

## **Group Remuneration Policy**

### **Key principles**

To ensure that the Business Units and the Group Head Office have an effective approach in place to reward our employees in an appropriate way which:

- Aligns incentives to business objectives in order to support the delivery of Group and Business Unit business plans and strategies
- Enables the recruitment and retention of high calibre employees and incentivises them to achieve success for their Business Unit and the Group the recruitment and retention of high calibre employees and incentivises them to achieve success for their BU and the Group
- Is consistent with the organisation's risk appetite

### **Policy Detail**

Business Units and the Group Head Office will have clearly documented processes, and where appropriate a policy, in place for determining reward. These will be in line with the Group Reward Principles:

### **Group Reward Principles**

- People are paid for their contribution and performance
- Reward reflects Business Unit and, where appropriate, Group performance
- Reward arrangements are tailored to the relevant market
- Where appropriate, reward provides an interest in Prudential plc shares
- Reward incentivises shareholder value creation
- Reward arrangements are fair and transparent
- Reward arrangements are designed to minimise regulatory and operational risk
- Reward arrangements strengthen the community of interest between employees and other stakeholders
- There are appropriate safeguards to avoid conflicts of interest
- Communication about reward is clear, regular and effective

### **Reward structures must take into account**

- All applicable regulatory frameworks and shareholder views
- Local legal, tax and governance and regulatory frameworks
- Individual contribution, attitude to risk, and conduct
- Market positioning
- Equity with peers
- The interests of stakeholders
- The risk appetite of the business

### **Governance Framework**

- The Group Remuneration Committee approves the structure and value of remuneration for Group Executive Committee members and monitors the remuneration of Leadership Team members, other selected individuals and those with the opportunity to earn more than £1m per annum. In addition it oversees the implementation of the Group Remuneration Policy for those roles within scope of the

specific arrangements of the draft HKIA Guideline on Group-Wide Corporate Governance (6 September 2019 version).

- Business Unit Remuneration Committees approve (and report to the Group Remuneration Committee) the structure and value of remuneration for Leadership Team members, those with the opportunity to earn more than £1m and individuals whose remuneration is specifically governed by the draft regulatory requirements (e.g. control function staff and major risk taking staff). Business Unit Remuneration Committees also approve discretionary awards Leadership Team members as well as LTIP, change in control and share-based retention plans plus changes to pension arrangements. For personnel within the purview of Business Unit Remuneration Committees, risk behaviour and adherence to risk appetite will be considered in assessing performance and determining remuneration and incentives.