



PRU LIFE U.K.

2023 Annual Performance Assessment

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2023 Annual Performance Assessment

Recommendation 6.1 of the Revised Code of Corporate Governance for Insurance Commission Regulated Companies ("RCCG") requires the following:

1. The Board conducts an annual assessment of its performance as a whole.
2. The performance of the Chairman is assessed annually by the Board.
3. The performance of the individual members of the Board is assessed annually by the Board.
4. The performance of each committee is assessed annually by the Board.

Please select whether the essential standards in the following pages were Observed, Not Observed, or Not Applicable. Please feel free to give any remarks or comments.

Appraisal of the Board of Directors

1. Responsibilities of the Board

The Board:

1.1.

Exercised oversight over the development, review, and approval of the Company's business objectives and strategy and oversaw and monitored the implementation of the business objectives and strategy in order to sustain the Company's long-term viability and strength.

- Observed
- Not Observed
- Not Applicable

Required

Comments *(optional)*

1.2.

Acted on a fully informed basis, in good faith, with due diligence and care, and in the best interest of Pru Life UK and all shareholders.

- Observed
- Not Observed
- Not Applicable

Required

Comments *(optional)*

1.3.

Reviewed, monitored and implemented the Company's corporate strategic plan.

- Observed
- Not Observed
- Not Applicable

Required

Comments *(optional)*

1.4.

Exercised oversight over the conduct of the Company's business to ensure that the business was being properly managed and dealings with policyholders, claimants, creditors and other stakeholders were fair and

- Observed

equitable.

Not Observed

Required

Not Applicable

Comments *(optional)*

1.5.

Oversaw that a sound enterprise risk management framework was in place to effectively identify, monitor, assess and manage key business risks.

Observed

Not Observed

Required

Not Applicable

Comments *(optional)*

1.6.

Approved corporate policies in core areas of operations, specifically underwriting, investments, reinsurance and claims management.

Observed

Not Observed

Required

Not Applicable

Comments *(optional)*

1.7.

Adopted an effective succession planning program for directors, key officers and Management, including the policies on the retirement age of directors and key officers and for appointing, training, fixing the compensation of, and where appropriate, replacing senior management.

Observed

Not Observed

Required

Not Applicable

Comments *(optional)*

1.8.

Adopted a Board nomination and election policy, including an assessment of the effectiveness of the Board's processes and procedures in the nomination, election and replacement of a director.

Observed

Not Observed

Required

Not Applicable

Comments *(optional)*

1.9.

Developed and implemented an investor relations program or adopted a shareholder communications policy for the Company.

Observed

Required

Not Observed

Not Applicable

Comments *(optional)*

1.10.

Reviewed the adequacy and the integrity of the Company's internal control systems and management information systems including systems for compliance with the Insurance Code and other applicable laws, regulations, rules, directives and guidelines and monitoring and managing potential conflicts of interest of Management, Board members and shareholders.

Observed

Not Observed

Not Applicable

Required

Comments *(optional)*

1.11.

Selected and appointed officers who were qualified to administer insurance affairs soundly and effectively and to establish an adequate selection process for all personnel.

Observed

Not Observed

Not Applicable

Required

Comments *(optional)*

1.12.

Applied fit and proper standards on personnel ensuring that integrity, relevant technical expertise and experience in the institution's business were key considerations in the selection process.

Observed

Not Observed

Required

Not Applicable

Comments *(optional)*

1.13.

Adopted an effective performance management framework to ensure that performance standards are met by Management and all other employees.

Observed

Required

Not Observed

Not Applicable

Comments *(optional)*

1.14.

Adopted a policy specifying the relationship between remuneration and performance of key officers and the board members aligned with the long-term interests of the Company

Observed

Required

Not Observed

Not Applicable

Comments *(optional)*

1.15.

Approved the selection and assess the performance of the Chief Executive Officer, Chief Risk Officer, Chief Compliance Officer, and Chief Audit Executive taking into account the recommendation of the relevant Board Committees.

Observed

Required

Not Observed

Not Applicable

Comments *(optional)*

1.16.

Reviewed and approved material transactions not in the Company's ordinary course of business.

Observed

Required

Not Observed

Not Applicable

Comments *(optional)*

1.17.

Established a system of checks and balances which applies to the Board and its members.

Observed

Required

Not Observed

Not Applicable

Comments *(optional)*

1.18.

Ensured a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gave a fair and complete picture of a company's financial condition, results and business operations.

Observed

Required

Not Observed

Not Applicable

Comments *(optional)*

1.19.

Approved all material related party transactions as defined under PAS 24, those that cross the materiality threshold, and write off of material exposures to related parties and submitted the same for confirmation by majority vote of stockholders in the annual stockholders' meeting.

Observed

Required

Not Observed

Not Applicable

Comments *(optional)*

1.20.

Delegated to the appropriate management committee the approval of related party transactions that are below the materiality threshold, subject to the confirmation by the Board.

Observed

Required

Not Observed

Not Applicable

Comments *(optional)*

1.21.

Established an effective system to determine, identify, monitor and evaluate related party transactions and identify, measure, monitor and control risks arising from the same.

Required

- Observed
- Not Observed
- Not Applicable

Comments *(optional)*

1.22.

Ensured maintenance of adequate capital against risks associated with exposures to related parties.

Required

- Observed
- Not Observed
- Not Applicable

Comments *(optional)*

1.23.

Oversaw the integrity, independence and effectiveness of the policies and procedures for whistleblowing.

Required

- Observed
- Not Observed
- Not Applicable

Comments *(optional)*

1.24.

Appointed a Compliance Officer who was responsible for coordinating, monitoring, and facilitating compliance with existing laws, rules and regulations.

Required

- Observed
- Not Observed
- Not Applicable

Comments *(optional)*

1.25.

Appointed a Corporate Secretary who carried out the duties the post entails.

Observed

Required

Not Observed

Not Applicable

Comments *(optional)*

Appraisal of the Board of Directors

2. Meetings

The Board met regularly to discharge its duties and functions.

Observed

Required

Not Observed

Not Applicable

Comments *(optional)*

Appraisal of the Board of Directors

3. Constitution of an Effective Board

The Board:

3.1.

Complied with the required number of board members.

Observed

Required

Not Observed

Not Applicable

Comments *(optional)*

3.2.

At least twenty percent (20%) of the Board are independent directors.

Observed

Required

Not Observed

Not Applicable

Comments *(optional)*

3.3.

Majority are non-executive directors.

Observed

Required

Not Observed

Not Applicable

Comments *(optional)*

3.4.

Has a separate role and function for the Chairman and the Chief Executive Officer.

Observed

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Required

Not Observed

Not Applicable

Comments *(optional)*

3.5.

The independent directors are independent of management and major / substantial shareholders

Observed

Required

Not Observed

Not Applicable

Comments *(optional)*

3.6.

The Company has a term limit of nine (9) years or less for its independent directors.

Observed

Required

Not Observed

Not Applicable

Comments *(optional)*

3.7.

Different persons assume the roles of Chairman and Chief Executive Officer.

Observed

Required

Not Observed

Not Applicable

Comments *(optional)*

3.8.

The Chairman is an independent director.

Observed

Required

Not Observed

Not Applicable

Comments *(optional)*

3.9.

The Chairman was not the company CEO for the past three (3) years.

Observed

Required

Not Observed

Not Applicable

Comments *(optional)*

3.10.

At least one (1) non-executive director has prior working experience in the major sector that the company is operating in.

Observed

Required

Not Observed

Not Applicable

Comments *(optional)*

3.11.

None of the directors are former employees or partners of the current external auditor.

Observed

Required

Not Observed

Not Applicable

Comments *(optional)*

3.12.

None of the directors are the former CEO of the company in the past two (2) years.

Observed

Required

Not Observed

Not Applicable

Comments *(optional)*

3.13.

None of the directors have been convicted of insider trading in the past three (3) years.

Required

- Observed
- Not Observed
- Not Applicable

Comments *(optional)*

3.14.

Has provided checks and balances to ensure that independent, outside views, perspectives and judgments are given proper hearing.

Required

- Observed
- Not Observed
- Not Applicable

Comments *(optional)*

Appraisal of the Board of Directors

4. Board Balance

The Board:

4.1.

Has determined the independence of each director, in character and judgment.

Observed

Required

Not Observed

Not Applicable

Comments *(optional)*

4.2.

The independent directors make up at least 50% of the Board of Directors.

Observed

Required

Not Observed

Not Applicable

Comments *(optional)*

4.3.

The independent directors make up more than 50% of the Board of Directors.

Observed

Required

Not Observed

Not Applicable

Comments *(optional)*

4.4.

The Company has at least one (1) female independent director.

Observed

Required

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Not Observed

Not Applicable

Comments *(optional)*

Appraisal of the Board of Directors

5. Multiple Board Seats

The Company:

5.1.

Does not have any independent directors who serve as directors in more than five (5) publicly-listed companies and Insurance Commission-Regulated Entities.

Required

- Observed
- Not Observed
- Not Applicable

Comments *(optional)*

5.2.

Does not have an executive director who serves as director in more than two (2) listed companies outside of the group.

Required

- Observed
- Not Observed
- Not Applicable

Comments *(optional)*

Appraisal of Individual Board Members

6. Individual Board Members

Each non-executive director:

6.1.

Scrutinized the performance of management in meeting agreed goals and objectives and monitored performance report.

Observed

Required

Not Observed

Not Applicable

Comments *(optional)*

6.2.

Constructively challenged and helped developed strategic proposals for the company.

Observed

Required

Not Observed

Not Applicable

Comments *(optional)*

6.3.

Satisfied himself of the integrity of financial information and that the financial controls and systems of risk management are robust and defensible.

Observed

Required

Not Observed

Not Applicable

Comments *(optional)*

6.4.

Each director made decisions objectively in the interest of the company.

Observed

Required

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Not Observed

Not Applicable

Comments *(optional)*

Appraisal of Individual Board Members

7. Qualifications of Directors

Each director:

7.1.

Possesses the necessary skills, competence and experience, in terms of management capabilities preferably in the field of insurance or insurance-related disciplines.

Required

- Observed
- Not Observed
- Not Applicable

Comments *(optional)*

7.2.

Is a person of integrity and credibility.

Required

- Observed
- Not Observed
- Not Applicable

Comments *(optional)*

7.3.

Owns at least one (1) share of the capital stock of the corporation whose share should be in his name and recorded in the books of the corporation.

Required

- Observed
- Not Observed
- Not Applicable

Comments *(optional)*

7.4.

Is at least twenty-five (25) years of age at the time of his appointment.

Required

- Observed
- Not Observed

Not Applicable

Comments *(optional)*

Appraisal of Individual Board Members

8. Independent Directors

Each independent director:

8.1.

Is or was not a regular director, officer or employee of the company, its subsidiaries or affiliates or related entities during the last three (3) years counted from the date of election.

- Observed
- Not Observed
- Not Applicable

Required

Comments *(optional)*

8.2.

Is not or was not a regular director, officer, or employee of the company's substantial stockholders and their related companies during the past 3 years counted from the date of election.

- Observed
- Not Observed
- Not Applicable

Required

Comments *(optional)*

8.3.

Is not an owner of more than 2% of the outstanding shares or a stockholder with shares of stock sufficient to elect 1 seat in the board of directors of the company, or in any of its related companies or of its majority corporate stockholders.

- Observed
- Not Observed
- Not Applicable

Required

Comments *(optional)*

8.4.

Is not a relative by consanguinity or affinity within the 4th degree of any director, officer or shareholder holding shares of stock sufficient to elect 1 seat in the Board of the company or any of its related companies or any of

- Observed

its substantial stockholders.

Not Observed

Required

Not Applicable

Comments *(optional)*

8.5.

Is not acting as a nominee or representative of any director or substantial shareholder of the company, any of its related companies or any of its substantial shareholders.

Observed

Not Observed

Required

Not Applicable

Comments *(optional)*

8.6.

Is not or was not retained as professional adviser, auditor, consultant, agent or counsel of the company, any of its related entities or any of its substantial shareholders, either in his personal capacity or through his firm during the past 3 years counted from the date of his election.

Observed

Not Observed

Required

Not Applicable

Comments *(optional)*

8.7.

Is not a securities broker-dealer of listed companies and registered issuer of securities.

Observed

Not Observed

Required

Not Applicable

Comments *(optional)*

8.8.

Is independent of management and free from any business or other relationship, has not engaged and does not engage in any transaction with the covered entity or with any of its related companies or with any of its substantial shareholders, other than transactions which are conducted at arm's length and could not materially interfere with or influence the

Observed

Not Observed

Not Applicable

Required

Comments *(optional)*

8.9.

Was not appointed in the company, its subsidiaries, affiliates or related companies as Chairman "Emeritus", "Ex-Officio", regular director, officer, or member of an advisory board, or otherwise appointed in a capacity to assist the Board in the performance of its functions during the past 3 years counted from the date of election.

Observed

Not Observed

Not Applicable

Required

Comments *(optional)*

8.10.

Is not affiliated with any non-profit organization that receives significant funding from the company or any of its related companies or substantial shareholders.

Observed

Not Observed

Not Applicable

Required

Comments *(optional)*

8.11.

Is not employed as an executive officer of another company where any of the covered entity's executives serve as regular directors.

Observed

Not Observed

Not Applicable

Required

Comments *(optional)*

Appraisal of Individual Board Members

9. Duties and Responsibilities

Each director has:

9.1.

Conducted fair business transactions with the company to ensure personal interest does not bias board decisions.

Observed

Required

Not Observed

Not Applicable

Comments *(optional)*

9.2.

Avoided situations that would give rise to a conflict of interest.

Observed

Required

Not Observed

Not Applicable

Comments *(optional)*

9.3.

Not used his position to profit or acquire benefits or advantages for himself and/or his related interest.

Observed

Required

Not Observed

Not Applicable

Comments *(optional)*

9.4.

Acted honestly in good faith and with loyalty to the best interest of the institution, its stockholders, (regardless of the amount of their stockholdings) and other stakeholders such as its policyholders, investors.

Observed

borrowers, clients and the public in general.

Not Observed

Required

Not Applicable

Comments *(optional)*

9.5.

Devoted time and attention necessary to properly discharge their duties and responsibilities.

Observed

Required

Not Observed

Not Applicable

Comments *(optional)*

9.6.

Acted judiciously in making decisions.

Observed

Required

Not Observed

Not Applicable

Comments *(optional)*

9.7.

Exercised independent judgment.

Observed

Required

Not Observed

Not Applicable

Comments *(optional)*

9.8.

A working knowledge of the statutory and regulatory requirements affecting the institution, including the contents of its articles of incorporation and by-laws, the requirements of the Insurance Commission, and where applicable, the requirements of other government agencies.

Observed

Not Observed

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Required

Not Applicable

Comments *(optional)*

9.9.

Observed confidentiality on non-public information.

Observed

Required

Not Observed

Not Applicable

Comments *(optional)*

Related Party Transactions

10. Related Party Transactions

RPT Appraisal

10.1.

Overlapping interests in the insurance entity has been disclosed to the Board and any material transaction involving such interests has been similarly disclosed.

Required

- Observed
- Not Observed
- Not Applicable

Comments *(optional)*

10.2.

Related party transactions have been conducted in terms that are at least comparable to normal commercial practices to safeguard the best interest of the insurance corporation, its policyholders, creditors and claimants.

Required

- Observed
- Not Observed
- Not Applicable

Comments *(optional)*

10.3.

Related party transactions have been disclosed fully to Board. Prior Board approval has been obtained for related party transactions that are material in nature.

Required

- Observed
- Not Observed
- Not Applicable

Comments *(optional)*

Appraisal of the CEO

11. Chief Executive Officer (CEO)

The CEO:

11.1.

Attended the most recent annual shareholders' meeting.

Observed

Required

Not Observed

Not Applicable

Comments *(optional)*

11.2.

Is covered by a lower indicative limit for membership in other boards.

Observed

Required

Not Observed

Not Applicable

Comments *(optional)*

11.3.

Initiated and developed corporate objectives and policies and formulated long range project, plans and programs.

Observed

Required

Not Observed

Not Applicable

Comments *(optional)*

11.4.

Exercised general supervision and management of the business affairs and property of the company.

Observed

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Required

Not Observed

Not Applicable

Comments *(optional)*

11.5.

Ensured that the administrative and operational policies of the company are carried out under his supervision and control.

Observed

Required

Not Observed

Not Applicable

Comments *(optional)*

11.6.

The role of the Chief Executive Officer is separate from the Chairman of the Board to foster an appropriate balance of power, increased accountability and better capacity for independent decision-making by the Board.

Observed

Required

Not Observed

Not Applicable

Comments *(optional)*

Appraisal of the Chairman of the Board

12. The Chairperson of the Board

The Chairperson of the Board:

12.1.

Is competent and qualified.

Observed

Required

Not Observed

Not Applicable

Comments *(optional)*

12.2.

Made certain that the meeting agenda focuses on strategic matters, including the overall risk appetite of the corporation, considering the developments in the business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations.

Observed

Not Observed

Not Applicable

Required

Comments *(optional)*

12.3.

Guaranteed that the Board receives accurate, timely, relevant, insightful, concise and clear information to enable it to make sound decisions.

Observed

Not Observed

Not Applicable

Required

Comments *(optional)*

12.4.

Facilitated discussions on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual directors.

Observed

Required

Not Observed

Not Applicable

Comments *(optional)*

12.5.

Ensured that the Board sufficiently challenged and inquired on reports submitted and representations made by Management.

Observed

Required

Not Observed

Not Applicable

Comments *(optional)*

12.6.

Assured the availability of proper orientation for first-time directors and continuing training opportunities for all directors.

Observed

Required

Not Observed

Not Applicable

Comments *(optional)*

12.7.

Made sure that the performance of the Board was evaluated at least once a year and discussed or followed up on.

Observed

Required

Not Observed

Not Applicable

Comments *(optional)*

Comments

13. Comments or Recommendations

Please let us know if you have other comments or recommendations regarding the Board of Directors, the individual Board members, the Board Committees, the Chief Executive Officer, and the Chairperson of the Board. Please also include any suggestions you may have to further improve the Board and Committee Meetings and Education Session. Thank you.

SUBMISSION PAGE

Thank you for your participation in this annual performance assessment!

Select the submit option to mark your responses as final and complete your participation. If you would like to review or change any of your responses, use the previous button to access prior pages.