
**MATTERS RESERVED FOR THE BOARD OF
PHOENIX GROUP HOLDINGS PLC**

Adopted by the Board on 24 November 2022

PHOENIX GROUP HOLDINGS PLC (the 'Company')
MATTERS RESERVED FOR THE BOARD

The Company board (the 'Board') has established this list of Matters Reserved which must go to the Board for approval, subject to any legal or regulatory rights of shareholders.

The Board delegates its powers to Board Committees through Terms of Reference. The Board also delegates its powers to management through Delegations of Authority.

There are Matters Reserved for the boards of directors of the Life Companies as certain decisions are reserved to those boards for approval (e.g. policyholder bonus rates and investment management agreements). The Matters Reserved of the Life Companies' boards are subject always to the following list of Matters Reserved for the Board and some decisions taken by the Life Companies' boards shall be subject to approval of the Board.

The Matters Reserved for the Board, subject to any legal or regulatory rights of shareholders, are as follows:

1. STRATEGY AND MANAGEMENT

- 1.1. Responsibility for the overall purpose and strategy of the Group, including the Group's sustainability strategy, and establishing the Group's long term objectives.
- 1.2. Responsibility for oversight of the Group's culture, promoting a culture which is aligned with the Group's purpose, values and strategy.
- 1.3. Responsibility for the Company's listing on the London Stock Exchange and on any other additional or replacement exchange on which the Company's securities are admitted to trading, and all requirements and obligations relating thereto.
- 1.4. Approval of the AOP of the Group. The Board will monitor adherence to the AOP to ensure delivery of its objectives.
- 1.5. Approval of proposals to extend the activities of the Group into new businesses where such business is outside of the approved AOP and has not previously been transacted by the Group or geographic areas where the Group does not currently have regulatory permissions, where such proposals are deemed to be strategic and/or likely to result in a reputational impact on the Group as a whole.
- 1.6. Any decision to cease to operate all or any material part of the Group's business.
- 1.7. Evaluation and approval of strategic and/or material acquisition and divestment opportunities. For the purpose of this section, material shall have the same meaning as that defined in section 4.2.2 below.
- 1.8. Responsibility for oversight of the Group's approach to effective workforce and stakeholder engagement.
- 1.9. Review of the Group's arrangements through which the workforce is able to raise concerns in confidence (including anonymously), ensuring such arrangements include proportionate and independent investigation of concerns raised with means for follow-up action, at least annually. Reports from the operation of such arrangements shall also be shared with the Board as part of its review thereof.
- 1.10. Oversee the Group's fulfilment of requirements of the FCA's Consumer Duty including, but not limited to, whether the Life Companies are acting to deliver good outcomes for customers / policyholders.

2. STRUCTURE AND CAPITAL

- 2.1 Any material changes relating to the capital structure of the Group as a whole, including but not limited to:
- (A) reductions of capital;
 - (B) share buy backs (including the use of treasury shares);
 - (C) the allotment of unissued shares in the capital of the Company (subject to the appropriate authority of shareholders and except under employee share plans);
 - (D) establishment of new direct subsidiaries and branches (including through acquisition); and
 - (E) any material reorganisation of the Group.
- 2.2 Any changes to the Company's listing or its status as a public limited company.

3. FINANCIAL REPORTING AND CONTROLS

- 3.1 Approval of the interim statements and the annual report and accounts of the Company and the Group (on a consolidated basis), including the corporate governance statement, the remuneration report and any preliminary announcements, following the recommendation of the Audit Committee.
- 3.2 Approval of the Group's capital distribution policy.
- 3.3 Declarations by the Company of interim dividends and recommendations of final dividends.
- 3.4 Approval of any significant changes in accounting policies or practices of the Group, including any change to the accounting reference date of the Company, following the recommendation of the Audit Committee.

4. TRANSACTIONS

- 4.1 Approval of incremental operating expenditure in excess of £20 million over the approved AOP.
- 4.2 Where there is a financial impact to the Group as a whole, approval of:
- 4.2.1 Any project or single item (irrespective of the group entities that may be involved) involving expenditure in excess of £50 million.
 - 4.2.2 Proposals for acquisitions or disposals having a value or consideration greater than £50 million, and/or resulting in a class transaction under the UK Listing Rules and/or for the acquisition or disposal of interests of more than 3 per cent in the voting shares of any listed company (or the voting interests in any other entity) or for the making of any takeover offer, excluding the sale or purchase of investment assets.
 - 4.2.3 Proposals where the Shareholder Value impact (calculated on a Group basis) exceeds £50 million.
 - 4.2.4 Proposals with a reduction in Group Solvency II Surplus above SCR or individual LifeCo entity Solvency II Surplus above Capital Management Policy in excess of £50m.
 - 4.2.5 Proposals representing a risk to IFRS profits in excess of £50 million.
- 4.3 Any matter which would require approval of PGH plc's shareholders (e.g. under the FCA Listing Rules).

- 4.4 Approval of proposals for transactions between a shareholder of the Company (or any entity or person who is connected or affiliated with, or related to, any shareholder of the Company) and any subsidiary.
- 4.5 Proposals for external financing arrangements, with the exception of short-term financing arrangements with a value of less than £50m.
- 4.6 Approval of Group funding for Bulk Purchase Annuities ('BPAs') transactions over the approved AOP, noting that the Executive Directors of the Board have delegated authority to approve Group funding allocated to the Life Companies to support BPA transactions within the approved AOP, which are consistent with the following parameters: (i) expected IRR for the transaction being equal to or in excess of the Group's WACC; (ii) the transaction being within risk appetite limits; and (iii) all required Life Company Transaction Governance (see appendix 1) having been completed and documented. The Executive Directors of the Board also have delegated authority to approve commitments for further Group funding where necessary to support Temporary Strain (see appendix 1) arising from the above BPA transactions.
- 4.7 Entering into and termination of, and any material changes to, contracts which are material strategically and/or by reason of material size (i.e. with a value in excess of £50m) or potential reputational impact in the context of the Group as a whole.
- 4.8 Entering into and termination of, and any material changes to, partnership, joint venture and alliance agreements which are material strategically and/or by reason of material size or potential reputational impact in the context of the Group as a whole.

5 SOLVENCY II MATTERS

- 5.1 Approval of Solvency II and capital matters, specifically relating to the PGH plc Group but excluding matters for which the Life Companies have responsibility, including the following:
- The Group Internal Model;
 - The Group Capital Management Policy and risk appetites;
 - Solvency II Pillar 1 quantitative requirements for measurement of assets, liabilities and capital;
 - Solvency II Pillar 2 qualitative requirements, including risk governance and the Own Risk and Solvency Assessment ("ORSA"); and
 - Solvency II Pillar 3 reporting and disclosure requirements

6 ASSET MANAGEMENT MATTERS

- 6.1 Approval of the Group's investment strategy (subject to approval of the Life Companies' boards) in respect of shareholder funds (including investment strategy of the Company's direct subsidiaries, with the exception of the UK Life Companies) and oversight of performance in respect of the same.
- 6.2 Approval of Group sustainable investment (including stewardship) related policies which are material by reason of size and/or potential reputational or strategic impact, subject to approval by the Life Companies' boards.
- 6.3 Oversight of sustainable investment (including stewardship) related activities connected to the Group's shareholder funds, ensuring alignment with agreed stewardship strategy and policies.

7. RISK MANAGEMENT

- 7.1 Overall responsibility for the Group's system of internal control and risk management, following the recommendation of the Audit and Risk Committees as appropriate.
- 7.2 Overall responsibility for the risk appetite of the Group, and setting risk appetite levels covering business and financial risks acceptable to the Group in order to achieve its business objectives.

8. COMMUNICATION

- 8.1 Approval of resolutions and corresponding documentation to be put forward to the Company's shareholders at a general meeting.
- 8.2 Approval of all circulars and prospectuses.

9. BOARD MEMBERSHIP AND OTHER APPOINTMENTS

- 9.1 Changes to the structure, size and composition of the Board (including in respect of appointments), following the recommendation of the Nomination Committee.
- 9.2 Appointment of one of the independent non-executive directors to be the senior independent director.
- 9.3 Selection of the Chairman of the Board and the Group Chief Executive.
- 9.4 Approval of the terms and conditions of employment of directors of the Company, delegating as appropriate to the Remuneration Committee – see 10.1 below.
- 9.5 Membership and Chairmanship of the Company's Board committees, following the recommendation of the Nomination Committee (and in accordance with the terms of reference of those committees).
- 9.6 Continuation in office of directors at the end of their term of office, when they are due to be re-elected by shareholders at the AGM and otherwise as appropriate.
- 9.7 Continuation in office of any director at any time, including the suspension or termination of service of an executive director as an employee of the Company, subject to the law and their service contract.
- 9.8 Approval of director appointments to the board of any company outside of the Group.
- 9.9 Appointment or removal of the Company Secretary.
- 9.10 Approval of the appointment or removal of Non-Executive Directors to the boards of the regulated legal entities within the Group (including but not limited to the Life Companies), direct subsidiaries of PGH plc and such other entities within the Group as the Board may designate (subject to approval of each respective subsidiary board and, where applicable, regulatory approval), where those directors are not subject to a contract for employment with the Phoenix Group. Delegation of approval of the appointment or removal of executive directors (or internal Non-Executive Directors where those directors are subject to a contract for employment with the Phoenix Group) to the boards of those entities referred to above (subject to approval of each respective subsidiary board and, where applicable, regulatory approval) to the Executive Directors of the Board.
- 9.11 The appointment, reappointment or removal of the Company's auditors to be put to shareholders for approval, following the recommendation of the Audit Committee.

10. REMUNERATION

- 10.1 All fees paid to non-executive directors are determined by the Chairman and Executive Directors and reported to the Board for noting, ensuring that no director is involved in a decision relating to their own remuneration. In accordance with the UK Corporate Governance Code, the Remuneration Committee shall have delegated responsibility for setting remuneration for the Chairman, executive directors and senior management.
- 10.2 The introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval, following the recommendation of the Remuneration Committee.
- 10.3 Major changes to the rules of the Group's pension schemes and any proposed contributions and funding agreements in relation to the Group's pension schemes.

11. CORPORATE GOVERNANCE MATTERS

- 11.1 Approval of the terms of reference of the Company's Board committees.
- 11.2 Approval of the delegation of authorities to executive management and related policies for the use thereof.
- 11.3 Determining the independence of the Company's directors.
- 11.4 Oversight of the Group's corporate governance arrangements to ensure continued compliance with the UK Corporate Governance Code.

12. OTHER

- 12.1 Approval of Group policies as determined by the Board (including, but not limited to, the Group Market Abuse and Disclosure Policy, Group Corporate Communications Policy, Group Stewardship Policy and Group Tax Strategy).
- 12.2 Approval of the lobbying of political parties by any member of the Group.
- 12.3 Approval of changes to the Group Directors' & Officers' Liability insurance and indemnification of directors.
- 12.4 Approval of changes to the Group brand and/or corporate image.
- 12.5 Authorising the prosecution, defence or settlement of material litigation or disputes by reason of size or potential reputational impact in the context of the Group as a whole.
- 12.6 Approval of the appointment of the Group's principal advisers and their fees where outside the AOP, noting that, in accordance with clause 4.1 above, up to £20m may be authorised by the Group CEO on an interim basis.
- 12.7 Changes to the articles of association of the Company and its direct subsidiaries.
- 12.8 Granting power of attorney on behalf of the Company.
- 12.9 Changes to the registered office of the Company.
- 12.10 Amendments to this schedule of Matters Reserved for the Board.

Definitions

AOP means Annual Operating Plan.

Board means the board of directors of the Company.

Company means Phoenix Group Holding plc.

Group means PGH plc and its subsidiaries for the time being.

Life Companies means Phoenix Life Limited, Phoenix Life Assurance Limited, Standard Life Assurance Limited, ReAssure Life Limited and ReAssure Limited.

Appendix 1:

Life Companies BPA Transaction Governance

Transaction Governance is defined as:

- (i) where it is proposed that liabilities will be immediately placed into the MA Fund, confirmation that a determination has been made that the transaction has 'Same Features' in the context of the Matching Adjustment;
- (ii) the Open Business Finance Director has reviewed and approved the capital impact of the transaction;
- (iii) Line 2 Risk has completed appropriate risk review, confirmed that there are no material areas of concern and has shared its findings with the Committee prior to execution;
- (iv) Operational Readiness has been confirmed;
- (v) Know Your Client checks and other client due diligence have been completed satisfactorily;
- (vi) Phoenix Asset Management has confirmed the central asset pricing assumptions;
- (vii) Phoenix Asset Management has confirmed that the transaction will not lead to a breach of any investment risk appetite tolerances (including the PRA matching adjustment tests) and that there are adequate plans in place for asset transition and hedging;
- (viii) in relation to any associated reinsurance, confirmation that the counterparty is an approved counterparty with an allocated credit limit and that no reinsurance counterparty limits will be exceeded; and
- (ix) legal due diligence has been carried out with confirmation from Legal that the legal risks are within appetite.

Temporary Strain

The Group will provide funding for BPA transactions to ensure that transactions have a no worse than neutral impact on Life Company (specifically Phoenix Life Limited) excess capital (after application of the Capital Management Policy ('CMP')) after allowing for planned reinsurance, the expected asset transition, and an appropriate allowance for acquisition and maintenance expenses. In certain cases, the life entity may be subject to a temporary negative impact on excess capital (after CMP) not covered by this funding. This is known as Temporary Strain.