

Phoenix Unit Trust Managers Limited (“PUTM”) Remuneration Policy

1. PUTM has no employees. All staff working on PUTM matters are employees of Pearl Group Management Services Limited (PGMS).
2. No element of the remuneration of those staff engaged on PUTM matters is paid by PUTM.
3. However, the personal objectives of those PGMS employees engaged on PUTM matters are aligned to improving investor returns and shareholder cash, reducing risk, and improving operational efficiency within PUTM.
4. All PGMS staff are subject to the requirements of the group-wide Phoenix Group Remuneration Policy which reflects the remuneration requirements of Solvency II. The Phoenix Group Remuneration Policy contains provisions which address the principles of the UCITS Remuneration Code. Accordingly, a proportionate application of the UCITS Remuneration Code is achieved by application of the Solvency II compliant Phoenix Group Remuneration Policy for those individuals engaged on PUTM matters, rather than the creation of an additional new UCITS remuneration policy.
5. In detail, the Phoenix Group Remuneration Policy address the following UCITS Remuneration Code principles:
 - a. **Risk management** – the Phoenix Group Remuneration Policy is consistent with and promotes effective risk management and does not encourage risk taking which is inconsistent with agreed risk appetites. The Phoenix Group Remuneration Policy is aligned to the Phoenix Risk Management Framework and is implemented and assessed with due consideration of the way that risk is managed across the business.
 - b. **Supporting strategy** - the Phoenix Group Remuneration Policy is designed to promote the long-term success of the Company, and to attract, motivate and retain employees of high calibre who can deliver sustained performance consistent with strategic goals, appropriate risk management, the Phoenix Group’s values, and to reward them for enhancing value for policyholders and shareholders while not paying more than is necessary. The governance and decision-making processes for the Phoenix Group Remuneration Policy ensure an appropriate level of independent challenge to remuneration policy and its application to ensure the avoidance of any conflicts of interest.
 - c. **Governance** – Appropriate governance of remuneration is achieved by the supervision of all major aspects of employee remuneration by the Phoenix Group Holdings Remuneration Committee which exclusively comprises independent non-executive directors (who do not perform any executive function).
 - d. **Control functions** – for senior roles within Control Functions (risk, compliance, internal audit and actuarial), their variable pay arrangements exclude any linkage to financial performance for annual incentives. The Phoenix Group Holdings Remuneration Committee periodically considers the appropriateness of long-term incentives for Control Functions. The remuneration of senior officers within Control Functions is overseen directly by the Phoenix Group Holdings Remuneration Committee.
 - e. **Remuneration structures: assessment of performance** – variable remuneration is assessed against an appropriate mix of financial performance of the group and personal performance, although the quantum and balance of corporate to individual objectives varies by level.

- f. **Remuneration structures – guaranteed variable remuneration** – guaranteed variable remuneration may be paid only in the exceptional circumstances of a recruitment and in the year of recruitment.
- g. **Remuneration structures: balance of fixed and variable** - an appropriate balance between fixed and variable remuneration is maintained for all employees, with the fixed proportion being sufficient to allow variable pay to operate on a fully-flexible basis, including the possibility of no payments of variable remuneration in a year.
- h. **Remuneration structure: payments related to early termination** - payments made to employees relating to the termination of an employment contract reflect performance achieved over the time worked and are designed in a way that does not reward failure or misconduct.
- i. **Remuneration structures: performance adjustment** - all variable pay awards are potentially subject to clawback/malus for all staff in appropriate cases, applying criteria which include, but are not restricted to, a material restatement of results, material risk failings, and reputational damage to the Phoenix Group.
- j. **Measurement of performance** - the Phoenix Group Holdings Remuneration Committee considers overall business performance (including adherence to risk appetite and sound and effective risk management) as part of its assessment against the performance measures under the Phoenix Group’s main incentive plans. For the Long Term Incentive Plan this review of overall business performance is formalised as an “underpin” performance condition and for the Annual Incentive Plan there is a broader discretionary “override” assessment undertaken before confirming any performance outcomes.
- k. **Pension policy** - the Phoenix Group does not operate discretionary pension benefits.
- l. **Personal investment strategies** - the Phoenix Group does not allow employees to use personal hedging strategies for remuneration arrangements so as to undermine the risk alignment effects embedded in their remuneration arrangements. The Phoenix Group maintains effective arrangements designed to ensure that employees comply with such requirements.

Note: under the proportionality regime, the Phoenix Group is not required to consider application of the UCITS Remuneration principle relating to payment in retained units, shares or other instruments.