

Remuneration disclosures for Canada Life Asset Management Limited (CLAM) for the year ending 31 December 2019

1) Decision making process for Remuneration Policy

The CLAM Board of Directors oversee and approve the Remuneration Policy Statement (“The Statement”) on an annual basis. The Statement documents remuneration policies, practices and procedures. It details the remuneration schemes in place for BIPRU Remuneration Code Staff, the Code Staff identification framework and remuneration principles. The Board takes full account of CLAM’s strategic objectives when reviewing and approving the Statement. The Board also seeks to ensure the successful retention, recruitment and motivation of staff.

The Board includes Independent Non-Executive Directors. No individual is included in decisions regarding his or her own remuneration.

2) BIPRU Remuneration Code Staff

Senior management, risk takers, those engaged in control functions and employees receiving total remuneration whose professional activities have a material impact on the firm’s risk profile that takes them into the same remuneration bracket as senior management and risk takers are reviewed to determine Code Staff. Employees are reviewed to assess if they have significant influence and have a material impact on CLAM’s risk profile.

The Board approves the list of Code Staff. Code Staff are notified of their status and the implications of this. To avoid conflicts of interest each employee is required to sign the Group’s Code of Business Conduct and Ethics annually and disclose any conflicts of interest. Individuals undergo annual fitness and propriety checks.

Note: CLAM operates as part of the Canada Life UK Division and utilises personnel and services from CLFIS Limited, the group services company. Code Staff are therefore not employed directly by CLAM and their duties include responsibility for other entities within the Group in addition to duties carried out for CLAM.

3) The link between pay and performance for Code Staff

The main objectives of the compensation programmes are to:

- Attract, retain and reward qualified and experienced employees who will contribute to the success of the Company;
- Motivate employees to meet annual Company, team and / or individual performance goals;
- Enhance long-term shareholder and unitholder value
- Promote the achievement of goals in a manner consistent with the Group’s Code of Business Conduct and Ethics, the Risk Appetite Framework and in compliance with regulatory requirements; and
- Ensure staff are not remunerated in a way that conflicts with their duty to act in the best interests of customers.

In reviewing and approving the Remuneration Policy Statement, the Board takes into account the balance of short-term and long-term incentive objectives and to apply prudent judgement in establishing performance criteria, evaluating performance and determining actual incentive awards.

CLAM operates discretionary annual bonus arrangements. In the majority of cases consideration is given to individual, team and company performance. The extent to which each aspect of performance affects the overall payment level depends on the role and responsibilities of the individual. Where a bonus payment exceeds a monetary level, deferral applies and the payment is deferred for three years and subject to on-going performance criteria.

Some Code Staff are eligible for a long term incentive programme which is designed to link reward with the sustained performance of the company and the individual.

Non-Executive Directors do not receive variable remuneration for their role; they are paid fees for performing their duties.

Code Staff receive benefits in line with other employees that include pension and may include car allowance and private medical insurance.

4) Aggregate remuneration for Code Staff

	Non-Executive Directors	Senior Management & other Code Staff *
Number of Code Staff	3	25
Total Remuneration	£0.075m	£7.714m
Total Fixed Remuneration	£0.075m	£4.045m
Total Variable Remuneration	£0	£2.950m
Variable Remuneration – Cash	£0	£2.043m
Variable Remuneration – Shares	£0	£0.201m
Variable Remuneration – Share-linked instruments	£0	£0.706m
Variable Remuneration – Other	£0	£0
Deferred Remuneration – Awarded	£0	£0.315m
Deferred Remuneration – Paid Out	£0	£0.404m
Outstanding Deferred Remuneration - Vested	£0	£0
Outstanding Deferred Remuneration - Unvested	£0	£1.150m

Note:

Aggregate remuneration consists of base pay, cash bonus and cash benefits paid in 2019 and the value of deferred and long-term incentive awards awarded for 2019 performance. Pension contribution are excluded. All Code Staff have duties for the Group in addition to those carried out for CLAM and only a proportion of their time is charged to CLAM. The Remuneration quoted is full remuneration.

* 3 of the 25 Senior Management & other Code Staff are employed by The Great-West Life Assurance Company.