

Remuneration disclosures for Canada Life Asset Management Limited (CLAM) for the year ending 31 December 2022

1) Decision making process for Remuneration Policy

The CLAM Board of Directors oversees 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 MIFIDPRU 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) MIFIDPRU 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 Conduct 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 (U.K.) 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 Staff

Canada Life Asset Management (CLAM) manages regulated collective schemes and professional client investment portfolios. Fixed remuneration is informed by external market data and CLAM seeks to remain competitive to ensure that it is able to attract and retain staff. Variable remuneration of all staff is based on the performance of the individual, and business as a whole. The level of fixed remuneration is set at a sufficiently high level to ensure individuals are not dependent on variable remuneration. Variable remuneration is paid at the company’s discretion in line with individual and company performance achievement.

While all individuals have targets linked to non-financial criteria such as entity risk framework, our company blueprint behaviours and good customer outcomes, asset managers also have internal targets based on financial criteria such as the performance of the assets they manage (equities, bonds, multi-asset, and property). The policy for the latter is structured to ensure that asset managers do not take excessive risk and potential conflicts of interest are managed.

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 - Conduct, 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 considers the balance of short-term and long-term incentive objectives applies prudent judgement in establishing performance criteria, evaluating performance, and determining actual incentive awards.

CLAM operates discretionary annual bonus arrangements, where consideration is given to individual, 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 relevant, a deferral mechanism is applied, where the bonus payment exceeds a monetary level, and any payment is deferred for three years, at which point a performance factor is applied.

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.

CLAM bonus arrangements are also subject to malus requirements. This may reduce all or part of any variable remuneration before it has been paid to take into account, circumstances in which staff might otherwise have benefitted from, for example;

- Misconduct by the individual
- Specific risk management failures
- Miscalculation of bonuses or awards
- Financial restatement of accounts or financial statements

CLAM may also serve a clawback notice where, after a bonus has been paid to a staff member, CLAM becomes aware of an event which would have resulted in a reduced or nil amount, if the event had been known at the time when the bonus was paid. 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

		Material Risk Takers (MRT's)			
		Non-Executive Directors	Senior Management	Other Code Staff	Non-Material Risk Takers (Non-MRT's)
1	Number of Code Staff	3	3	19	921
2	Total Remuneration	£0.100m	£2,070m	£4,911m	£63,595m
3	Total Fixed Remuneration	£0.100m	£1,119m	£3,161m	£52,255m
4	Total Variable Remuneration		£0.951m	£1,750m	£11,340m
4(i)	Variable Remuneration – Cash	£0.000m	£0.790m	£1,466m	£10,402m
4(ii)	Variable Remuneration – Shares	£0.000m	£0.161m	£0.283m	£0.938m
4(iii)	Variable Remuneration – Share-linked instruments	£0.000m	£0.000m	£0.000m	£0.000m
4(iv)	Variable Remuneration – Other	£0.000m	£0.000m	£0.000m	£0.000m
5	Deferred Remuneration – Awarded	£0.000m	£0.000m	£0.517m	£0.293m
6	Deferred Remuneration – Paid Out	£0.000m	£0.000m	£0.528m	£0.000m
7	Outstanding Deferred Remuneration – Vested	£0.000m	£0.000m	£0.563m	£0.000m
8	Outstanding Deferred Remuneration – Unvested	£0.000m	£0.000m	£1.968m	£0.000m

Note:

- Item 1 – The MRTs have been split and shown as Senior Management and Other Staff due to 3 MRT's having received guaranteed remuneration in 2022.
- Item 2 – Total Remuneration consists of base pay, cash bonus and cash benefits paid in March 2023, as well as the value of deferred and long-term incentive awards granted for 2020 performance. Outstanding Deferred Remuneration Unvested are excluded.
- Item 3 – Total Fixed Remuneration consists of base pay and cash benefits paid in March 2023.
- Item 4 (i) – Variable Remuneration Cash consists of the cash bonus paid in March 2023.
- Item 4 (iii) – Variable Remuneration Shares-linked instruments consist of the value of deferred long-term incentive (PSU) awards paid in March 2023.
- Item 4 (iv) – Variable Remuneration – Other includes regulatory mandatory deferrals for Solvency II and MIFIDPRU deferred in 2020 paid in March 2023.
- Item 5 – Deferred Remuneration Awarded consists of the deferred short-term incentive bonus awarded for the 2022 performance year.
- Item 6 – Deferred Remuneration Paid Out consists of the previous year's short-term incentive deferred bonus paid out in March 2022.
- Item 7 – Outstanding Deferred Remuneration Vested consists of the previous year's long-term incentive awards paid in March 2023.
- Item 8 – Outstanding Deferred Remuneration Unvested 8 consists of the previous year's long-term incentive awards from 2021 and 2022 still to be vested.
- 3 of the 19 Other Code Staff are employed by The Great-West Life Assurance Company.
- 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.
- All non-MRT's are working on activities in support of CLAM and all or some of their time may be charged to CLAM.

5) General

- The FCA handbook allows firms to not disclose specific individual guaranteed variable remuneration when it applies to a small number of individuals to avoid identification of relevant individuals. However as the FCA handbook restricts this exemption to one or two individuals only we have split out the 3 Senior Management employees who received guaranteed variable remuneration in 2022. Due to the rarity of such instances, we do not have a policy for this area, with each case considered individually based on the specific circumstances.
- There have been no instances of severance payments to MRTs within this period. Any severance award will generally follow the documented HR Redundancy procedure.