nigel Wilson	3,439	85.3%	59.9%
2016	Sir Nigel Wilson	5,417	87.8%	76.6%
2015	Sir Nigel Wilson	5,497	86.3%	100%
2014	Sir Nigel Wilson	4,213	90.7%	100%

Due to the timing of the vesting of PSP awards, initially PSP figures within the single figure of remuneration are calculated based on the average share price for the three months ended 31 December in the respective year. As noted under the single figure of remuneration table on page 104, the figures are restated in the following year's report to reflect the actual share price on the vesting date. The figures in the table above have been restated to reflect the actual share price on vesting for the years 2014 – 2022.

Scheme interests awarded during the financial year

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

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

Performance conditions for PSP awards granted in 2023

The PSP awards were granted on 6 April 2023. 25% of the award will vest based on TSR performance relative to the FTSE 100, 25% of the award will vest based on TSR performance relative to a bespoke peer group (comprising Abrdn, Aegon, Ageas, Allianz, Assicurazioni Generali, Aviva, AXA, CNP Assurances, Gjensidige Forsikring, Hannover Rueck, Lincoln National, M&G, Mapfre, Metlife, Muenchener Ruck, NN Group, Phoenix Group, Principal Financial, Prudential Financial, Prudential, Sampo A, Swiss Re, Talanx and Zurich Insurance Group), and 50% of the award will vest based on the EPS growth. Vesting will be based on performance as set out in the table below:

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

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

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

Statement of directors' shareholding and share interests

Total shareholding of executive directors:

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

Shareholding requirement – executive directors

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

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

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

Notes

Shares used for the above calculation exclude those with performance conditions, any unexercised options, those shares subject to a period of deferral and any shares held in a private trust where the executive director is not a trustee. They include vested shares where the executive director has beneficial ownership, shares independently acquired in the market and those held by a spouse or civil partner or dependant child under the age of 18 years.

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

Share options exercised during 2023

PSP awards may be granted in the form of nil-cost options with an exercise date no earlier than the normal vesting date. Executive directors may also participate in the company's ShareSave Plan. Where such share awards have been exercised during 2023 they are shown below:

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

Sir Nigel Wilson payments for loss of office

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

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

Unvested deferred share awards

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

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

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

Unvested PSP awards

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

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

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

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

Non-executive directors' remuneration – 2023

Non-executive directors' fees

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

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

Annual fees	Current fee £
Chair	603,500
Base fee	78,750
Additional fees:	
Senior Independent Director	31,500
Designated Workforce Director	31,500
Committee Chair fee (Audit, Remuneration, Risk and Data and Technology Committees)	42,000
Committee membership fee (Audit, Remuneration, Risk and Data and Technology Committees)	16,500

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

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

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

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

1. Henrietta Baldock is also Chair of the Legal and General Assurance Society Board for which she receives a separate fee to that paid to her as a non-executive director of the Company. The actual fees in the table above include her total fees for both roles.
2. Lesley Knox is also a NED of the Legal & General Investment Management (Holdings) Limited Board and was Chair until 22 September 2023, for which she receives a separate fee to that paid to her as a non-executive director of the Company. The actual fees in the table above include her fees for both roles.
3. George Lewis is also Chair of the Legal and General Assurance (Pensions Management) Limited Board for which he receives a separate fee to that paid to him as a non-executive director of the Company. The actual fees in the table above include his fees for both roles.
4. The Chair and non-executive directors are not eligible to participate in any benefits, pension or incentive plan. The amounts disclosed in the benefits section above relate to taxable travel and accommodation expenses incurred while undertaking their roles as non-executive directors of the Company.

Shareholding requirements – non-executive directors

Non-executive directors are required to build up a shareholding equivalent to 100% of base fee, typically within three years of appointment. Non-executive directors may elect to receive a proportion of their fees (normally 50%) in shares until their shareholding requirement is met. The table below shows their shareholding as at 2 January 2024, taking into account share purchases in relation to December 2023 fees.

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

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

Non-executive directors' terms of employment

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

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

Remuneration for employees below Board

General remuneration policy

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

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

Summary of the remuneration structure for employees below the Board

Element	Policy
Fixed	
Base pay	We aim to attract and retain key employees by paying base pay which delivers competitive total remuneration. Factors taken into account when determining salaries include: • the individual's skills, experience and performance • scope of the role • external market data • pay and conditions elsewhere in the Group • overall business performance. As a member of the Living Wage Foundation, base pay is also set with reference to the Foundation's UK and London living wage levels. During 2023 the average increase was around 5.8% but with increases applied on a stratified basis with the lowest paid employees (less than £25,000) receiving, on average, the highest increases (generally 7.5%). For 2024 the average increase was 4.3%, applied again on a stratified basis with more junior employees receiving increases, on average, of 5%.
Benefits	All UK employees have access to private medical insurance, life insurance, and a range of family-friendly policies (maternity, paternity, adoption and shared parental leave). In addition there are several wellbeing support packages including Unmind (a mental health app), childcare and elderly care support. Employees of non-UK business are provided with benefits in line with the local market.
Pension	All employees are given the opportunity to participate in a group pension scheme. The pension opportunity offered to the majority of the UK workforce in 2023 was 10% of base pay. With effect from 1 April 2024 the pension opportunity for the majority of the UK workforce was increased to 11%, with further increases planned over the next 5 years to align the pension opportunity with that for senior managers. Employees of non-UK business are provided with pension provision in line with the local market practice and legislative requirements.
Variable	
Annual bonus	The majority of employees participate in a discretionary bonus plan, unless an alternative plan applies based on role. An employee will be considered for a discretionary bonus award based on achievement against objectives, conduct and behaviours, the role performed during that year and internal relativities. The Group operates bespoke bonus plans where business appropriate. However, the Remuneration Committee has ultimate discretion over all bonus plans. Bonuses above a certain threshold are subject to deferral. Deferred awards are normally held in shares for three years and are subject to malus and clawback. The company reserves the right to adjust deferral levels for Material Risk Takers and Code staff as deemed necessary to comply with regulatory requirements.
Share bonus plan (SBP)	Key employees, including senior managers, high performing and high-potential individuals and those with critical skills may receive SBP awards, typically in the form of restricted shares vesting three years from the grant date. SBP is also used as the vehicle for deferral of annual bonuses in the majority of cases.
Performance share plan (PSP)	Participation in the PSP is offered to a small number of senior management each year in recognition of the strategic and influential role that they hold in terms of driving company performance, as well as their individual contribution. Participation in the plan for one year does not guarantee participation in future years. PSP awards were made to around 18 employees during 2023. Where appropriate, grants under the PSP may also be made for new employees who join the company during the year in key roles.
Other	
Employee share plans	All employees are given the opportunity to participate in a ShareSave plan and an Employee Share Purchase plan. These are both HMRC-approved plans which offer all employees the opportunity to share in the success of the business.

Annual equal pay review

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

Gender pay reporting

The Group has published a new Social impact report, which contains the statutory disclosure of our gender pay gap for 2023.

Pay ratio in relation to the Group Chief Executive Officer

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

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

Total remuneration

		Pay ratio			All UK employees £		
Year	Method	75th percentile	Median	25th percentile	75th percentile	Median	25th percentile
2023	**B**	**33**	**54**	**95**	**97,774**	**59,094**	**33,950**
2022	A	46	77	135	87,152	51,834	29,804
2021	A	52	88	146	82,475	49,226	29,531
2020	A	26	48	81	78,989	43,726	25,839
2019	A	61	105	167	70,892	40,982	25,814
2018	A	49	83	132	69,923	40,814	25,730
2017	A	52	89	137	66,572	38,802	25,023

Base pay

		Pay ratio			All UK employees £		
Year	Method	75th percentile	Median	25th percentile	75th percentile	Median	25th percentile
2023	**B**	**13**	**22**	**36**	**79,125**	**48,069**	**30,000**
2022	A	14	23	38	72,530	44,549	26,875
2021	A	14	23	38	68,675	42,444	26,000
2020	A	15	26	42	65,101	37,677	23,232
2019	A	16	27	42	60,000	35,000	22,550
2018	A	16	27	41	57,853	34,475	22,781
2017	A	16	27	42	58,020	33,649	22,148

Pay ratio commentary

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

Methodology

The Companies (Miscellaneous Reporting) Regulations 2018 permit different options for calculating the pay ratio. We have chosen option B as our method for calculating the pay ratio for 2023, consistent with the methodology for gender pay reporting. The total remuneration figures for the UK employees are based on salaries at 1 December 2023. Bonus amounts for 2023 are not able to be determined for some eligible employees until after publication of this report, and therefore it is not possible to determine the exact 2023 total remuneration for all UK employees as is required for option A within this timescale. For completeness and transparency, we have included the pay ratios based on the option A method for previous years and we will also retrospectively disclose the pay ratio for 2023 based on the option A method in the 2024 report. We do not believe that this will result in pay ratio figures that are materially different to the 2023 figures disclosed above.

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

Percentage change in directors' 2023 remuneration compared with all UK employees

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

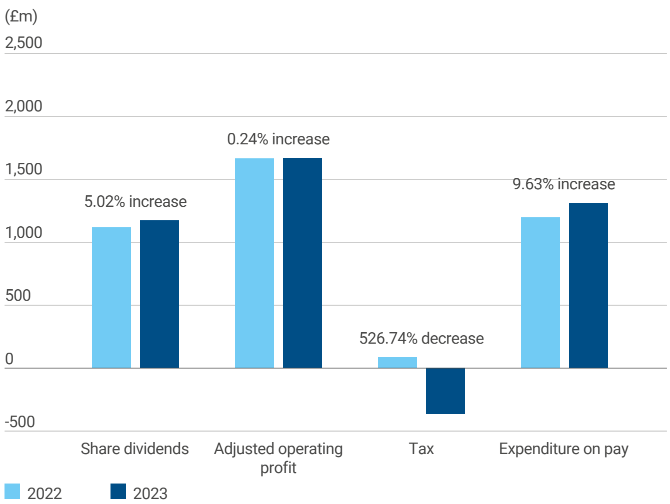
	Year ended 31 December 2023			Year ended 31 December 2022			Year ended 31 December 2021			Year ended 31 December 2020		
	Base pay/ fees (% change)	**Benefits (% change)**	**AVP (% change)**	Base pay/ fees (% change)	Benefits (% change)	AVP (% change)	Base pay/ fees (% change)	Benefits (% change)	AVP (% change)	Base pay/ fees (% change)	Benefits (% change)	AVP (% change)
Executive directors												
Sir Nigel Wilson	**4.6%**	**(25.4)%**	**(38.5)%**	4.2%	4.1%	1.6%	0.0%	3.3%	301.6%	3.4%	3.4%	(73.2)%
Jeff Davies	**4.9%**	**(13.7)%**	**(39.8)%**	5.9%	4.0%	6.3%	0.0%	0.7%	282.2%	6.6%	6.3%	(72.1)%
Chair and Non Executive Directors[1]												
Sir John Kingman	**4.8%**	**n/a**	**n/a**	5.1%	n/a	n/a	4.2%	n/a	n/a	3.3%	n/a	n/a
Henrietta Baldock	**18.0%**	**n/a**	**n/a**	3.4%	n/a	n/a	0.8%	n/a	n/a	4.5%	n/a	n/a
Nilufer von Bismarck	**(8.0)%**	**n/a**	**n/a**	59.7%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Philip Broadley	**(3.7)%**	**n/a**	**n/a**	5.0%	n/a	n/a	28.7%	n/a	n/a	3.6%	n/a	n/a
Carolyn Johnson[2]	**2.0%**	**n/a**	**n/a**	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Lesley Knox	**8.0%**	**n/a**	**n/a**	3.5%	n/a	n/a	2.8%	n/a	n/a	1.9%	n/a	n/a
George Lewis	**25.1%**	**n/a**	**n/a**	69.9%	n/a	n/a	11.0%	n/a	n/a	4.9%	n/a	n/a
Ric Lewis	**3.4%**	**n/a**	**n/a**	8.1%	n/a	n/a	7.8%	n/a	n/a	n/a	n/a	n/a
Tushar Morzaria[2]	**2.3%**	**n/a**	**n/a**	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Laura Wade-Gery[3]	**50.4%**	**n/a**	**n/a**	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Average for UK employees	**5.7%**	**5.7%**	**5.2%**	**4.7%**	**4.7%**	**(0.3)%**	**2.4%**	**2.4%**	**19.6%**	**3.5%**	**3.5%**	**2.7%**

1. The increase in fees for non-executive directors of the company reflects the increases in committee membership fees as well as changes in the membership of the committees.
2. Tushar Morzaria and Carolyn Johnson were appointed to the Board on 22 May 2022 and 17 June 2022 respectively, and the percentage increases for these non-executive directors are based on the change in annualised fees for 2022 compared with 2023.
3. The increase in fees for Laura Wade-Gery reflects her increased committee memberships and the increase in fee for her role as the Chair of the Data and Technology Committee.

As with prior years, the whole UK employee population has been selected as the comparator group. This group was chosen because it includes a wider cross section of the Group's employees. The increase in benefits for the employee comparator group relates to the impact of base pay increases.

Relative importance of spend on pay

The chart opposite shows the relative importance of expenditure on pay compared to share dividends, adjusted operating profit and tax for the year. Adjusted operating profit has been shown because it is a key performance indicator of the business. Further information on tax is on pages 233 to 237. No share buybacks were made in 2022 or 2023.



Remuneration Committee

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

Committee members, attendees and advice

Meetings in 2023

During 2023, the Committee met eight times and in addition had ongoing dialogue via email and other telecommunications. An outline of the Committee undertakings in each quarter during 2023 is shown in the table below. During 2023, the Remuneration Committee comprised the following non-executive directors:

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

Committee undertakings

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

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

At the invitation of the Remuneration Committee, a representative from PricewaterhouseCoopers (PwC) also attends Committee meetings. During 2023, PwC principally advised the Committee on external developments affecting remuneration as well as specific matters raised by the Remuneration Committee. PwC were appointed by the Committee. The Committee reflects on the quality of advice provided and whether it properly addresses the issues under consideration as part of its normal deliberations. The Committee is satisfied that the advice received from the PwC engagement team is objective and independent. PwC are signatories to the Remuneration Consultants' Group Code of Conduct in relation to executive remuneration consulting in the UK. The total fees paid to PwC in relation to Remuneration Committee work during 2023 were £198,600 (excluding VAT). While fee estimates are required for bespoke pieces of work, fees are generally charged based on time with hourly rates in line with the level of expertise and seniority of the advisor concerned. During the year, PwC also provided the company with HR consulting services including advice to management on regulatory aspects of reward, as well as other professional services including tax, consulting, accounting, regulatory compliance, and other advice to the Group.

Annual report on remuneration
continued

Considering risk

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

Reward Steering Committee (RSC)

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

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

Group Regulatory Risk and Compliance Function

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

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

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

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

Engagement with key stakeholders

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

During 2024 the Committee will continue to closely examine our remuneration principles and policies to ensure they remain appropriate in the context of future business strategy, updated investor guidelines and evolving best practice and will consult with the Group's largest shareholders on any proposed changes.

We engaged regularly with our workforce throughout 2023, including via our workforce representative bodies Unite (the trade union) and our Management Consultative Forum on a number of topics, including pay, and propose to continue this dialogue in 2024, including in relation to our new remuneration policy.