



Phoenix Group Holdings plc

Remuneration Committee Terms of Reference

Date of adoption:
5 February 2025

Purpose

The Remuneration Committee is responsible for but not limited to:

1. Purpose	<ul style="list-style-type: none">• Group Remuneration Framework, including Remuneration Policy for the wider workforce;• PRA Remuneration Statement; and• Executive Directors' Remuneration Policy. This will be reviewed triennially (or at any other time as required) and proposed for shareholder approval. Feedback from investors on the Directors' Remuneration Report or Policy (if appropriate) or market issues post the Annual General Meeting ('AGM') will also be reviewed by the Committee. <p>In relation to the above, the Committee shall ensure remuneration related matters and individual packages are:</p> <ol style="list-style-type: none">i. Appropriate in the context of an individual's responsibility and seniority;ii. Fair in light of each individual's personal performance; andiii. Aligned where appropriate to the wider workforce remuneration structure.
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Membership & Attendance

2. Chair	<ul style="list-style-type: none">• The Chair of the Committee is appointed by the Board on the recommendation of the Nomination Committee.• In the absence of the Chair, the Committee members shall elect one of themselves to be the Chair for the meeting.• The Chair of the Committee should attend the AGM to answer shareholder questions related to activities of the Committee over the preceding year.
3. Members & Attendees	<ul style="list-style-type: none">• Committee members appointed by the Board on the recommendation of the Nomination Committee.• At least three members comprising of Independent Non-Executive Directors of the Board ('INEDs'), where possible comprised of the Chairs of the Board Committees and the Designated Non-Executive Director for Workforce Engagement ('DNED for Workforce Engagement').• An individual should have served on a remuneration committee for at least 12 months prior to their appointment as the Committee Chair.• Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three-year periods, provided that the majority of the Committee members remain independent.• Only Committee members have the right to attend meetings.• Others may attend by invitation including but not limited to<ol style="list-style-type: none">1. Group Chief Executive Officer;2. Chief People Officer;3. Executive Reward Director;4. Reward & Performance Director; and5. External Committee Remuneration Adviser.
4. Committee Secretary	<ul style="list-style-type: none">• Group Company Secretary or a nominee.

Meeting Management & Governance

5. Frequency & Format	<ul style="list-style-type: none"> The Committee shall meet at least four times annually and ad hoc as required at the request of the Committee Chair, or two members. Notice of each meeting confirming the venue, time, and date together with an agenda of items and supporting papers to be discussed, should be forwarded to the Board and any other person required to attend at least five days before the meeting (unless otherwise agreed, in which case the number of days should not be less than three). Members should attend in person (where possible), or via video conferencing or telephone. If required, matters may be approved by written resolution or electronically. The Secretary will minute the proceedings and resolutions of all Committee meetings. Once approved by the Chair, minutes to be circulated promptly to members.
6. Quorum	<ul style="list-style-type: none"> Two members shall constitute a quorum.
7. Conflicts of Interest	<ul style="list-style-type: none"> Members of the Committee shall declare any conflicts of interest prior to participating in meetings and any such conflicts to be declared and noted in the Committee minutes.
8. Independent Advice	<ul style="list-style-type: none"> In addition to having access to the services of the Group Company Secretary and external advisors of PGH, Directors may seek independent advice in connection with their duties at the expense of the Company and invite those persons to attend meetings of the Committee.
9. Delegation of Authority	<ul style="list-style-type: none"> The Committee is authorised by the Board to undertake any activity within its terms of reference and seek any information from any employee or subsidiary company as and when required.

Duties & Responsibilities

10. The duties and responsibilities of the Committee are as follows:

Main Duties

Review and Recommend:

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| 10.1 | Annually the Directors' Remuneration Report and every three years, the Directors' Remuneration Policy which forms part of the PGH Annual Report and Accounts. These ultimately require shareholder approval. |
| 10.2 | The design and establishment of all share incentive plans. These ultimately require shareholder approval. |

Review and Approve:

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| 10.3 | The fee of the Group Chair. |
| 10.4 | The remuneration for all colleagues under their remit as shown below. |
| 10.5 | The design of the Group Annual Incentive Plan and any other incentive plans, including performance metrics and targets, and the Executive Directors strategic scorecard, ensuring that they promote sound risk management and are aligned with the Group strategy. |
| 10.6 | The Group ('LTIP') and any other discretionary share plans, including when relevant the performance metrics and targets. |

10. The duties and responsibilities of the Committee are as follows:

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| 10.7 | Individual and corporate performance assessments and consider variable pay outcomes against this context, applying discretion as appropriate in accordance with the robust remuneration framework. This can include the reduction in variable pay outcomes. |
| 10.8 | The overall funding of incentive schemes across the Group. |
| 10.9 | Control function pay design and any control function specific scorecards. |
| 10.10 | The framework for the identification of Solvency II Staff and those individuals identified as such. |
| 10.11 | The pension contributions and benefits for Executive Directors ensuring they align with the wider workforce. |
| 10.12 | Any remuneration arrangements outside of the Group framework and any exceptional payments to colleagues under the Committee's reference. |
| 10.13 | New joiner contractual payment terms (e.g. bonus/share buy-outs or guaranteed bonuses) should the total amount exceed £500,000. |
| 10.14 | Good leaver status under the discretionary share plans. |
| 10.15 | Good leaver status for all employee share plans as required in line with HMRC guidance. |
| 10.16 | The expenses policy applicable for Executive Directors and senior management. |
| 10.17 | The annual Directors Remuneration Report. |
| 10.18 | Any non-material changes to share plan rules, not requiring shareholder approval. |
| 10.19 | Before the vesting of an award determine whether any malus or clawback should be applied with support from both the Group Chief Risk Officer and Chief People Officer. |
| 10.20 | For bi-annual grants, determine whether awards will be made and the total value of such awards. |
| 10.21 | Review EBT hedging strategy and funding requirements. |

Review and Note and if appropriate act upon:

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| 10.22 | The gender and ethnicity pay gap. |
| 10.23 | The overall annual salary review budget. |
| 10.24 | Fees paid to Non-Executive Directors of subsidiary entities and "no objection" to those fees paid to Non-Executive Directors of overseas jurisdictions. |
| 10.25 | Annual update on any subsidiary entities Remuneration Committee matters. |
| 10.26 | Any findings from Management should the Group have not operated in accordance with the principles and processes established in the remuneration policies and in compliance with relevant remuneration regulations for that year. |
| 10.27 | Regularly review employee PDMRs Shareholder Ownership Guidelines (SOGs) attainment level. |

Colleagues under the Committee's remit

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| 10.28 | Executive Directors. |
| 10.29 | Executive Committee members. |
| 10.30 | Senior colleagues with base salary in excess of £250k or total compensation in excess of £650k. |
| 10.31 | Material Risk Takers not included in the above categories. For any Solvency II Staff / Material Risk Takers who earn a basic salary of less than £250k, the Committee may delegate the authority to review and |

10. The duties and responsibilities of the Committee are as follows:

approve certain aspects of remuneration arrangements to any of its members, attendees, or management, as appropriate.

10.32 The Committee may request access to decisions made with regard to this population and have periodic updates under the delegated authority granted.

Wider Workforce

10.33 Engage with the wider workforce to explain how executive remuneration aligns with the wider Group pay policy and culture.

10.34 Take wider workforce remuneration and related policies into account when setting the policy for Directors' remuneration.

10.35 Review and take account of wider workforce views on remuneration through the feedback from the DNED for Workforce Engagement.

Risk

10.36 Ensure that the Group Chief Risk Officer and a Line 2 Risk Opinion is provided when considering the design of variable pay remuneration arrangements, in particular the selection of performance metrics.

10.37 Invite the Group Chief Risk Officer to attend the Committee bi-annually to report on both the risk profile and risk events during the year that should be taken into consideration when the Committee reviews bonus outturns, ensuring excessive risk taking or short termism is discouraged.

10.38 Consider whether any malus or clawback should be applied to variable pay outcomes, or use their authority to exercise discretion to override any formulaic outcomes.

10.39 Consult and receive advice from the Board's Risk Committee, Audit Committee and control functions, as it considers necessary or appropriate.

Governance, Reporting and Other Procedures

10.40 Be responsible for establishing the selection criteria, and for selecting, appointing and setting the terms for any remuneration consultants appointed to advise the Committee. Such terms to be annually reviewed by the Committee.

10.41 Review at least annually the Committee's Terms of Reference and recommend to the Board for APPROVAL as necessary.

10.42 Members shall undertake a review of the Committee's performance as part of the annual Board Evaluation process.

10.43 Delegate any of its powers to one or more of its members or the secretary of the Committee.

10.44 Have access to the Company Secretariat on all Committee matters.

10.45 Consider any other matters as may be requested by the Board.

10.46 Oversee any investigation of activities that are within the Terms of Reference.

10.47 The Committee Chair should report to the Board on matters reviewed and make the appropriate recommendations.

10.48 The Committee shall produce an annual report of its duties and activities for inclusion in the PGH Annual Report and Accounts.

10.49 Produce an annual report on the activities of the Committee against the Terms of Reference and all applicable laws, guidance and regulations of any market on which the Company's securities operate and are listed must be included.

10.50 Ensure compliance with any statutory and regulatory requirements applicable to the Group (including the relevant Solvency II, PRA and FCA remuneration principles and give due regard to best practice and codes

10. The duties and responsibilities of the Committee are as follows:

of conduct as may be issued to the industry and markets from time to time, such as the FRC's UK Corporate Governance Code.

Defined Terms

AGM	Annual General Meeting of the Company
Board of Directors or Board	Board of Directors of the Company
Committee	Remuneration Committee
Company	Phoenix Group Holdings plc
DNED for Workforce Engagement	Designated Non-Executive Director for Workforce Engagement
EBT	Employee Benefit Trust
FCA	Financial Conduct Authority
FRC	Financial Reporting Council
Group	Phoenix Group Holdings plc and its subsidiaries
INED	Independent Non-Executive Director
LTIP	Long Term Incentive Plan
PDMR	Persons Discharging Managerial Responsibilities, including Board Directors and members of the Executive Committee, except the Chief Internal Auditor.
PGH	Phoenix Group Holdings plc
PRA	Prudential Regulation Authority
SOG	Shareholder Ownership Guidelines