

# CORPORATE GOVERNANCE

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## BOARD PROFILE & BOARD OF DIRECTORS

The role of the Chesnara Board of Directors is to establish the purpose, values and strategy of the Group and provide leadership to maintain high standards of corporate governance and behaviour throughout all levels of the organisation. The diversity of skills, knowledge and experience of our Board members ensures that we continue to deliver against our strategic objectives. The Board's knowledge, skills and experience summary to the right indicates the core competencies that have been identified as being key to the Board discharging its responsibilities and shows the collective score of the current Board.

### BOARD KNOWLEDGE AND SKILLS SUMMARY

This matrix shows the specific areas of specialism that the Board provides. Where there is a competency in dark blue, this indicates a primary specialism. A purple colour indicates that this competency is a secondary specialism.

KEY **P** Primary specialism **S** Secondary specialism

#### LUKE SAVAGE CHAIR

Non-executive Chair of the Board, Luke, is responsible for the leadership of the Board, setting the agenda and ensuring the Board's effectiveness in all aspects of its role.

**Appointment to the Board:**  
Appointed as Chair in February 2020.

**Committee membership:**  
Nomination & Governance (Chair to 31 December 2021) and a member of the Remuneration Committee (from February 2020). Attends the Audit & Risk Committee by invitation.

**Current directorships/business interests:**

- Numis Corporation Ltd
- Numis Securities Ltd
- Liontrust Asset Management Plc, Chair
- Bancroft's School



#### STEVE MURRAY GROUP CHIEF EXECUTIVE

**Appointment to the Board:**  
Appointed as a director in August 2021 and as Group Chief Executive in October 2021.

**Career, skills and experience:** Steve joined Chesnara from Royal London where, as part of their Group Executive Committee, he was Chief Commercial Officer with Group wide accountability for M&A and Strategy, Transformation and Analytics & Insight, as well as accountability for its legacy business and the take to market activity across the UK insurance and savings business. He was also a director of Royal London Asset Management. Prior to that he spent 15 years at Standard Life across a variety of roles, seeing it through demutualisation and IPO before leading Group M&A and strategy. He then worked in Standard Life's UK & European insurance business initially as CEO of 1825 financial planning before becoming MD Commercial & Strategy. After leading the first phase of the separation of the UK & European insurance business to Phoenix, he was appointed as Deputy Head of the Private Market division in Aberdeen Standard Investments. Steve started his career with EY.

**Current directorships/business interests:**

- Countrywide Assured Services Ltd
- CASFS Ltd
- Countrywide Assured Life Holdings Limited
- Movestic Livförsäkring AB
- Scildon NV Supervisory Board
- Elevate Great (formerly Cattanach)
  - a private charity (Chair)



#### TOM HOWARD CHIEF FINANCIAL OFFICER

**Appointment to the Board:**  
Appointed in April 2024.

**Career, skills and experience:**  
Tom joined Chesnara from Aviva plc where he was CFO and executive director of Aviva Investors, with oversight of the asset manager's financial, capital management and corporate development functions. He also held executive responsibility for Aviva Investors' North American operations and was a member of Aviva Group's Finance Leadership Team. He held a variety of senior leadership roles over a 14-year period in Aviva, including CFO of Aviva's Life and General Insurance businesses in Ireland and Director of Mergers and Acquisitions for Aviva Group. Tom is a fellow of the Institute and Faculty of Actuaries.



|                              |   |   |   |   |   |   |   |   |
|------------------------------|---|---|---|---|---|---|---|---|
| Industry knowledge           | P | P | P | P | P | P | P |   |
| Governance – actuarial       | P | P | P | P | S | S | S | S |
| Governance – financial/audit | P | P | P | P | P | P | P | S |
| Risk management              | P | P | P | P | P | P | P | S |
| Investment management        | P | P | P | P | S | S |   |   |
| M&A and business development | P | P | P | P | P | S | S | S |
| Commercial management        | P | P | P | P | P | P | S |   |

|   |   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|---|
| Change management                           | P | P | P | P | S | S | S |   |
| Ensuring good customer service and outcomes | P | P | P | S | S | S |   |   |
| Information Technology/Cyber                | P | P | P | S | S | S | S |   |
| Sustainability including ESG                | P | P | S | S | S | S | S | S |
| People & Reward                             | P | P | S | S | S |   |   |   |
| Regulatory                                  | P | P | P | P | S | S | S |   |

**GAIL TUCKER**  
INDEPENDENT NON-EXECUTIVE  
DIRECTOR

**Appointment to the Board:**

Appointed to the Board and as Chair of the Audit & Risk Committee in January 2025.

**Committee membership:**

Audit & Risk (Chair) and Nomination & Governance.

**Career, skills and experience:**

Gail is a retired PwC partner with over 30 years' experience in financial services audit, predominantly focused on the insurance sector. Gail has also been the Global IFRS technical partner responsible for insurance and financial instruments and brings a well-developed perspective on the UK life and pensions industry. A qualified accountant, Gail holds a BSc from the University of Warwick and a BA from The Open University. She is currently a Trustee of the Breast Cancer Now charity and a member of the Institute of Chartered Accountants in England & Wales (ICAEW) Financial Services Board. For 7 years she was an independent Council member at the University of Warwick and a member of its Audit & Risk committee.

**Current directorships/business interests:**

- Countrywide Assured Plc
- Breast Cancer Now (Trustee)
- ICAEW Financial Services Board (Member)
- UK Endorsement Board (Member)



**CAROL HAGH**  
SENIOR INDEPENDENT  
NON-EXECUTIVE DIRECTOR  
Designated Workforce NED

**Appointment to the Board:**

Appointed as Chair of the Nomination & Governance Committee in February 2022.

**Committee membership:**

Nomination & Governance (Chair) and Remuneration.

**Career, skills and experience:**

Carol has extensive experience in customer strategy, cultural transformation and digital innovation across financial services organisations. In senior leadership roles at Aviva and Aegon, she delivered multi-country customer initiatives, digital transformation initiatives and improvements to customer outcomes. She later led the UK Insurance Practice at Spencer Stuart, supporting boards on leadership capability and succession planning. Carol offers insight into customer-centric operating models, organisational culture and long-term value creation. She was previously on the board of Direct Line Group. She holds a BA in Computer Science from Harvard University and an MBA from INSEAD.

**Current directorships/business interests:**

- Countrywide Assured plc, NED
- Chesnara Life (UK) Limited, NED



**EAMONN FLANAGAN**  
INDEPENDENT NON-EXECUTIVE  
DIRECTOR

**Appointment to the Board:**

Appointed in July 2020 and as Chair of the Remuneration Committee in January 2022.

**Committee membership:**

Audit & Risk and Remuneration (Chair).

**Current directorships/business interests:**

- Movestic Livförsäkring AB, Chair of the company and member of the Audit & Risk Committee
- AJ Bell, NED and Chair of the Audit and Disclosure committees



**SAMANTHA (SAM) TYMMS**  
INDEPENDENT NON-EXECUTIVE  
DIRECTOR

**Appointment to the Board:**

Appointed in June 2025.

**Committee membership:**

Nomination & Governance and Audit & Risk.

**Career, Skills and Experience:**

Sam spent a large part of her executive career in the UK FSA (before it was split into the PRA and FCA) and has broad INED experience on the boards of FS, technology and service companies. She also brings commercial experience from roles with Promontory Financial Group (IBM). She has previously been a NED at DWF plc and IG Group plc.

**Current directorships/business interests:**

- Julius Baer International Ltd, NED and Chair of the Audit & Risk Committee
- Institute of Chartered Accountants in England & Wales, member of the Governance and Appointments Committee



# GOVERNANCE OVERVIEW FROM THE CHAIR



Our robust Governance Framework enables us to effectively manage risks and opportunities, as well as to take appropriate steps to address relevant environmental and social issues in a proportionate manner.

Dear Shareholder

**On behalf of the Chesnara Board, I am pleased to present our Corporate Governance Report for the year ended 31 December 2025.**

Chesnara's Corporate Governance Framework underpins the delivery of sustainable value for our customers and shareholders. It enables us to deploy our people and technology effectively and to maintain constructive, transparent relationships with our suppliers, partners and regulators. The Board shapes the Group's culture and values by defining clear roles and responsibilities and setting high expectations for performance, accountability and ethical conduct.

Our governance practices support rigorous oversight of risks and opportunities, while ensuring that we take proportionate and timely action to advance our sustainability agenda.

**This section of the Annual Report and Accounts explains our governance policies and practices and outlines how the Company has applied the principles and complied with the provisions of the UK Corporate Governance Code 2024 (the 'Code') throughout 2025. We have undertaken a programme of development work during the year. This included a refreshed review of the principal risks for 2026, with associated Material Controls identified and formally documented. A Board approved Assurance Map has been developed to support the Board in making its control effectiveness declaration for 2026.**

The Board recognises that sustainability and responsible stewardship are central to long-term business resilience. We also understand the importance of considering the interests of employees, customers and suppliers, and of engaging constructively with regulators and shareholders to understand and respond to their expectations. Further detail on our stakeholder engagement and on how the Board has performed its duties under Section 172 of the Companies Act 2006 can be found on pages 32 to 38 of the Strategic Report.

The Board agenda is structured to provide an appropriate balance between governance, strategy, risk, financial performance and emerging developments, all with the aim of promoting the long-term success of the Company. Each Board member contributes meaningfully to discussion and commits sufficient time to Board and committee responsibilities. During 2025, several additional meetings were required, and I am grateful to my fellow Directors for their continued flexibility and commitment.

Following the completion of her nine-year tenure, Jane Dale did not seek re-election at the Company's Annual General Meeting ('AGM') in May 2025 and stepped down as Senior Independent Director ('SID') and as a Director of the Company at the close of that meeting. At the AGM we announced that we were pleased to confirm that Non-Executive Director ('NED') and Chair of the Chesnara Nomination & Governance Committee, Carol Hagh, had been appointed as SID.

We were delighted to welcome Gail Tucker to the Board on 29 January 2025. Gail assumed the role of Chair of the Chesnara Audit & Risk Committee upon Jane's retirement and brings substantial reporting and technical expertise, including from her role as IFRS 17 Global Technical Lead at PwC. Her experience advising insurance audit teams internationally and serving on technical committees will be invaluable to the Group.

Karin Bergstein stepped down as NED on 6 June, and, on that day, Samantha (Sam) Tymms was appointed to the Board as NED and as a member of the Chesnara Nomination & Governance Committee and the Chesnara Audit & Risk Committee. Sam is an experienced NED and advisor to the boards and executives of global financial services businesses, Sam is also a former UK regulator with experience of international regulators, professional and industry bodies.

No NED chairs both the Board and a Board committee, nor does any NED chair more than one Chesnara committee. The principles and policies that underpin our governance framework are designed to promote high standards of ethical and business conduct, including a strong consideration of diversity. Across the Group, our businesses continue to enhance the effectiveness of their governance arrangements while further embedding environmental and social factors within their risk assessment processes.

This report provides an overview of the steps the Board and its committees have taken during the year to meet their governance responsibilities.

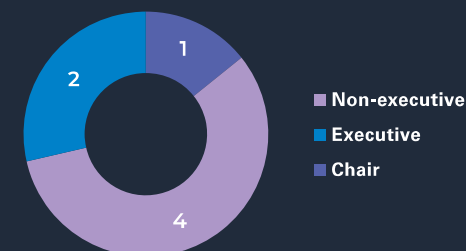
I look forward to having the opportunity to engage with our shareholders at our AGM on 12 May 2026 as set out in our Notice of AGM on page 244 of this report.



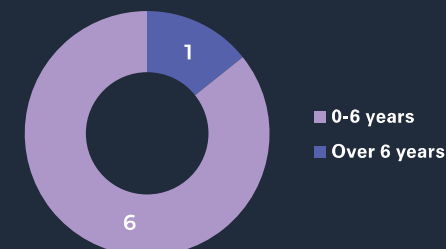
Luke Savage  
Chair  
23 March 2026

## Chesnara Board composition

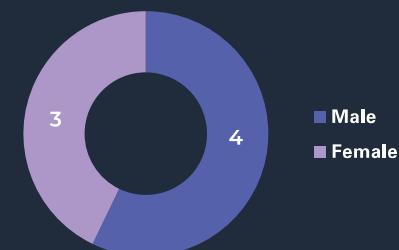
### Current balance of executive and non-executive directors



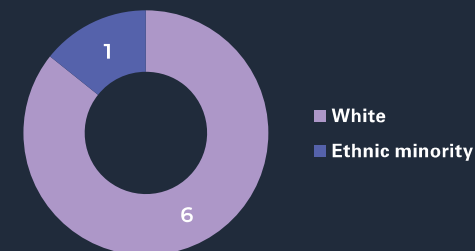
### Board tenure



### Current gender diversity of the Board



### Current ethnic diversity of the Board



## CORPORATE GOVERNANCE REPORT

The Group's Governance Framework has continued to operate effectively in 2025, allowing the Company to respond to the needs of its stakeholders and the evolving market conditions in which it operates.

The following statement, together with the Directors' Remuneration Report on pages 108 to 131, the Nomination & Governance Committee Report on pages 104 to 107, and the Audit & Risk Committee Report on pages 104 to 107, describes how the principles set out in the UK Corporate Governance Code 2024 (the 'Code') have been applied by the Company and details the Company's compliance with the Code's provisions for the year ended 31 December 2025.

### Compliance with the Code

The Company has applied the principles and complied throughout the year with all of the relevant provisions of the Code. The UK Corporate Governance Code is available at [www.frc.org.uk](http://www.frc.org.uk). The table below provides an overview of the Company's compliance with each of the five sections of the Code.

| Code section                                  | Question  |
|---|---|
| <b>Board Leadership &amp; Company Purpose</b> | <p>Details of how the opportunities and risks to the future success of the business have been considered and addressed and the sustainability of the Company's business model are set out in the Strategic Report (pages 24 to 91).</p> <p>Details of stakeholder engagement (including engagement with major investors) and details of how stakeholders' interests are considered in Board discussions and decision making are set out on pages 32 to 38 of the Strategic Report.</p> <p>Details of how our Board monitors culture through our Workforce Engagement NED and details of our Whistleblowing Policy are set out on page 71 of the Strategic Report.</p> <p>Details of how potential conflicts of interest are managed are included on page 101 of this Corporate Governance Report.</p>   |
| <b>Division of Responsibilities</b>           | <p>The division of responsibilities on the Board and details of directors' independence is set out on page 100 of this Corporate Governance Report.</p> <p>Time commitments of the Board and 2025 Board and committee meeting attendance is set out on page 102 of this Corporate Governance Report.</p>  |
| <b>Composition, Succession and Evaluation</b> | <p>The composition and skills, experience and knowledge of the Board is detailed on page 95 of this Corporate Governance Report.</p> <p>Details of the annual evaluation of the performance of the Board, its committees, the chair and individual directors are set out on page 101 of this Corporate Governance Report.</p> <p>The composition, roles and responsibilities and activities of the Nomination &amp; Governance Committee are set out on pages 104 to 107 of the Nomination &amp; Governance Committee Report.</p>   |
| <b>Audit, Risk &amp; Internal Control</b>     | <p>The composition, roles and responsibilities and activities of the Audit &amp; Risk Committee are set out on pages 132 to 138 of the Audit &amp; Risk Committee Report.</p> <p>The Board confirms that it has completed a robust assessment of the Company's emerging and principal risks. Details of the Board's assessment of the Company's principal risks are set out on pages 59 to 66 of the Strategic Report and details of the Board's assessment of the Company's risk management and internal control system are set out on page 103 of this Corporate Governance Report.</p> <p>A description of how the Board has monitored and reviewed the effectiveness of the framework, a declaration of effectiveness of the material controls as at the balance sheet date and a description of any material controls which have not operated effectively as at the balance sheet date, the action taken, or proposed, to improve them and any action taken to address previously reported issues (Provision 29) are set out on page 113.</p> <p>Please also see the Directors' Report (including the Going Concern statement) (pages 139 to 143) and the Viability Statement (page 112) for details of the Board's assessment of the Company's position, business model, strategy, prospects.</p> |
| <b>Remuneration</b>                           | <p>The composition, roles and responsibilities and activities of the Remuneration Committee are set out on page 112 of the Directors' Remuneration Report.</p> <p>Pages 108 to 131 of the Directors' Remuneration Report sets out details of the Remuneration Policy and how the policy approved by shareholders at the 2023 AGM has been applied in determining director and senior management remuneration.</p>   |

### The Board

At 31 December 2025, the Board comprised of an independent non-executive Chair, four further independent non-executive directors and two executive directors.

Biographical details of current directors are given on pages 94 and 95 and a Board profile, which assesses the core competencies required to meet the Group's strategic objectives, is provided on page 95. The Board reviewed and updated the core competencies matrix, adding People & Reward and Regulatory competencies as key requirements. The Board, which plans to meet at least seven times over the course of 2026, has a schedule of matters reserved for its consideration and approval.

These matters include:

- implementation of the corporate strategy and business plan;
- major acquisitions, investments and capital expenditure;
- financial reporting and controls;
- Dividend Policy;
- capital structure;
- Board and Board committee composition and appointments;
- appointment or removal of the Company Secretary; and
- the Remuneration Policy for Board directors and senior executives.

To support effective escalation from the Company's major regulated subsidiary boards, members of the Company's Board also serve on key subsidiary boards and committees across Chesnara's business units. Specifically:

- (i) three directors of the Company were also directors of Countrywide Assured plc during the year, those being Jane Dale (until 13 May 2025), Gail Tucker (from 29 January 2025) and Carol Hagh;
- (ii) two directors of the Company were also directors of CASLP Ltd during the year, until CASLP Ltd was dissolved on 16 January 2025, those being Jane Dale and Carol Hagh;
- (iii) Two directors of the Company, being Eamonn Flanagan and Steve Murray were also directors of Movestic Livförsäkring AB in 2025 where Eamonn chairs the board; and
- (iv) Steve Murray was also a director of the Scildon and Waard (until its merger with Scildon in July 2025) supervisory boards throughout the year.

Under local legislation or regulation for all divisions of the Group, the directors have responsibility for maintenance and projections of solvency and for assessment of capital requirements, based on risk assessments, and for establishing the level of long-term business provisions, including the adoption of appropriate assumptions. The Prudential Regulation Authority is the group supervisor and maintains oversight of all divisions of the Group through the college of supervisors.

The responsibilities that the Board has delegated to the respective executive management teams of the UK, Dutch and Swedish businesses include: the implementation of the strategies and policies of the Group as determined by the Board; monitoring of operational and financial results against plans and budget; prioritising the allocation of capital, technical and human resources and developing and managing risk management systems.

### The roles of the Chair and Group Chief Executive

The division of responsibilities between the Chair of the Board and the Group Chief Executive is clearly defined and has been approved by the Board. The Chair leads the Board in the determination of its strategy and in the achievement of its objectives and is responsible for organising the business of the Board and availability of timely information, ensuring its effectiveness, encouraging challenge from non-executive directors and setting its agenda. The Chair has no day-to-day involvement in the management of the Group. The Group Chief Executive has direct charge of the Group on a day-to-day basis and is accountable to the Board for the strategic, financial and operational performance of the Group.

### Senior Independent Director

Jane Dale was appointed as the Senior Independent Director (SID) in October 2018 until the end of her 9-year tenure as a NED on 13 May 2025. Carol Hagh was appointed SID on 13 May 2025. The SID supports the Chair in both the delivery of the Board's objectives and in ensuring that the view of all shareholders and stakeholders are conveyed to the Board. Carol is available to meet shareholders on request and to ensure that the Board is aware of shareholder concerns not resolved through the existing mechanisms for shareholder communication. The SID also meets with the non-executive directors, without the Chair present, at least annually, and conducts the annual appraisal of the Chair's performance and provides feedback to the Chair and the Board on the outputs of that appraisal.

**Our governance practices support rigorous oversight of risks and opportunities, while ensuring we also advance our sustainability agenda.**

## CORPORATE GOVERNANCE REPORT

### Directors' independence

During 2025 a review was conducted to assess the independence of the Board as a whole when set against a matrix of key measures set out in the Code. The table below shows the results of that review under the Code Provisions 11, 12 and 17 and Principle G.

| Code consideration           | Question   |            |
|------------------------------|--|------------|
| <b>Provision 11 &amp; 12</b> | <b>1.</b> Are at least half the Board, excluding the chair, NEDs whom the Board considers to be independent?   | <b>YES</b> |
|                              | <b>2.</b> Has the Board appointed one of the independent NEDs to be the Senior Independent Director (SID) to provide a sounding board for the chair and serve as an intermediary for the other directors and shareholders?   | <b>YES</b> |
| <b>Principle-G</b>           | <b>3.</b> Does the Board include an appropriate combination of Executive and Non-Executive (and, in particular, independent non-executive) Directors, such that no one individual or small group of individuals dominates the Board's decision making?                 | <b>YES</b> |
|                              | <b>4.</b> Is there a clear division of responsibilities between the leadership of the Board and the Executive leadership of the company's business?  | <b>YES</b> |
| <b>Provision 17</b>          | <b>5.</b> Has the Board established a Nomination Committee to lead the process for appointments, ensure plans are in place for orderly succession to both the Board and senior management positions, and oversee the development of a diverse pipeline for succession? | <b>YES</b> |
|                              | <b>6.</b> Are a majority of members of the Nomination Committee independent NEDs?  | <b>YES</b> |
|                              | <b>7.</b> Is the Nomination Committee chaired by an individual other than the chair of the Board when it is dealing with the appointment of their successor?   | <b>YES</b> |

The review went further and, based on Code Provision 10, assessed each NED against a list of ten Yes/No questions, where, for each, a 'No' is determined to be a positive assessment of independence. The table below shows the results of that review:

| Questions: Has the non-executive director...   | LS | GT | EF | CH | ST |
|--|----|----|----|----|----|
| <b>1.</b> Been an employee of the Company or Group within the last five years?   | No | No | No | No | No |
| <b>2a.</b> Had within the last three years, a material business relationship with the Company: Directly?   | No | No | No | No | No |
| <b>2b.</b> Had within the last three years, a material business relationship with the Company: As a partner, shareholder, director or senior employee of a body that has such a relationship with the Company? | No | No | No | No | No |
| <b>3.</b> Received additional remuneration from the Company apart from a director's fee?   | No | No | No | No | No |
| <b>4.</b> Participated in the Company's share option or performance-related pay scheme?  | No | No | No | No | No |
| <b>5.</b> Been a member of the Company's pension scheme?   | No | No | No | No | No |
| <b>6.</b> Got close family ties with any of the Company's advisors, directors or senior employees?   | No | No | No | No | No |
| <b>7.</b> Held cross-directorships or had significant links with other directors through involvement in other companies or bodies?   | No | No | No | No | No |
| <b>8.</b> Represented a significant shareholder?   | No | No | No | No | No |
| <b>9.</b> Served on the Board for more than nine years from the date of their first appointment?   | No | No | No | No | No |

As a result of this review the Board considers that all non-executive directors were independent during the year under review.

The Board has no familial relationship with any other member of the Board or senior management team.

Other than their fees, and reimbursement of taxable expenses, which are disclosed on page 113, the non-executive directors received no remuneration from the company during the year. The directors are given access to independent professional advice, at the company's expense, when the directors deem it necessary in order for them to carry out their responsibilities.

Independent professional advice of this nature was drawn upon with regard to remuneration matters. This has been disclosed on page 112 in the Remuneration Report.

The Board is satisfied that its overall balance continues to provide significant independence of mind and judgement and further considers that, taking the Board as a whole, the independent directors are of sufficient calibre, knowledge and number that they are able to challenge the executive directors, their views carry significant weight in the company's decision making and bring diverse cultural insight and skills.

### Professional development

The directors were advised, on their appointment, of their legal and other duties and obligations as directors of a listed company. This has been supplemented by the circulation to each director of their responsibilities and duties. Throughout their period in office, the directors have, through the conduct of business at scheduled Board meetings and training, been updated on the Group's business and on the competitive and regulatory environments in which it operates. The directors are committed to their own ongoing professional development and the Chair discusses training with each non-executive director at least annually. All directors are encouraged to suggest training topics of interest. In 2025, specific Board awareness and deep-dive sessions took place on inside information and share dealing, sustainability, an AI migration tool, director's duties, rights issue and prospectus and Provision 29 of the Corporate Governance Code. Each member of the Board, except the Chair, Group Chief Financial Officer and more recently appointed Sam Tymms, served on one or more subsidiary board during the period under review, through which they have considerable knowledge and experience of the divisional businesses across the Group. The Chair regularly attends committee and subsidiary board meetings by invitation.

### Information

Regular reports and information are circulated to the directors in a timely manner in preparation for Board and committee meetings.

As stated above, the Company's directors are also members of various boards of key subsidiaries within the UK, Dutch and Swedish divisions. These boards hold scheduled meetings, at least quarterly, which are serviced by regular reports and information, covering all of the key areas relevant to the direction and operation of those subsidiary entities, including business development, key projects, financial performance and position, actuarial assumptions setting and results analysis, compliance, investments, information technology and cyber security, operations, customer care and communication, internal audit, all aspects of the Risk function and own risk and solvency assessment.

Key divisional subsidiaries monitor risk management procedures, including the identification, measurement and control of risks through the auspices of a risk committee. These committees are accountable to and report to their boards on a quarterly basis.

Annual reports are produced which cover an assessment of the capital requirements of the life assurance subsidiaries, their financial condition and a review of risk management and internal control systems.

Furthermore, the divisions are required to submit a quarterly risk report and an annual report on risk management and internal control systems.

In addition to these structured processes, the papers are supplemented by information which the directors require from time to time in connection with major events and developments, where critical views and judgements are required of Board members outside the normal reporting cycle.

### Board effectiveness and performance evaluation

As part of the annual performance evaluation, an external review of the Board and each of its committees was undertaken in the latter part of 2025.

The review incorporated the following:

- All directors and the Company Secretary completed an online questionnaire.
- Individual meetings between the Board reviewer and each director to obtain their views on what was working well and what could be improved.
- Individual meetings between the Board reviewer and the Company Secretary and separately with the Deputy Company Secretary.
- A review of the Corporate Governance Framework.
- A review of recent Board packs and Audit & Risk Committee packs.
- Observation of an Audit & Risk Committee meeting and a Board meeting.

The questionnaires and discussions covered a wide range of topics, including the role of the Board, Board composition and succession planning, Board and committee meetings and packs, support for the Board, and how the Board works together as a team. There were also questions about the effectiveness of each Board committee, the Chair, the executive directors as a group and the non-executive directors as a group.

Feedback from the review was generally very positive. Several recommendations were made which primarily focused on the opportunities for the Board and committees to build on the good practice already in place to ensure their future resilience and effectiveness as the business continues to grow. These were considered by the Board and will be taken forward as appropriate during 2026.

In addition, as separate processes but using similar methods to those described above, the non-executive directors, led by Carol Hagh as Senior Independent Director, contributed to a formal performance evaluation of the Chair. The evaluation of directors' performance concluded that each demonstrates commitment to their role and dedicates sufficient time to effectively discharge their responsibilities to the Company.

Continuous progress on the Company's long-term strategy and ensuring appropriate time is allocated to this continues to be a focus for the Board in 2026. Similarly, having overseen a number of changes to the executive team in 2025 (detailed on page 105 of the Nomination and Governance Report), talent and succession planning remains a focus for 2026 in order to ensure the Group is well placed to meet its strategic ambitions. As part of this process the Board skills analysis has been refreshed.

The evaluation findings were presented back to each committee and formally approved on that basis before each committee then confirmed to the Board that it continued to operate effectively.

### Directors' conflicts of interest

The Board has a policy and effective procedures in place for managing and, where appropriate, approving conflicts or potential conflicts of interest. This is a recurring agenda item at all Board meetings, giving directors the opportunity to raise any conflicts of interest they may have or to update the Board on any changes to previously lodged interests. A director may be required to leave a board meeting whilst such matters are discussed.

The Company Secretary maintains and updates the register of interests, which includes actual and potential conflicts. The Board may authorise potential conflicts and agree what measures, if any, are required to mitigate or manage them. No material conflicts of interest were noted in 2025.

Whenever a director takes on additional external responsibilities, the Chair considers any potential conflicts that may arise and whether or not the director continues to have sufficient time to fulfil his or her duties. There were considered to be no such concerns in 2025.

### Customer/third-party conflicts of interest

The Board has a policy in place to manage customer and third-party conflicts of interest. This policy sets out how the company and its regulated subsidiaries manage conflicts of interest fairly, both between the relevant company and its customers, between groups of customers and between customers, suppliers and shareholders.

No material conflicts of interest were noted in 2025.

### Employee engagement

Hybrid working arrangements are in place across the Group to the extent appropriate to each territory and business unit. This hybrid flexibility has enabled the Group to attract candidates to new roles that otherwise might not have considered its main office locations.

## CORPORATE GOVERNANCE REPORT

The Board has a standard agenda item at each of its meetings to cover Culture and Stakeholder engagement, including workforce engagement. This has helped highlight workforce and other stakeholder matters as part of Board discussion and decision making. In addition, the designated Workforce NED supports the Board's ability to engage with the wider workforce as a two-way communications channel.

A full description of our employee engagement and well-being is provided in our corporate and social responsibility section on pages 70 to 72.

### Customer/supplier engagement

The Board remains vigilant to ensure the importance of customer- and supplier- engagement remains high on the Group's agendas.

### Relations with shareholders and debt investors

The Group Chief Executive and the Group Chief Financial Officer meet with institutional shareholders and are available for additional meetings when required. Should they consider it appropriate, institutional shareholders are able to meet with the Chair, the Senior Independent Director and any other director. The Chair is responsible for ensuring that appropriate channels of communication are established with shareholders through the Group Chief Executive and the Group Chief Financial Officer and, with support from the Senior Independent Director as appropriate, is responsible for ensuring that the views of shareholders are known to the Board. This includes twice yearly feedback prepared by the company's brokers on meetings that the executive directors have held with institutional shareholders.

The Company's full year and interim results presentations are available as a webcast for all shareholders and provides the opportunities for investors to ask questions directly to senior management. The Company also has a programme of meetings with its larger shareholders as managed by the Head of Strategic Development & Investor Relations, which provides an opportunity to discuss the progress of the business on the basis of publicly available information. This investor relations programme continued during 2025 with meetings held both in person and virtually, as well as engagement with prospective new investors and private client wealth managers. The company also meets with existing and prospective debt investors. These include specific meetings for the debt investor community as well as ad hoc meetings arranged either directly or through investor conferences. A significant proportion of the company's shareholders are retail investors and, in order to ensure that they have access to relevant information, the company maintains a detailed webpage for investors which includes access to equity research. Management also undertake webinars on the company's prospects that are publicly available to private investors.

Annual and interim reports are published and those reports, together with a wide range of information of interest to existing and potential shareholders, are made available on the company's website, [www.chesnara.co.uk](http://www.chesnara.co.uk).

All shareholders are encouraged to attend the Annual General Meeting ('AGM') at which the results are explained and an opportunity is provided to ask questions on each proposed resolution.

At our AGM on 13 May 2025 all resolutions were passed, with votes for ranging from 92.17% to 99.98% (votes against ranging from 0.02% to 7.83%). The lowest support (92.17%) was for resolution 16, which authorises the directors to disapply pre-emption rights on share issuances relating to acquisition or other capital investments. Although there are currently no plans or intentions to issue shares in relation to acquisitions or other capital investments, the Board considers the resolution to seek such authority common market practice and it offers the company flexibility should the authority be required.

Our next AGM is to be held on 12 May 2026 and details of the resolutions to be proposed can be found in the Notice of the Meeting on pages 243 to 245. It is intended that the meeting be held in person, with the Chairs of the Board and its committees available to answer any questions as appropriate. Shareholders are nonetheless encouraged to submit in advance any questions that they may have in order that the Chairs of the Board and its committees can answer them on the day.

### Sustainability governance

Our third report covering the broad range of climate-related information to be disclosed under the four overarching pillars (Governance, Strategy, Risk Management and Metrics & Targets) of the Taskforce for Climate-related Financial Disclosure (TCFD) is contained on pages 73 to 91. This details the governance information required in accordance with recommendations of TCFD.

The Group Chief Executive Officer takes overall accountability for sustainability at group level, with the support of divisional CEOs, other executive management and a Group Sustainability Committee, currently chaired by Eamonn Flanagan, NED. The Board sets the overall vision and approach of the Group in regards to sustainability and has approved its sustainability commitments and targets. The Board receives regular reporting on sustainability, including with regards to progress towards our targets and consideration of the group climate change risk assessment (with support from the Audit & Risk Committee). Further details of how we are embedding sustainability into our Governance Framework are included in our Annual Sustainability Report.

### Company Secretary

The directors had access to the advice and services of the Company Secretary throughout the year. The Company Secretary is responsible for advising the Board on all governance matters.

### Remuneration Committee

Full details of the composition and work of the Remuneration Committee are provided on page 112.

### Audit & Risk Committee

Full details of the composition and work of the Audit & Risk Committee are provided on pages 132 to 138.

### Nomination & Governance Committee

Full details of the composition and work of the Nomination & Governance Committee are provided on pages 104 to 107.

The attendance record of each of the directors at scheduled Board and committee meetings for the period under review is:

|   | Scheduled Board <sup>1</sup> |                  | Nomination & Governance Committee |     | Remuneration Committee |     | Audit & Risk Committee |
|---|------------------------------|------------------|-----------------------------------|-----|------------------------|-----|------------------------|
| <b>Luke Savage</b> Non-Executive Chair        | 9                            | (9)              | 4                                 | (4) | 5                      | (5) | n/a                    |
| <b>Steve Murray</b> Executive Director        | 9                            | (9)              | n/a                               |     | n/a                    |     | n/a                    |
| <b>Jane Dale</b> Non-Executive Director       | 2                            | (2)              | 1                                 | (1) | n/a                    |     | 2 (2)                  |
| <b>Eamonn Flanagan</b> Non-Executive Director | 9                            | (9)              | n/a                               |     | 5                      | (5) | 5 (5)                  |
| <b>Karin Bergstein</b> Non-Executive Director | 3                            | (3)              | 1                                 | (1) | n/a                    |     | 2 (2)                  |
| <b>Carol Hagh</b> Non-Executive Director      | 9                            | (9)              | 4                                 | (4) | 5                      | (5) | n/a                    |
| <b>Tom Howard</b> Executive Director          | 9                            | (9)              | n/a                               |     | n/a                    |     | n/a                    |
| <b>Gail Tucker</b> Non-Executive Director     | 8                            | (8)              | 4                                 | (4) | n/a                    |     | 4 (4)                  |
| <b>Sam Tymms</b> Non-Executive Director       | 4                            | (6) <sup>2</sup> | 3                                 | (3) | n/a                    |     | 3 (3)                  |

The figures in brackets indicate the maximum number of scheduled meetings in the period during which the individual was a Board or committee member.

#### Notes.

- The number of scheduled Board meetings includes 2 meetings that were called at short notice to discuss ad hoc/subject specific matters.
- Sam Tymms was appointed on 6 June 2025 at which time it was known that she was not available for one scheduled meeting and the other meeting was called at short notice. In both instances, Sam had the opportunity to review Board papers and discuss these with the Senior Leadership Team and the Chair.

### Internal control

The Board is ultimately responsible for the Group's system of internal control and for reviewing its effectiveness. In establishing the system of internal control, the directors have regard to the significance of relevant risks, the likelihood of risks occurring and the methods and costs of mitigating risks. It is, therefore, designed to manage rather than eliminate the risks, which might prevent the company meeting its objectives and, accordingly, only provides reasonable, but not absolute, assurance against the risk of material misstatement or loss.

In accordance with the FRC's guidance on Risk Management, Internal Control and Related Financial and Business Reporting, the Board confirms that there is an on-going process for identifying, evaluating and managing the significant risks faced by the Group. This process has been in place for the year under review and up to the date of approval of the Annual Report and Accounts. The process is regularly reviewed by the Board and accords with the guidance.

In accordance with the regulatory requirements of the PRA, local regulators and SII, the relevant business divisions have maintained and enhanced their risk and responsibility regime. This ensures that the identification, assessment and control of risk are firmly embedded within the organisation and that there are procedures for monitoring and update of the same. The Audit & Risk Committee regularly reviews and reports quarterly on risks to the Board.

The Group also maintains a principal risk register, which ensures identification, assessment and control of the significant risks subsisting within the company and its business units CA, Movestic and Scildon. The principal risks and uncertainties of the Group can be found on pages 59 to 66.

The maintenance of principal risk registers is the responsibility of senior management, who report on them quarterly to the respective divisional Audit & Risk Committees and to each Chesnara Audit & Risk Committee meeting.

The divisions maintain a risk and responsibility regime, which ensures that:

- the Boards and Group Chief Executive have responsibility for ensuring that the organisation and management of the operation are characterised by sound internal control, which is responsive to internal and external risks and to changes in them;
- the Boards have responsibility for the satisfactory management and control of risks through the specification of internal procedures;
- there is an explicit risk function, which is supported by compliance; and
- the internal audit functions provide independent assurance that the risk management, governance and internal control processes are operating effectively.

At least quarterly principal and emerging risks are reported to the Board, assessing their proximity, probability and potential impact. This has enabled the Board to carry out a robust assessment of the company's emerging and principal risks.

As an integral part of this regime, detailed risk registers are maintained to identify, monitor and assess risk under appropriate classifications. It includes climate change risk.

With regards to Countrywide Assured plc, Scildon and Movestic, the Group ensures that effective oversight is maintained, by way of the membership of Chesnara directors on their local boards and quarterly reporting to the Chesnara Audit & Risk Committee.

In addition, the Chesnara Board confirms that it has undertaken a formal annual review of the effectiveness of the system of internal control for the year ended 31 December 2025, and that it has considered material developments between that date and the date of approval of the Annual Report and Accounts. The Board confirms that these reviews took account of the findings by the Internal Audit and Compliance functions on the operation of controls, internal financial controls, as well as management assurance on the maintenance of controls, and reports from the external auditor on matters identified in the course of statutory audit work. Conclusions of the Audit & Risk Committee's annual review of effectiveness of the Group's risk management and internal control systems is reported in more detail in the Audit & Risk Committee Report as set out on pages 132 to 139.

The Board is satisfied that the overall Internal Control Framework has remained effective during the year, that the Group has responded appropriately to any risks or issues which have arisen, and that any control deficiencies identified are being appropriately addressed. Additionally, there are a number of live change programmes that exist across the Group. These include the planned migrations for the majority of the UK's outsourced operations to SS&C.

### Financial reporting

Management is responsible for establishing and maintaining adequate internal controls over financial reporting. These controls are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes.

The Group has comprehensive planning, budgeting, forecasting and reporting processes in place. A summary of the Group's financial results supported by commentary and performance measures is provided to the Board on a quarterly basis.

In relation to the preparation of the Group financial statements, the controls in place include:

- reviewing new developments in reporting requirements and standards to ensure that these are reflected in group accounting policies; and
- developing the Group's financial control processes and procedures which are implemented across the Group.

The reporting process is supported by transactional and consolidation finance software.

Reviews of the application of controls for external reporting purposes are carried out by senior finance management. The results of these reviews are considered by the Board as part of its monitoring of the performance of controls around financial reporting. The Audit & Risk Committee reviews the application of financial reporting standards and any significant accounting judgements made by management.

### Going Concern and Viability Statement

The Statement on Going Concern is included in the Directors' Report on page 142 and the Long-Term Viability Statement is set out on page 54.

### Financial crime and whistleblowing

Amongst others, the company operates policies for Anti-Bribery & Corruption as well as Anti-Fraud in order to manage risks such as financial crime, money laundering, fraud, corruption and terrorist financing. Related to this, a Whistleblowing Policy is also operated to facilitate the communication of wrongdoing or suspected wrongdoing with clear communication lines highlighted to enable individuals to advise of their concerns in a safe and confidential manner; in this regard, an external whistleblowing line was established during the year. No instances of whistleblowing or financial crime were noted during the year. These policies are all reviewed annually and staff are asked to attest to their embedding and understanding. A Gifts & Hospitality Register is maintained and no breaches were recorded during the year.

# NOMINATION & GOVERNANCE COMMITTEE REPORT



The Nomination & Governance Committee considers the structure, size and composition of the Board, its committees and senior executives in light of the mix of skills and experience that the Board requires to be effective. It reviews talent development and succession planning across the Group; its governance practices; and the performance of executive directors and senior executives.

### Nomination & Governance Committee

During the period under review, the committee comprised its Chair, Carol Hagh, as well as Luke Savage, Gail Tucker (from 29 January) and Sam Tymms (from 6 June) as well as Jane Dale (until 13 May) and Karin Bergstein (until 6 June). No individual participated in discussion or decision making when the matter under consideration related to themselves.

The committee Chair reports material findings and recommendations from each meeting at the next Board meeting.

The terms of reference for the committee can be found on the company website, [www.chesnara.co.uk](http://www.chesnara.co.uk)

The role of the Nomination & Governance Committee is to:

- regularly review the balance, structure, size, diversity and composition of the Board and its committees, ensuring that they remain appropriate;
- assess the independence of each NED and any circumstances that are likely to impair, or could impair, their independence;
- oversee the Board's succession planning requirements including the identification and assessment of potential Board candidates and making recommendations to the Board for its approval;
- scrutinise and hold to account the performance of the executive directors against agreed performance objectives and advise the remuneration committee of their assessments;
- regularly review the leadership needs of, and succession planning for, the Group in relation to both its executive directors and other senior management;
- identify and nominate, for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- oversee the search process for new directors, recommending appointments to the Board; and
- evaluate the balance of skills, knowledge, experience and diversity of the Board.

This includes consideration of recommendations made by the Group Chief Executive for changes to the executive membership of the Board and his wider direct reports.

During the period, the committee met four times and attendance at those meetings is shown on page 102. By invitation, the Group CEO, Group Company Secretary, and Non-Executive Director Eamonn Flanagan attended the Nomination & Governance Committee. None were present when matters relating to their own performance were discussed.

### The composition of the Board

The committee has continued to focus on succession planning, to maintain an appropriate composition for the Board and its committees and to support the continued development of the Group. A recent review identified areas where the Board should evolve to meet any expected future business and strategic direction of the Group.

During 2025 the committee finalised the processes that led to Gail Tucker's appointment as the Group's Audit & Risk Committee Chair upon the end of Jane Dale's tenure, as well as Sam Tymms's appointment as a Non-Executive Director upon Karin Bergstein standing down. It also approved the appointment of Emma Dawe as the Group's new General Counsel and considered the future appointments required upon completion of the Chesnara Life acquisition.

The Company continues to build an internal leadership pipeline for senior roles to ensure that the necessary skills and experience exist within the business and to consider the composition of the business unit boards.

### Board appointment process

The committee adopts a formal and transparent procedure for the appointment of new directors to the Board. The process may include the use of independent external search firms. As part of the appointment process, these external advisors would be asked to provide candidates from a diverse range of backgrounds, from which we select a short list of candidates who best meet the selection criteria. Interviews are conducted by a selection of Board members and executive management, as relevant to the role, with a recommendation to the committee as to the preferred candidate. Any candidate deemed suitable for appointment will provide references and, if necessary, undergo the fit and proper assessment process as outlined in the FCA Senior Managers & Certification Regime (SMCR) prior to appointment.

The Board engaged the services of Lygon in its appointment of Gail Tucker as a Non-Executive Director of the Company on 29 January 2025 and as Chair of the Audit & Risk Committee following the 2025 AGM. Gail has brought with her a wealth of reporting expertise including from her time as IFRS17 Global Technical Lead for PwC. She has advised insurance audit teams around the world and has sat on a number of technical committees. Karin Bergstein stepped down as a director of Chesnara on 6 June 2025 and, on behalf of the Board, we thank Karin for her strategic insight, Dutch insurance market knowledge and strong contribution to the Company during her tenure. We were delighted to have appointed Sam Tymms to the Board from 6 June 2025. She has brought wide non-executive as well as commercial and regulatory experience to the Group from her previous roles at international regulators, professional and industry bodies, Promontory Financial Group (IBM), Julius Baer International Ltd, Governance and Appointments Committee at the Institute of Chartered Accountants in England & Wales, DWF plc and IG Group plc. The Board engaged the independent services of executive search firm Odgers Berndtson in Sam's appointment.

**The committee evaluates the balance of skills, knowledge, experience and diversity of the Board.**

## NOMINATION & GOVERNANCE COMMITTEE REPORT

### Diversity

The committee is mindful of the corporate governance developments in the areas of diversity and gender balance, including the requirements under the Disclosure and Transparency Rules.

In accordance with Listing Rule 6.6.6R(10), the following tables set out numerical data on the sex and ethnic background of the Board and executive management as at 31 December 2025, with the data collected from the individuals.

#### a) Gender reporting table

| Gender  | Number of Board members | Percentage of Board | Number of senior positions on the Board (CEO, CFO, SID or Chair) | Number in executive management | Percentage of executive management |
|---|-------------------------|---------------------|--|--------------------------------|------------------------------------|
| Men (including those self-identifying as men)     | 4                       | 57.1%               | 3  | 2                              | 100%                               |
| Women (including those self-identifying as women) | 3                       | 42.9%               | 1  | n/a                            | n/a                                |
| Non-binary  | n/a                     | n/a                 | n/a  | n/a                            | n/a                                |
| Not specified/prefer not to say                   | n/a                     | n/a                 | n/a  | n/a                            | n/a                                |

#### b) Ethnicity reporting table

| ONS ethnicity category                | Number of Board members | Percentage of Board | Number of senior positions on the Board (CEO, CFO, SID or Chair) | Number in executive management | Percentage of executive management |
|---------------------------------------|-------------------------|---------------------|--|--------------------------------|------------------------------------|
| White British or White Other          | 6                       | 86%                 | 3  | 2                              | 100%                               |
| Mixed/Multiple Ethnic Groups          | n/a                     | n/a                 | n/a  | n/a                            | n/a                                |
| Asian/Asian British                   | 1                       | 14%                 | 1  | n/a                            | n/a                                |
| Black/African/Caribbean/Black British | n/a                     | n/a                 | n/a  | n/a                            | n/a                                |
| Not specified/prefer not to say       | n/a                     | n/a                 | n/a  | n/a                            | n/a                                |

The Board recognises the benefits of having diversity across all areas of the Group. Please see the equal opportunities section on page 69 for further detail. When considering the make-up of the Board, the benefits of diversity are reviewed and balanced where possible and appropriate, along with the breadth of skills, sector experience, gender, race, disability, age, nationality and other contributions that individuals may make. In identifying suitable candidates, the committee seeks individuals from a range of backgrounds, with the final decision being based on merit against the role criteria. Through its Board Diversity Policy, the Board maintains its practice of embracing diversity and operates a measurable gender-based target of having at least 40% representation of both male and female membership on the Board in recognition of the recommendations of the FTSE Women Leaders Review. We are pleased to report that during 2025 we once again met this target and were noted in the February 2026 FTSE Women Leaders Review as one of the companies with the highest representation for women in leadership in 2025. In addition, we have met the requirements under Listing Rule 9.8.6R of having at least 40% female directors. We remain committed to continuous review and improvement of diversifying the Board, senior management and the wider workforce. Throughout the financial year, the Board comprised 42.9% female: 57.1% males. In addition, the Company targets having a female appointee to at least one

of the key senior roles of Chair; Senior Independent Non-Executive Director; Group CEO or Group CFO and has met this target for a number of years. The Board currently comprises four men and three women with the role of Senior Independent Non-Executive Director held by Carol Hagh from 13 May 2025 when Jane Dale retired from the position and as a director. Further details of our Board's diversity, including our approach to collecting data, can be found at page 70 of the Strategic Report.

Further, Chesnara has determined that it will ensure that it continues to meet the measurable target of having at least one Director from an ethnic minority on the Board in line with the Parker Review. In consideration of the longer term, the Board has discussed increasing its range of knowledge and experience from outside financial services and also a broader geographical experience base but is satisfied with its current composition. The business operates to principles for other roles and is mindful that it has a small workforce and therefore considers that it needs to take associated staff turnover expectations into account. The diversity of the Senior Leadership Team is reported on page 106 and, as noted earlier, the Committee keeps under review the succession planning for senior leadership roles and oversees the proposed appointments.

**Review of effectiveness**

During 2025 an externally facilitated effectiveness review of the Board and its committees was undertaken by Lorraine Young Board Advisory Services ('LYBAS'). LYBAS is accredited by the Chartered Governance Institute UK & Ireland and complies with the CGI Code of Practice for independent Board Reviewers. This was the first Chesnara effectiveness review undertaken by LYBAS and the organisation has no other connections with the Company, nor does it provide other services to the Group. LYBAS has had the opportunity to review and comment on the disclosures about the review, which are included in this document.

Other standard internal processes were also undertaken, including Fit & Proper assessments, Board Diversity Policy review, NED succession planning and the review of the effectiveness of the Chair. The evaluations did not identify any additional changes needed to Board composition over and above those that had been undertaken.

Areas where increased focus and/or action was considered to be of potential value have either been addressed in 2025 or will be taken into account in 2026.

**Succession planning**

Succession planning is central to ensuring that Chesnara is fully prepared for planned or sudden departures from key positions throughout the Group. The committee, in the year, has reviewed the succession plans for the Board and senior executives across the Group.

Mindful of the need for effectiveness and engagement, the committee through its ongoing review of Board and committee memberships determined that a number of changes were appropriate as noted above. And the Committee will continue to also have efficiency and value in mind when determining Board membership and giving optionality for its longer-term composition as the Group continues to change and succession plans are effected.

**Non-executive director engagement**

It is important to the Board that non-executive directors are provided with training and development. The Board believes that ongoing training is essential to maintaining an effective and knowledgeable Board. The Company Secretary supports the Chair in ensuring that all new directors receive a tailored and comprehensive induction programme on joining the Board. Continuing education and development opportunities are made available to all Board members throughout the year. In 2025, a number of development initiatives have continued, these included one-to-one sessions with key members of the Senior Management Team and training sessions given by external providers, including training on artificial intelligence, directors' duties, cyber-security, sustainability and Provision 29 of the Corporate Governance Code.

**Directors standing for re-election**

In accordance with the Code, all directors will offer themselves for re-election at the Company's AGM on 12 May 2026. Following the annual Board effectiveness reviews of individual directors, as applicable and subject to re-election/election, the Chair considers that each director:

- continues to operate as an effective member of the Board;
- has the necessary skills, knowledge and experience to enable them to discharge their duties and contribute to the continued effectiveness of the Board; and
- has sufficient time available to fulfil their duties.

The Board, on the advice of the Nomination & Governance Committee, recommends the election or re-election of each director so proposed at the 2026 AGM. The full 2026 AGM Notice can be found on page 243.

*Carol*

Carol Hagh  
Chair of the Nomination & Governance Committee  
23 March 2026

# DIRECTORS' REMUNERATION REPORT



On behalf of the Board and its Remuneration Committee ('Committee'), I am pleased to present the Directors' Remuneration Report for the year ending 31 December 2025, for which we seek shareholder support at our forthcoming Annual General Meeting ('AGM'). Having conducted a detailed review of our current Directors' Remuneration Policy over recent months, we will also present our updated Directors' Remuneration Policy for shareholder approval, which would be effective from the AGM.

### Executive performance in 2025

As covered in the financial report, we have seen further excellent delivery against our key performance metrics in 2025:

- 1. Increased Operating Capital Generation of £94m (2024: £78m) showing that the Group continues to generate capital through a wide variety of market conditions.**
- 2. Strong solvency ratio of 257%, significantly above our usual operating range, leaving us well placed to execute further M&A as opportunities are created or emerge.**
- 3. A rise in New Business Contribution of £12m (2024: £9m), further supplementing the Group's capital generation and demonstrating a recurring and sustainable source of value to the Group.**
- 4. Acquisition strategy saw the announcement (and subsequent completion in January 2026) of the Chesnara Life transaction which is transformational for our UK business and Group. More recently we also announced the proposed acquisition of Scottish Widows Europe SA for €110m.**
- 5. An increase in final dividend of 6% retaining our unbroken track record of growing the full year dividend every year for the last 21 years.**

### Executive director remuneration outcomes for 2025

As detailed on page 115, the 2025 STIS outturn has been assessed to be 98.2% of maximum for the Chief Executive Officer ('CEO') and 97.6% of maximum for the Chief Financial Officer ('CFO') (2024: c.96% for both roles). In line with our Directors' Remuneration Policy, 35% of the resulting awards will be granted as deferred share awards that will vest at the end of a 3-year deferral period.

As detailed on page 116, the 2023 LTIP (2023 award) outturn has been assessed to be 100% of maximum for the Chief Executive Officer (2022 award: 38%).

In light of the performance of the executive team relative to the financial targets and strategic objectives set at the start of the year, the Remuneration Committee is satisfied that the reward outcomes for both the 2025 STIS and 2023 LTIP are reflective of the performance against financial and strategic targets and that our Remuneration Policy operated as intended. The Committee also reviewed underlying financial, operational and risk performance of the business over the relevant performance periods and was satisfied that outcomes were a fair reflection of performance achieved and therefore applied no further adjustment to the formulaic outcomes.

The Committee has applied no discretion in its assessment of the STIS outcome.

### Review of the Directors' Remuneration Policy (the 'Policy'), including proposed implementation of executive director remuneration in 2026

It is now almost three years since our current Policy was approved by shareholders at the 2023 AGM and so, in line with requirements, we will be presenting an updated Policy for shareholder approval at the 2026 AGM.

Over the last three years, under the leadership of Steve Murray, the Group has implemented its strategy to maximise the value from existing business, acquire life and pension businesses and enhance value through profitable new business. The Group's positive performance and progress during these three years is evidenced by:

- Own Funds growth of £254m and Cash Generation of £182m driven by organic capital generation, M&A and the implementation of management actions.
- Assets Under Administration up 45% in that period driven by positive investment returns on existing business and successful M&A, even before Chesnara Life is reflected.
- Solvency Coverage Ratio of 257%, comfortably above operating range (140% to 160%) providing the Group with significant scope to pursue further M&A and other investment opportunities as they arise.
- Share price up 22% and the year-end share price of 301p the highest in over 5 years.
- Dividends per share up 6% per share, extending the period of uninterrupted dividend growth to more than 20 years and resulting in strong total shareholder returns of 59% between 1 January 2023 and 31 December 2025.
- Acquisitions completed over the period including Conservatrix, two portfolios from Canada Life UK, and Chesnara Life. Furthermore, we have recently announced the proposed acquisition of Scottish Widows Europe SA.
- Merger of the Dutch business units.
- Admission to the FTSE 250 following the announcement of the Chesnara Life deal and successful rights issue as well as restricted Tier 1 bond issuance.
- Reported in the February 2026 FTSE Women Leaders Review to be one of the FTSE 250 companies with the highest representation for women in leadership in 2025.

In this period, the Company has operated a Policy that meets UK market expectations with a base salary, pension contributions aligned with the workforce, annual bonus with deferral and a performance share plan. This was reflected in the level of support from shareholders for the Policy at the 2023 AGM (96.2%).

The Committee has operated these incentive structures responsibly over the last three years with average bonus and LTIP outcomes appropriately reflecting the performance of the business and returns to shareholders. This has again been reflected in the level of support from shareholders for the implementation of the Policy at both the 2024 AGM (98.4%) and the 2025 AGM (99.0%).

The Committee has reviewed the Policy both in the context of evolving UK practices and the evolution of the Group to ensure that it continues to motivate and retain the existing executive directors as well as providing sufficient headroom in the event of the Group's continued growth. The Committee also intends that the Policy should continue to meet its stated aims:

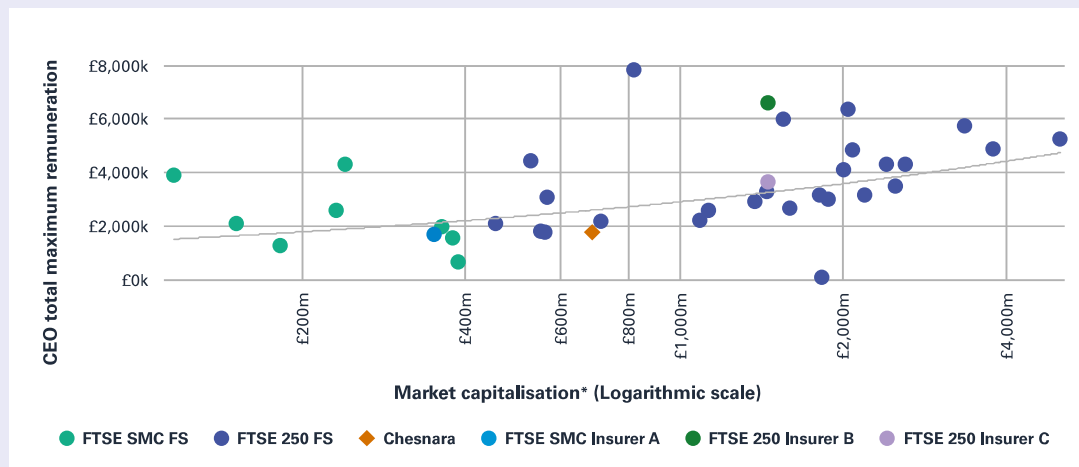
- To maintain a consistent and stable remuneration strategy based on clear principles and objectives;
- To ensure remuneration structures do not encourage or reward excessive risk-taking which is outside the boundaries of our stated risk appetite;
- To link remuneration clearly to the achievement of our business strategy (in particular, to ensure the Policy is fit for purpose in the context of the Chesnara Life and Scottish Widows Europe SA acquisitions, the RT1 fundraise and the future M&A pipeline) and ensure that both executive and shareholder reward are closely aligned;
- To enable the company to attract, motivate and retain high calibre executives; and
- For the Policy to be easy to understand and communicate.

<sup>1</sup>Alternative Performance Measure (APM) used to enhance understanding of financial performance. Further information on APMs can be found in the additional information section of this Annual Report and Accounts.

# DIRECTORS' REMUNERATION REPORT • REMUNERATION COMMITTEE ANNUAL STATEMENT

Historically, remuneration levels for the executive directors have been set conservatively with the result that total remuneration opportunity has been positioned below the upper quartile of the FTSE Small Cap ('SMC') benchmark, despite the Group being positioned towards the top of the upper quartile of the index on a market capitalisation basis.

In light of the excellent contribution of both executive directors, continued strong performance of the business, and greater scale and complexity following the Chesnara Life acquisition which has resulted in the Group's entry into the FTSE 250 index, the Committee has considered FTSE 250 and SMC data using regression analysis provided by its external advisers to ensure a robust understanding of pay levels at comparatively sized organisations across all sectors, and within financial services ('FS') specifically. A summary of the analysis is set out in the chart to the right (with the CEO remuneration positioning of FTSE 250/ SMC insurer peers highlighted):



Based on the review, the Committee proposes the following approach to executive director remuneration to be effective in 2026 subject to the approval of the revised Policy:

- Total CEO remuneration will be set for FY26 at a level of comparably sized FS companies within the FTSE 250 and FTSE SMC based on the regression analysis; this to comprise a salary of £625,000, annual bonus opportunity of 150% of salary and LTIP opportunity of 175% of salary. This results in a total remuneration opportunity of £2.7m in line with a company of Chesnara's current size within the FTSE 250 and SMC financial services peer group. The proposal has been designed to ensure that the majority of the increase is delivered as variable remuneration with a significant long-term element through bonus deferral and LTIP participation, in line with investor preferences and supporting retention.
- CFO remuneration will be set to maintain a broadly consistent ratio to the CEO's remuneration; this to comprise a salary of £415,000, annual bonus opportunity of 150% of salary and LTIP opportunity of 150% of salary.
- Incentive performance measures will be aligned with strategy and the Group's APMs with the structure of both the STIS and LTIP awards remaining broadly consistent with the existing approach. The structure of the STIS assessment will be unchanged and will continue to comprise a Cash Generation metric (Operating Capital Generation), value growth metric (Operating Own Funds Generation) and performance against a strategic scorecard. The existing components of the LTIP grant being a shareholder returns metric (relative TSR), a surplus generation metric (Core Surplus Emergence) and a value growth metric (Own Funds growth) will be retained alongside the introduction of an ESG measure following the publication of the Group's Climate Transition Plan last year.

- Shareholding requirements will be set to require material level of ownership in the business. Executive directors will continue to be required to build a shareholding of at least 200% of salary, which for both individuals is greater than the proposed LTIP award level for 2026 and therefore greater than the guideline level within the Investment Association's Principles of Remuneration, and in line with the FTSE 250 median shareholding requirement.
- Flexibility will be introduced to remove bonus deferral where a director has met the shareholding requirement in line with emerging practice. This is proposed following changes to The Investment Association's Principles of Remuneration. However, the Committee does not currently intend to implement this element of the Policy in respect of FY26 bonuses, even if the executive directors have met their shareholding requirement at the end of FY26. Instead it is intended that this provides flexibility within the Policy in case there is a material movement in market practice in this direction over the next 3-year period. The Committee is satisfied that sufficient malus and clawback provisions exist in respect of executive remuneration should the Committee ever implement this element of the Policy. Indeed, both executive directors participated fully in the 2025 rights issue irrespective of their existing holdings as set out earlier in the report.

The proposed packages result in a material level of share-based and long-term remuneration through bonus deferral (35% of the total bonus deferred over 3 years) and LTIP awards (3-year vesting period followed by a 2-year post-vesting holding period). In combination with robust shareholding requirements, these ensure that the executive directors are well aligned with shareholders' long-term interests.

The Committee believes that the proposed pay levels for FY26 are appropriate based on the performance of the executive directors and the scale and complexity of the organisation today. Looking forward, the Committee would like to ensure that the Policy has sufficient flexibility to incentivise and remunerate the executive directors in line with companies of greater scale and complexity, should the Group continue to grow over the next 3-year cycle towards the median level of the FTSE 250 index.

The Committee therefore proposes to set the maximum variable pay limits under the revised Policy at 175% of salary for the bonus and 250% of salary for the LTIP for the CEO and at 150% of salary for the bonus and 200% of salary for the LTIP for the CFO. This would enable a total maximum remuneration opportunity for the CEO broadly equivalent to an FS organisation with a market capitalisation at the median level of the FTSE 250 index. The Committee also reviewed data for FTSE insurance companies as a secondary reference point (see table below) which confirmed that the proposals were appropriate within the sector. For context, the Committee's intention is that there would need to be a significant change in the Group's size, complexity, performance or competitor landscape in order to implement at the maximum of the proposed Policy. The Committee would only increase the variable pay opportunities for the executive directors above the levels proposed for FY26 if the Group continues to deliver against its strategy and grow in scale and complexity and if the individuals continue their strong performance in role. The Committee would also consult with shareholders over any proposed increases to incentive opportunity prior to implementation.

Positioning of current and proposed remuneration structure vs FTSE insurance companies:

| Company                        | Base salary<br>£000 | Bonus<br>% max | LTIP<br>% max | Max. total<br>remuneration<br>£000 | Market cap.<br>£m <sup>1</sup> |
|--------------------------------|---------------------|----------------|---------------|------------------------------------|--------------------------------|
| FTSE 250 insurer               | 743                 | 150%           | 250%          | 3,787                              | 1,452                          |
| FTSE 250 insurer               | 870                 | 300%           | 350%          | 6,612                              | 1,448                          |
| FTSE SMC insurer               | 547                 | 150%           | 75%           | 1,818                              | 349                            |
| Chesnara (current)             | 536                 | 100%           | 125%          | 1,793                              | 645 <sup>2</sup>               |
| Chesnara (2026 implementation) | 625                 | 150%           | 175%          | 2,716                              | 645 <sup>2</sup>               |
| Chesnara (policy maximum)      | 625                 | 175%           | 250%          | 3,341                              | n/a                            |

#### Notes.

1. Market capitalisations are from the date of analysis.
2. Since the analysis was conducted, Chesnara's market capitalisation has risen to c.£700m as of the date of this report.

#### Shareholder engagement

It was important to the Committee to engage proactively with our major shareholders as part of the Remuneration Policy review. The Committee shared proposals with 20 shareholders covering c.80% of our issued share capital. I would like to thank everyone who engaged with this exercise and for the feedback received. Overall, the response was positive and shareholders were supportive of the proposals in light of the rationale provided. A number of shareholders expressed a preference for a reduction in the level of bonus deferral when the shareholding requirement is met rather than the removal and a number expressed the importance of setting stretching long-term targets given the increase to the LTIP opportunity. On the former, I reiterated our position that there is no intention to apply any reduction in respect of FY26 and any future change (whether reduction or removal) will be dependent on whether there is a material movement in market practice within our sector over the lifetime of the Policy and will take into account prevailing shareholder views at the time. On the latter, the initial proposals for the 2026 LTIP targets presented to the Committee were revised to incorporate an additional level of stretch in respect of the Own Funds growth metric in order to achieve a maximum payout.

#### Non-executive director fees in 2026

In line with the Policy, Chair and NED fees are periodically reviewed. Our intention is to pay NEDs at or around the lower quartile of the FTSE 250 in line with executive remuneration and our relative market capitalisation since joining the index. The Board also took into account individual NEDs' responsibilities and wider benchmarks for NED pay in the FTSE 250 when determining increases to their fees for 2026. The Chair's fee was raised from £151,000 to £200,000 after consistently being materially below the previous FTSE Small Cap benchmark. The increase in 2026 recognises the contribution the Chair has made over many years in the development and execution of the strategy leading to 2025's transformational delivery and remains modestly positioned below the lower quartile of the FTSE 250. The fees for other NEDs increased by 4.2% on average. Directors' fees are set out on page 113.

#### Employee engagement

The management teams in each of the businesses are responsible for ensuring that employees are kept informed and their views are considered on key subject matters. The committee engaged with staff sitting in both Chesnara plc and our UK business unit on the components of the Group's remuneration offering and the alignment of directors' pay with that of UK employees. Specifically, we held a meeting between myself and the Group CEO alongside our UK CEO and UK HR Director with representatives from across the UK team in December 2025.

The Committee believes that the proposals in respect of our new Policy and its implementation in 2026 will ensure that the remuneration structure in operation for the executive directors and senior leadership roles is motivating and creates a strong incentive to deliver sustainable growth and value to shareholders. We hope that they meet our shareholders' clear expectations for an approach to executive remuneration that continues to drive Chesnara's recent growth journey and will be voted for favourably in the resolutions proposed at the 2026 AGM.

*Eamonn*

Eamonn Flanagan  
Chair of the Remuneration Committee  
23 March 2026

## DIRECTORS' REMUNERATION REPORT • ANNUAL REMUNERATION REPORT

This section sets out how the Remuneration Committee has implemented its Remuneration Policy for executive directors in respect of 2025. Other than the single total figure of remuneration for each director as set out on page 113, statement of directors' shareholding and share interests on page 117, the information contained within this report has not been subject to audit.

### Composition and activities of the Remuneration Committee

In accordance with its Terms of Reference, which can be viewed on the company's website, the Remuneration Committee considered matters relating to directors' remuneration and that of other senior managers at each of its meetings in 2025. Members of the Remuneration Committee during the course of the year were:

| Committee members <sup>1</sup> | Role on the committee | Committee member since | Attendance in 2025 | Maximum possible meetings in 2025 |
|--------------------------------|-----------------------|------------------------|--------------------|-----------------------------------|
| Luke Savage                    | Committee member      | February 2020          | 5                  | 5                                 |
| Eamonn Flanagan <sup>2</sup>   | Committee Chair       | July 2020              | 5                  | 5                                 |
| Carol Hagh                     | Committee member      | February 2022          | 5                  | 5                                 |

#### Notes.

- By invitation, the Group CEO and Company Secretary attended the Remuneration Committee, but neither were present when matters relating to their own remuneration were discussed.
- Eamonn Flanagan joined the committee in July 2020, and was appointed Chair on 15 January 2022.

The Committee appointed PricewaterhouseCoopers LLP ('PwC') as its independent adviser from 10 October 2022 following a competitive tender process. During 2025 the Committee incurred external adviser fees totalling £89,102 excluding VAT. PwC is a member of the Remuneration Consultants Group and a signatory to its Code of Conduct and the Committee is therefore satisfied that the advice PwC provided was objective and independent.

### Highlights in 2025

In 2025, the committee met five times and dealt with the following matters:

| Area of focus                                     | Matter considered   |
|---|---|
| <b>Executive director remuneration and reward</b> | Assessed and recommended to the Board, approval of the outcome of awards made in 2024 under the STIS and in 2022 under the LTIP having reviewed performance against targets/objectives set and given due consideration to the risk report provided by the Audit & Risk Committee. The Committee also approved the outcomes of buyout awards made to Tom Howard as Group CFO on appointment. Reviewed base salaries of executive directors and senior management, and recommended increases for 2025. Approved the targets and the grant of awards to Executives in 2025 under the STIS and LTIP and undertook a half-year evaluation. Also considered whether the share price at the time of making the LTIP award was likely to give rise to a 'windfall' for directors and determined that this was not the case. Subsequent to the above, the Committee reviewed the draft directors' remuneration report for the 2024 Report & Accounts and recommended its approval by the Chesnara Board. |
| <b>Review of the Remuneration Policy</b>          | The Committee undertook a detailed review of the current structure of the Directors' Remuneration Policy, including reviewing regression analysis to determine current positioning and evolving market trends in executive remuneration. A revised Remuneration Policy will be presented to shareholders at the AGM in May 2026. Details are set out on pages 243 to 248.   |
| <b>All employee and executive remuneration</b>    | Reviewed the UK employee general salary increase of 3.5%, mindful of economic considerations, staff turnover and the ability to attract new talent in a competitive recruitment market.<br>Approved LTIP grants to a broader participation group of targeted senior leaders and key talent who are able to materially influence the delivery of group strategy, ensuring that this critical group of executives are aligned to our long-term goals.   |
| <b>Terms of Reference</b>                         | The Committee's Terms of Reference were reviewed. A number of minor modifications were made in consultations with our advisors, PwC, but no material revisions were made to the scope of Committee duties as they were felt to continue to be appropriate and provide adequate scope to cater for the expectations set by the Code.   |
| <b>Committee evaluation</b>                       | An externally facilitated evaluation of the Committee's performance by way of a questionnaire and member interviews suggested that the Committee continued to operate well.   |
| <b>Employee engagement</b>                        | The Committee engaged with staff on the alignment of directors' pay with UK employees through a meeting held between the Committee Chair, the Group CEO and a cross section of the UK workforce.  |
| <b>Chair's fees</b>                               | The Committee reviewed the level of fees payable to the Board Chair.  |
| <b>Remuneration principles</b>                    | The Committee reviewed the Group Remuneration Principles, which guide the remuneration policies throughout the Group.   |

**Single total figure of remuneration for each director (audited information)**

The remuneration of the executive directors for the years ended 31 December 2025 and 31 December 2024 is made up as follows:

**Year ended 31 December 2025**

| Name of director | Salary<br>£000 | Pension <sup>3</sup><br>£000 | All taxable<br>benefits <sup>1</sup><br>£000 | Non-taxable<br>benefits<br>£000 | STIS<br>£000 | LTIP <sup>2&amp;4</sup><br>£000 | Buy-out<br>awards <sup>2&amp;7</sup> | Total for<br>2025<br>£000 | Fixed<br>£000 | Variable<br>£000 |
|------------------|----------------|------------------------------|--|---------------------------------|--------------|---------------------------------|--------------------------------------|---------------------------|---------------|------------------|
| Steve Murray     | 536            | 46                           | 22   | 5                               | 526          | 749                             | –                                    | 1,882                     | 607           | 1,275            |
| Tom Howard       | 357            | 49                           | 2  | 1                               | 348          | –                               | 369                                  | 1,126                     | 407           | 718              |
| <b>Total</b>     | <b>893</b>     | <b>95</b>                    | <b>24</b>                                    | <b>6</b>                        | <b>874</b>   | <b>749</b>                      | <b>369</b>                           | <b>3,008</b>              | <b>1,014</b>  | <b>1,993</b>     |

**Year ended 31 December 2024**

| Name of director        | Salary<br>£000 | Pension <sup>3</sup><br>£000 | All taxable<br>benefits <sup>1</sup><br>£000 | Non-taxable<br>benefits<br>£000 | STIS<br>£000 | LTIP <sup>2</sup><br>£000 | Buy-out<br>awards <sup>6</sup> | Total for<br>2024<br>£000 | Fixed<br>£000 | Variable<br>£000 |
|-------------------------|----------------|------------------------------|--|---------------------------------|--------------|---------------------------|--------------------------------|---------------------------|---------------|------------------|
| Steve Murray            | 525            | 45                           | 21   | 5                               | 501          | 143                       | –                              | 1,240                     | 591           | 649              |
| Tom Howard <sup>5</sup> | 253            | 19                           | 1  | 1                               | 238          | –                         | 522                            | 1,034                     | 273           | 761              |
| <b>Total</b>            | <b>778</b>     | <b>64</b>                    | <b>22</b>                                    | <b>6</b>                        | <b>739</b>   | <b>143</b>                | <b>522</b>                     | <b>2,274</b>              | <b>864</b>    | <b>1,410</b>     |

**Notes.**

- Includes amounts paid in lieu of accrued dividends and interest arising upon the exercise of share options under the 2023 STIS.
- Includes amounts paid in lieu of accrued dividends and interest arising upon the exercise of share options under the LTIP and buy-out awards.
- The pension component in the single figure table represents employer contributions. No directors were members of a defined benefit scheme. The executives can participate in a defined contribution pension scheme at the same level as all employees with employer contributions currently being 9.5% of basic salary. If pension limits are reached, the executive may elect to receive the balance of the contribution as cash.

- Following the announcement of the full year results, the value reflects the estimated vesting outcome for LTIP awards granted in 2023 which are scheduled to vest in July 2026. The options are forecast to vest in full and their values are calculated using the average share price for Q4 2025, £2,795. Of the 2023 LTIP award, £18k is attributable to share price growth.
- Value at date of vesting based on share price of £2.5250.
- Tom Howard joined as an executive director on 15 April 2024.
- The buy-out awards were granted to Tom Howard, to compensate him for the schemes that he held with his previous employer and which he forfeited upon accepting his new role with Chesnara.

The remuneration of the non-executive directors for the years ended 31 December 2025 and 31 December 2024 is made up as follows, with the fee element being fixed and the benefits being variable in nature:

**Non-executive directors' remuneration as a single figure – year ended 31 December 2025 and 2024**

| Name of director             | Fees<br>£000 | 2025 benefits<br>£000 | Total<br>£000 | Fees<br>£000 | 2024 benefits<br>£000 | Total<br>£000 |
|------------------------------|--------------|-----------------------|---------------|--------------|-----------------------|---------------|
| Luke Savage                  | 151          | –                     | 151           | 147          | –                     | 147           |
| Eamonn Flanagan              | 80           | –                     | 80            | 75           | –                     | 75            |
| Jane Dale <sup>4</sup>       | 32           | –                     | 32            | 83           | –                     | 83            |
| Carol Hagh                   | 80           | –                     | 80            | 74           | –                     | 74            |
| Gail Tucker <sup>1</sup>     | 69           | –                     | 69            | –            | –                     | –             |
| Sam Tymms <sup>2</sup>       | 35           | –                     | 35            | –            | –                     | –             |
| Karin Bergstein <sup>3</sup> | 45           | –                     | 45            | 67           | –                     | 67            |
| <b>Total</b>                 | <b>492</b>   | <b>–</b>              | <b>492</b>    | <b>446</b>   | <b>–</b>              | <b>446</b>    |

**Notes.**

- Gail Tucker was appointed on 29 January 2025.
- Sam Tymms was appointed 6 June 2025.
- Karin Bergstein stood down on 6 June 2025.
- Jane Dale stood down on 13 May 2025.

## DIRECTORS' REMUNERATION REPORT • ANNUAL REMUNERATION REPORT

### Taxable benefits

The taxable benefits for executive directors relate to the provision of a car, fuel allowance and medical insurance. For non-executive directors, the taxable benefits represent the reimbursement of travelling expenses incurred in attending Board meetings at the Group's divisional offices. These amounts also include an amount to compensate for the personal tax burden incurred.

### Short-Term Incentive Scheme (STIS)

The amounts reported as STIS in 2025 derive from awards made under the 2023 STIS. The amounts awarded to the executive directors under this scheme are based on performance against three core measures: Cash Generation<sup>1</sup>, total EcV Earnings<sup>1</sup> and Group strategic objectives. The table below shows the outcome of each measure, the target set and the resulting award, following the results set out earlier for what has been a transformational year for the Group.

|                                      | Threshold performance | Percentage award for threshold performance | On target performance | Percentage award for on target performance | Maximum performance | Percentage award for maximum performance | Actual result       | Actual percentage total award | Actual percentage award, as percentage of salary | Total award CEO (£) | Total award CFO (£) |
|--------------------------------------|-----------------------|--|-----------------------|--|---------------------|--|---------------------|-------------------------------|--|---------------------|---------------------|
| Cash Generation <sup>1</sup>         | £25.3m                | 0%   | £31.6m <sup>1</sup>   | 25.0%                                      | £41.1m              | 35.0%                                    | £70.0m <sup>1</sup> | 35.0%                         | 35.0%  | 187,600             | 124,950             |
| Total EcV Earnings <sup>2</sup>      | £14.3m                | 0%   | £20.4m                | 25.0%                                      | £30.6m              | 35.0%                                    | £113.4m             | 35.0%                         | 35.0%  | 187,600             | 124,950             |
| Group strategic objectives (CEO/CFO) | 75%                   | 0%   | 100%                  | 15.0%                                      | 125%                | 30.0%                                    | 94.0%/92.0% of max  | 28.2%/27.6%                   | 28.2%/27.6%                                      | 151,152             | 98,532              |
| <b>Total</b>                         |                       |  |                       | <b>65.0%</b>                               |                     | <b>100.0%</b>                            |                     | <b>98.2%/97.6%</b>            | <b>98.2%/97.6%</b>                               | <b>526,352</b>      | <b>348,432</b>      |

For results between the performance thresholds, a straight-line basis applies.

### Notes.

1. This is stated after certain adjustments, such as consolidation adjustments. The actual results are also adjusted in the same manner.
2. The total EcV Earnings before exceptional items on page 257 has been adjusted in line with the basis of the target.

The following table details the requirements for delivery of the strategic objectives for 2025 and actual outcomes:

| Objectives area                       | Objectives and performance   | Outcome  |
|---------------------------------------|--|--|
| <b>Steve Murray</b>                   |  |  |
| Customer & operational delivery (25%) | Set clear direction for, and ensure efficient delivery by, business units across Chesnara. | Netherlands merger completed and sale of Scildon Group Defined Contribution book to Allianz agreed.<br>Three successful migrations to OSP SS&C platform.<br>DORA delivery largely complete across the European businesses.<br>Enhanced business unit performance and cross-group engagement.   |
| Communication and culture (10%)       | Improve external and internal communications with key stakeholders.                        | Positive investor feedback from results presentations and Chesnara Life announcement well received.<br>North American 'roadshows' well attended and with good feedback.<br>Improved cross-group staff engagement sessions.<br>Very positive eNPS scoring in UK and Sweden and improving position in the Netherlands since the merger was announced.  |
| Strategic activity inc M&A (35%)      | Proactively identify and execute value enhancing M&A.                                      | Proposed acquisition of Chesnara Life announced and well received alongside successful rights issue and tier-1 bond issuance. Further M&A opportunities assessed and progressed during the year.<br>Continue to engage across the market to assess a wide range of potential future opportunities.<br>Entry into FTSE 250 and strong overall share price performance.                                  |
| People (10%)                          | Development of direct reports and improve the talent pool across Chesnara.                 | Further action taken across the wider Group SLT including repositioning roles. Appointments for Netherlands CEO and CFRO concluded and Group/UK Finance restructuring executed. Strong appointment into General Counsel role, new Company Secretary and new Chief Actuary role.<br>Collaboration areas agreed with business unit CEOs.<br>Staff surveys now routine and including aforementioned eNPS. |

| Objectives area                          | Objectives and performance   | Outcome   |
|--|--|---|
| ESG (20%)                                | Delivery of sustainability strategy including development of appropriate environmental/ climate, people and sustainability policies and practices, for the benefit of our customers, shareholders, staff, suppliers and other stakeholders, which respond to regulatory and non-regulatory guidance and industry practice and our own commitments and targets. | Improved Sustainability scores.<br>First Climate Transition Plan published with targets set out.<br>Group on-track to deliver against 2030 interim targets.   |
| <b>Tom Howard</b>                        |  |   |
| Business Performance (25%)               | Set clear direction for, and support the delivery of the business units' and Group Centre's financial performance targets.   | Group and business unit capital optimisation and foreign exchange hedging actions delivered.<br>Groupwide Business Performance Framework upgraded and embedded, including material improvement in planning and reporting processes.<br>Clearer, simpler financial story, including development of updated APMs. |
| External Reporting & Communication (20%) | Enhance the Group's external reporting processes and communications to the market.   | Upgraded internal processes to deliver earlier reporting and clearer articulation of results.<br>Significant improvements to the content and structure of the FY24 and HY25 Annual Reporting and Accounts.<br>Simplified financial results storyboard for investors.  |
| Strategic Activity (30%)                 | Proactively manage the Group's balance sheet including in the delivery of M&A.   | Significant capital markets activity with the successful RT1 debt issuance and equity rights issue.<br>Development of enhanced Capital Allocation Framework to support M&A activity and other investment initiatives for the Group.<br>Successful delivery of the proposed acquisition of Chesnara Life.        |
| People (10%)                             | Develop direct reports, improve the talent pool and build credible succession plans across Group Finance.  | Senior talent review including appointment of Group Financial Controller, Group Chief Actuary, Netherlands Chief Finance and Risk Officer.<br>Restructure of the UK and Group Centre Finance team and appointment of the Chief Finance and Risk Officer in the Netherlands.                                     |
| ESG (15%)                                | Support the continued development of appropriate environmental/climate, people and sustainability policies and practices, for the benefit of our customers, shareholders, staff, suppliers and other stakeholders, which respond to regulatory and non-regulatory guidance and industry practice.  | ARA24 upgrade included updated CSR section and the publication of the Climate Transition Plan in 2025.<br>Member of Group Sustainability Committee.   |

In converting performance against the measures assessed for 2025 set out in the previous tables, the directors' STIS awards are specified below.

The committee did not apply discretion in determining the final outcome:

| Name of director | Salary on which award is based<br>£ | Maximum potential award<br>as % of salary | Actual award<br>as % of salary | Total value of award<br>£ |
|------------------|-------------------------------------|---|--------------------------------|---------------------------|
| Steve Murray     | 536,000                             | 100.00%                                   | 98.20%                         | 526,352                   |
| Tom Howard       | 357,000                             | 100.00%                                   | 97.60%                         | 348,432                   |
| <b>Total</b>     |                                     |   |                                | <b>874,784</b>            |

35% of the above awards are granted as deferred share awards that will vest at the end of a three-year deferred period.

<sup>1</sup>Alternative Performance Measure (APM) used to enhance understanding of financial performance.  
Further information on APMs can be found in the additional information section of this Annual Report and Accounts.

## DIRECTORS' REMUNERATION REPORT • ANNUAL REMUNERATION REPORT

### Long-Term Incentive Plan awards

The following table sets out the amounts that are due to vest on 6 July 2026 under the 2023 LTIP, for which performance conditions were satisfied during the year. In aggregate, the LTIP awards vested at 100% of maximum for Executive Director Steve Murray who is the only current director who received a grant that year.

| Individual   | Measure          | Weight | Ranges and targets           |                                       | Actual outcome       |                    |                  |
|--------------|------------------|--------|------------------------------|---------------------------------------|----------------------|--------------------|------------------|
|              |                  |        | Threshold                    | Maximum                               | Performance achieved | % of award vesting | Value of award £ |
| Steve Murray | TSR              | 33.3%  | In line with median (27.70%) | In line with median + 6% p.a. (46.8%) | 50.9%                | 100.0%             | 175,451          |
|              | EcV†             | 33.3%  | £502.3m                      | £552.3m                               | £632.9m              | 100.0%             | 175,451          |
|              | Cash Generation† | 33.3%  | £113.9m                      | £126.0m                               | £182.0m              | 100.0%             | 175,451          |

### Scheme interests awarded in financial year

The table below sets out STIS and LTIP awards made to executive directors during the year:

| Name of executive director | Name of scheme | Date award was granted | Amount of options awarded <sup>1</sup> | Face value on the date of grant <sup>2</sup> (based on share price) | Length of vesting period – 3 years<br>Date of vesting |
|----------------------------|----------------|------------------------|--|---|---|
| Steve Murray               | 2023 LTIP      | 28 March 2025          | 242,754                                | £536,000 (276.00p)  | 28 March 2028 <sup>3</sup>                            |
|                            | 2023 STIS      | 28 March 2025          | 63,558                                 | £175,419 (276.00p)  | 28 March 2028 <sup>3</sup>                            |
| Tom Howard                 | 2023 LTIP      | 28 March 2025          | 129,348                                | £357,000 (276.00p)  | 28 March 2028 <sup>3</sup>                            |
|                            | 2023 STIS      | 28 March 2025          | 30,227                                 | £83,427 (276.00p)   | 28 March 2028 <sup>3</sup>                            |

#### Notes.

1. No awards are made if performance is below the minimum criteria. Note there were subsequent adjustments to reflect a rights issue completed in July 2025, which are set out in the 'Outstanding share options and share awards' table following.

2. The face value is reported as an estimate of the maximum potential value on vesting. The share price has been calculated using the closing price on the day prior to grant, that being at the end of the day on which the 2024 year-end results were announced.

3. LTIP awards from 2019 onwards are subject to a two-year holding period in addition to the three-year performance period.

For the LTIP awards, 25% of the awards vest in the event minimum performance is achieved. The deferred portion of the STIS awards are not subject to future performance conditions.

### Performance measures for LTIP awards granted in 2025

The 2025 LTIP awards are subject to the performance conditions outlined below (equally weighted):

#### Total Shareholder Return

Assessment of TSR performance over 3-year performance period (measured using average TSR over the 3 months immediately preceding the start and end of the performance period) versus the constituents of the FTSE 350 Higher Yield index:

- No portion of this component of the award will vest for TSR performance below median of the peer group.
- 25% of this component of the award will vest for TSR performance in line with the median of the peer group.
- 100% of this component of the award will vest for TSR performance in line with the median of the peer group plus 6% per annum.
- Assessment for TSR performance between median and median plus 6% per annum will take place on a sliding scale using interpolation.

#### EcV growth target

Assessment of 2027 EcV against a 2024 EcV baseline:

- No portion of this component of the award will vest for 2027 EcV below £120.8m (before dividends and debt costs).
- 25% of this component of the award will vest for 2027 EcV of £120.8m (before dividends and debt costs).
- 100% of this component of the award will vest for 2027 EcV at or above £170.8m (before dividends and debt costs).
- Assessment for EcV performance between £120.8m and £170.8m (before dividends and debt costs) will take place on a sliding scale using interpolation.

**Core Surplus Emergence**

Assessment of aggregate Core Surplus Emergence over 2025 to 2027:

- No portion of this component of the award will vest for aggregate Core Surplus Emergence over 2025 to 2027 below £116.3m.
- 25% of this component of the award will vest for aggregate Core Surplus Emergence over 2025 to 2027 of £116.3m.
- 100% of this component of the award will vest for aggregate Core Surplus Emergence over 2025 to 2027 above £128.0m.
- Assessment for aggregate Core Surplus Emergence over 2025 to 2027 between £116.3m and £128.0m will take place on a sliding scale using interpolation.

**Payments to past directors (audited information)**

In 2025 David Rimmington received £80,366 in relation to 2024 STIS. 2022 LTIP award was vested during 2025 in which £99,115 was received.

**Statement of directors' shareholding and share interests (audited information)**

The Remuneration Policy requires executive directors to build up a shareholding through the retention of shares with the minimum being 200% of salary (including a provision for this to be held for the full 2 years in a post-employment scenario). Steve Murray who joined on 02 August 2021 has already met this requirement and Tom Howard, who joined Chesnara on 15 April 2024, is already at 87% of the requirement. When the minimum holding level has not been achieved, directors may only dispose of shares where funds are required to discharge any income tax and National Insurance liabilities arising from awards received from a Chesnara incentive plan. The Chair and non-executive directors are encouraged to hold shares in the Company but are not subject to a formal shareholding guideline.

The following table shows, in relation to each director, the total number of share interests with and without performance conditions, the total number of share options with and without performance measures, those vested but unexercised and those exercised at 31 December 2025 or the date of resignation. It is noted that all directors took up their full entitlement to the rights issue in 2025.

No changes took place in the interests of the directors between 31 December 2025 and 23 March 2026.

| Name of director             | Shares held    |                  | With performance measures | Options                                   |                        |                           | Holding as % of salary <sup>2</sup> |
|------------------------------|----------------|------------------|---------------------------|---|------------------------|---------------------------|-------------------------------------|
|                              | 1 January 2025 | 31 December 2025 |                           | Without performance measures <sup>1</sup> | Vested but unexercised | Exercised during the year |                                     |
| Steve Murray                 | 219,946        | 453,268          | 815,230                   | 187,945                                   | 13,775                 | 85,992                    | 368%                                |
| Tom Howard                   | 10,000         | 140,933          | 509,425                   | 35,069                                    | 30,196                 | 188,492                   | 174%                                |
| Luke Savage                  | 30,000         | 45,789           | –                         | –   | –                      | –                         | –                                   |
| Jane Dale                    | 3,333          | n/a              | –                         | –   | –                      | –                         | –                                   |
| Eamonn Flanagan              | 30,000         | 45,789           | –                         | –   | –                      | –                         | –                                   |
| Carol Hagh                   | 30,000         | 45,789           | –                         | –   | –                      | –                         | –                                   |
| Karin Bergstein <sup>3</sup> | n/a            | n/a              | –                         | –   | –                      | –                         | –                                   |
| Gail Tucker <sup>4</sup>     | –              | –                | –                         | –   | –                      | –                         | –                                   |
| Sam Tymms <sup>5</sup>       | –              | –                | –                         | –   | –                      | –                         | –                                   |
| <b>Total</b>                 | <b>323,279</b> | <b>731,568</b>   | <b>1,324,655</b>          | <b>223,014</b>                            | <b>43,971</b>          | <b>274,484</b>            | <b>–</b>                            |

**Notes.**

1. The 'options without performance measures' column in the table does not include the share options that will be awarded as part of the mandatory deferral rules under the 2023 STIS in respect of awards made in relation to the 2025 financial year, which equate to 35% of the cash award under this scheme. The timetable for the administration of the scheme means that these will be reported in the 2026 Annual Report and Accounts.

2. Calculated using the share price of 301.00p at 31 December 2025.

3. As a Dutch national, Karin Bergstein was not permitted by the Dutch Central Bank ('De Nederlandsche Bank') to hold shares in a Company of which she is a director; Karin stood down on 6 June 2025.

4. Gail Tucker became a director on 29 January 2025.

5. Sam Tymms became a director on 6 June 2025.

<sup>1</sup>Alternative Performance Measure (APM) used to enhance understanding of financial performance. Further information on APMs can be found in the additional information section of this Annual Report and Accounts.

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### Outstanding share options and share awards

Below are details of outstanding share options and awards for the current executive directors, Steve Murray and Tom Howard.

| Name of executive director | Scheme                 | Grant date | Exercise price (p) | Number of shares under option at 1 January 2025 | Number granted during year | Rights issue adjustment | Number exercised during year | Number waived/lapsed during year | Number of shares under option and unexercised at 31 December 2025 | End of performance period | Vesting date | Performance period | Date of expiry of option |
|----------------------------|------------------------|------------|--------------------|---|----------------------------|-------------------------|------------------------------|----------------------------------|---|---------------------------|--------------|--------------------|--------------------------|
| Steve Murray               | 2023 LTIP (2025 award) | 28/03/25   | Nil                | –   | 242,754                    | 38,889                  | –                            | –                                | 281,643   | 31/12/27                  | 28/03/28     | 3 Years            | 28/03/35                 |
|                            | 2023 LTIP (2024 award) | 02/04/24   | Nil                | 249,525   | –                          | 39,973                  | –                            | –                                | 289,498   | 31/12/26                  | 02/04/27     | 3 Years            | 02/04/34                 |
|                            | 2023 LTIP (2023 award) | 06/07/23   | Nil                | 210,386   | –                          | 33,703                  | –                            | –                                | 244,089   | 31/12/25                  | 06/07/26     | 3 Years            | 06/07/33                 |
|                            | 2014 LTIP (2022 award) | 28/04/22   | Nil                | 147,627   | –                          | 9,046                   | (56,467)                     | (91,160)                         | 9,046   | 31/12/24                  | 28/04/25     | 3 Years            | 28/04/32                 |
|                            | 2023 STIS (2025 award) | 28/03/25   | Nil                | –   | 63,558                     | 10,181                  | –                            | –                                | 73,739  | n/a                       | 28/03/28     | n/a                | 28/03/35                 |
|                            | 2023 STIS (2024 award) | 02/04/24   | Nil                | 58,484  | –                          | 9,369                   | –                            | –                                | 67,853  | n/a                       | 02/04/27     | n/a                | 02/04/34                 |
|                            | 2023 STIS (2023 award) | 31/05/23   | Nil                | 39,953  | –                          | 6,400                   | –                            | –                                | 46,353  | n/a                       | 31/05/26     | n/a                | 31/05/33                 |
|                            | 2014 STIS (2022 award) | 28/04/22   | Nil                | 29,525  | –                          | 4,729                   | (29,525)                     | –                                | 4,729   | n/a                       | 28/04/25     | n/a                | 28/04/32                 |
|                            | Share save             | 01/12/22   | 189.96             | 8,166   | –                          | 1,308                   | –                            | –                                | 9,474   | n/a                       | 01/12/25     | n/a                | 01/06/26                 |
|                            |                        |            |                    | <b>743,666</b>                                  | <b>306,312</b>             | <b>153,598</b>          | <b>(85,992)</b>              | <b>(91,160)</b>                  | <b>1,026,424</b>  |                           |              |                    |                          |
| Tom Howard                 | 2023 LTIP (2025 award) | 28/03/25   | Nil                | –   | 129,348                    | 20,721                  | –                            | –                                | 150,069   | 31/12/26                  | 16/04/27     | 3 Years            | 16/04/34                 |
|                            | 2023 LTIP (2024 award) | 16/04/24   | Nil                | 135,135   | –                          | 21,648                  | –                            | –                                | 156,783   | 31/12/26                  | 16/04/27     | 3 Years            | 16/04/34                 |
|                            | 2023 STIS (2025 award) | 28/03/25   | Nil                | –   | 30,227                     | 4,842                   | –                            | –                                | 35,069  | n/a                       | 28/03/28     | n/a                | 28/03/35                 |
|                            | Buy-out plan           | 15/05/24   | Nil                | 75,397  | –                          | 12,078                  | –                            | –                                | 87,475  | 15/05/27                  | 15/05/27     | 3 Years            | 15/05/34                 |
|                            | Buy-out plan           | 15/05/24   | Nil                | 99,206  | –                          | 15,892                  | –                            | –                                | 115,098   | 15/05/26                  | 15/05/26     | 2 Years            | 15/05/34                 |
|                            | Buy-out plan           | 15/05/24   | Nil                | 188,492   | –                          | 30,196                  | (188,492)                    | –                                | 30,196  | 15/05/25                  | 15/05/25     | 1 Year             | 15/05/34                 |
|                            | Share save             | 25/10/24   | 189.96             | 8,814   | –                          | 1,412                   | –                            | –                                | 10,226  | n/a                       | 01/12/27     | n/a                | 01/06/28                 |
|                            |                        |            |                    | <b>507,044</b>                                  | <b>159,575</b>             | <b>106,789</b>          | <b>(188,492)</b>             | <b>–</b>                         | <b>584,916</b>  |                           |              |                    |                          |

The rights issue adjustment was based on the theoretical ex-rights price (TERP) as defined in the formula set out in Employee Tax Advantaged Share Scheme User Manual (ETASSUM35260) to ensure that no participant was either better- or worse- off as a result of the issuance.

### Performance graph and CEO remuneration table

The following graph shows the Company's performance compared with the performance of the FTSE 350 Higher Yield Index and the FTSE UK Life Insurance Index. The FTSE 350 Higher Yield Index has been selected since 2014 as a comparison because it is the index used by the Company for the performance criterion for its LTIP, and the FTSE UK Life Insurance Index has been selected due to Chesnara's inclusion within this index.



The table below sets out the details for the director undertaking the role of Group CEO:

| Year | Individual performing Group CEO role | Group CEO single figure of total remuneration £000 | STIS pay-out against maximum | LTIP vesting rates against maximum opportunity | Note |
|------|--------------------------------------|--|------------------------------|--|------|
| 2025 | Steve Murray                         | 1,882  | 98.20%                       | 100.00%  |      |
| 2024 | Steve Murray                         | 1,377  | 95.47%                       | 49.71%   | 5    |
| 2023 | Steve Murray                         | 1,182  | 96.00%                       | 52.01%   | 1&4  |
| 2022 | Steve Murray                         | 1,094  | 76.37%                       | 60.42%   | 1&3  |
| 2021 | Steve Murray                         | 721  | 57.00%                       | 58.42%   | 1    |
| 2021 | John Deane                           | 978  | 95.57%                       | –  | 2    |
| 2020 | John Deane                           | 782  | 53.38%                       | –  | 2    |
| 2019 | John Deane                           | 1,111  | 98.79%                       | 19.93%   | 2    |
| 2018 | John Deane                           | 965  | 31.08%                       | 67.99%   | 2    |
| 2017 | John Deane                           | 1,142  | 86.96%                       | 80.95%   | 2    |
| 2016 | John Deane                           | 902  | 98.33%                       | –  | 2    |

#### Notes.

1. Steve Murray joined Chesnara on 2 August 2021 and was appointed Group CEO on 19 October 2021.
2. John Deane was appointed Group CEO on 1 January 2015 and stood down on 18 October 2021.
3. During 2022, Steve Murray had two LTIP awards that vested, one at 100% and the other at 33.40%. The figure reported above is a combined percentage, based upon the total number of shares vesting under both grants.

4. During 2023, Steve Murray had two LTIP awards that vested, with one vesting at 100% and the other vesting at 43.65%. The figure reported above is a combined percentage, based upon the total number of shares vesting under both grants.
5. During 2024, Steve Murray had two LTIP awards that vested, with one vesting at 100% and the other vesting at 38.25%. The figure reported above is a combined percentage, based upon the total number of shares vesting under both grants.

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### Rolling 5-year percentage change in remuneration for the executive and non-executive directors and group employees

The table below shows the percentage change in remuneration for the executive and non-executive directors and the Company's employees as a whole between the years 2025 and 2021. In future years, this analysis will be repeated on a rolling 5-year comparison basis.

| Percentage change in remuneration | Steve Murray<br>(Group CEO)<br>% | Tom Howard<br>(Group CFO)<br>% | Luke Savage<br>% | Jane Dale<br>% | Eamonn Flanagan<br>% | Mark Hesketh<br>% | Carol Hagh<br>% | Karin Bergstein<br>% | Gail Tucker<br>% | Sam Tymms<br>% | Group employees<br>% |
|-----------------------------------|----------------------------------|--------------------------------|------------------|----------------|----------------------|-------------------|-----------------|----------------------|------------------|----------------|----------------------|
| <b>2025 compared with 2024</b>    |                                  |                                |                  |                |                      |                   |                 |                      |                  |                |                      |
| Salary and fees                   | 2.1                              | 41.1                           | 2.7              | (61.4)         | 6.7                  | n/a               | 8.1             | (32.8)               | 69               | 35             | 3.5                  |
| All taxable benefits              | (4.8)                            | 100                            | –                | –              | –                    | –                 | –               | –                    | –                | –              | –                    |
| STIS                              | 5.1                              | 46.4                           | n/a              | n/a            | n/a                  | n/a               | n/a             | n/a                  | n/a              | n/a            | (1.4)                |
| <b>2024 compared with 2023</b>    |                                  |                                |                  |                |                      |                   |                 |                      |                  |                |                      |
| Salary and fees                   | 14.7                             | n/a                            | 8.9              | 10.7           | 7.1                  | n/a               | 4.9             | 3.1                  | n/a              | n/a            | 6.0                  |
| All taxable benefits              | –                                | n/a                            | –                | –              | –                    | –                 | –               | –                    | n/a              | n/a            | –                    |
| STIS                              | 15.2                             | n/a                            | n/a              | n/a            | n/a                  | n/a               | n/a             | n/a                  | n/a              | n/a            | 1.2                  |
| <b>2023 compared with 2022</b>    |                                  |                                |                  |                |                      |                   |                 |                      |                  |                |                      |
| Salary and fees                   | 9.0                              | n/a                            | 5.9              | 5.8            | 6.1                  | 6.1               | 4.9             | 4.9                  | n/a              | n/a            | 6.0                  |
| All taxable benefits              | –                                | n/a                            | –                | –              | –                    | –                 | –               | –                    | n/a              | n/a            | (5.2)                |
| STIS                              | 37.0                             | n/a                            | n/a              | n/a            | n/a                  | n/a               | n/a             | n/a                  | n/a              | n/a            | 42.0                 |
| <b>2022 compared with 2021</b>    |                                  |                                |                  |                |                      |                   |                 |                      |                  |                |                      |
| Salary and fees                   | –                                | n/a                            | 3.7              | 6.8            | 7.4                  | 7.4               | n/a             | n/a                  | n/a              | n/a            | 4.0                  |
| All taxable benefits              | 162.5 <sup>1</sup>               | n/a                            | –                | –              | –                    | –                 | n/a             | n/a                  | n/a              | n/a            | 6.6                  |
| STIS                              | 33.7                             | n/a                            | n/a              | n/a            | n/a                  | n/a               | n/a             | n/a                  | n/a              | n/a            | (22.8)               |
| <b>2021 compared with 2020</b>    |                                  |                                |                  |                |                      |                   |                 |                      |                  |                |                      |
| Salary and fees                   | –                                | n/a                            | –                | –              | –                    | –                 | n/a             | n/a                  | n/a              | n/a            | –                    |
| All taxable benefits              | –                                | n/a                            | –                | –              | –                    | –                 | n/a             | n/a                  | n/a              | n/a            | (1.1)                |
| STIS                              | 80.0                             | n/a                            | n/a              | n/a            | n/a                  | n/a               | n/a             | n/a                  | n/a              | n/a            | 2.9                  |

#### Note.

1. All taxable benefits include amounts paid in lieu of accrued dividends and interest arising upon the exercise of share options under the 2014 and 2023 STIS for the Group CEO and Group CFO.

#### Comparison of total remuneration for the Group CEO and UK employees

We set out here our analysis on CEO pay ratio reporting as required by The Companies (Miscellaneous Reporting) Regulations 2018. This analysis has been conducted using 'Option A' as set out in the Regulations, consistent with prior years, and has consisted of:

- Determining the total FTE remuneration of all UK employees for the 2025 financial year;
- Ranking all those employees based on their total FTE remuneration from low to high; and
- Identifying the employees whose remuneration places them at the 25th, 50th (median) and 75th percentile points of this ranking.

The analysis is then presented to show the ratio of the Group CEO's 2025 single total figure of remuneration to the:

- Median (i.e. 50th percentile) FTE remuneration of our UK employees;
- 25th percentile FTE remuneration of our UK employees; and
- 75th percentile FTE remuneration of our UK employees.

| Comparison of total remuneration | Group CEO |        | 25th percentile pay ratio (FTE UK employees total remuneration) |         | Median pay ratio (FTE UK employees total remuneration) |         | 75th percentile pay ratio (FTE UK employees total remuneration) |  |
|----------------------------------|-----------|--------|---|---------|--|---------|---|--|
|                                  | £         | £      | Ratio   | £       | Ratio  | £       | Ratio   |  |
| 2025                             | 1,881,577 | 79,015 | 23.8 : 1  | 100,776 | 18.7 : 1   | 155,457 | 12.1 : 1  |  |
| 2024                             |           |        | 15.7 : 1  |         | 10.2 : 1   |         | 7.1 : 1   |  |
| 2023                             |           |        | 14.5 : 1  |         | 10.4 : 1   |         | 6.4 : 1   |  |
| 2022                             |           |        | 13.7 : 1  |         | 9.7 : 1  |         | 5.4 : 1   |  |
| 2021                             |           |        | 11.3 : 1  |         | 8.2 : 1  |         | 4.8 : 1   |  |
| 2020                             |           |        | 15.7 : 1  |         | 11.8 : 1   |         | 6.6 : 1   |  |

The Remuneration Committee considers that the ratio is consistent with our Remuneration Policy and that no actions arise from this analysis.

Base salaries of all employees, including our executive directors, are set with reference to a range of factors including market practice, experience and performance in role.

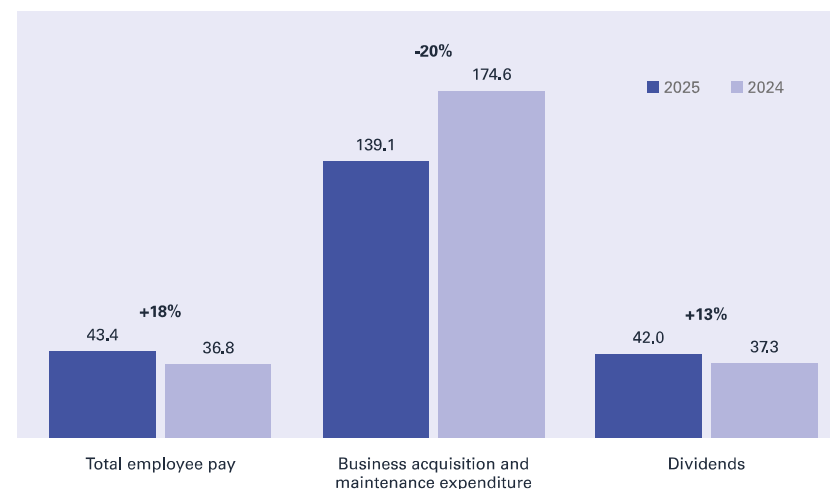
Over the longer term, the CEO pay ratios have moved broadly in line with the CEO's single figure of remuneration. The Committee notes that the pay ratios for 2025 reflect the nature of the CEO's package being more heavily weighted towards variable pay compared to more junior colleagues (consistent with our reward policies), and this means the ratio is likely to fluctuate depending on the performance of the business and associated outcomes of incentive plans and historically buy-out awards in each year.

Furthermore, the Committee is satisfied that our pay and broader people policies drive the right behaviours and reinforce the Group's values which in turn drive our culture. For these reasons, the Committee believes that the ratios are consistent with these policies.

#### Relative importance of spend on pay

The following graph shows the actual expenditure of the Group and change between the current and previous years.

The graph shows a comparison of total employee pay and shareholder dividends with the Group's total acquisition and maintenance expenditure (which consists of administration expenses and costs associated with the acquisition of new business). This has been chosen as a comparator to give an indication of the employee pay relative to the overall cost base. As can be seen, the total employee pay is a relatively small component.



#### Statement of Implementation of Remuneration Policy in the following financial year

The following states how remuneration will be implemented for the executive and non-executive directors in 2026, subject to the approval of the proposed Directors' Remuneration Policy at the 2026 AGM.

##### Salaries and fees

Will be set in accordance with the Company's policy.

##### Executive directors

UK employees below executive level received an average salary increase of 3.5%. It is proposed that Steve Murray (Group CEO) and Tom Howard (Group CFO) will receive increases of 16.6% (to £625,000) and 16.2% (to £415,000) respectively, subject to approval of the new Remuneration Policy. These will be backdated to the start of the year in line with the normal timeline for salary increases.

##### Non-executive directors

The Chair's fee has been increased by from £151,000 to £200,000 given it was materially below fees for equivalent sized organisations even prior to the Chesnara Life acquisition; it remains positioned below the lower quartile of the FTSE 250 benchmark and as decided by the other non-executive directors. The fee level for other non-executive directors generally align around the FTSE 250 lower quartile and have been set by the Chair in discussion with the Group CEO. Individual non-executives have received fee increases of 4.2% on average, reflecting the scope and time commitments of the role and taking into account market positioning.

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The table below sets out the anticipated payments for 2026:

|                 | Fees<br>£000 | Benefits <sup>1</sup><br>£000 | Total<br>£000 |
|-----------------|--------------|-------------------------------|---------------|
| Luke Savage     | 200.0        | 1                             | 201.0         |
| Eamonn Flanagan | 86.0         | 1                             | 87.0          |
| Carol Hagh      | 84.5         | 1                             | 85.5          |
| Gail Tucker     | 80.0         | 1                             | 81.0          |
| Sam Tymms       | 65.0         | 1                             | 66.0          |
| <b>Total</b>    | <b>515.5</b> | <b>5</b>                      | <b>520.5</b>  |

### Note.

1. Benefits shown here mainly relate to expenses grossed up for income tax, which is settled by the Company for travel to Chesnara's office in Preston, which, for tax purposes, is deemed to be the non-executive directors normal place of work.

### 2026 award under the 2023 Short-Term Incentive Scheme (STIS)

The Remuneration Committee proposes to grant awards to the executive directors under the 2023 STIS.

The table below and accompanying notes set out the performance measures, weightings and the potential outcomes for achieving minimum, on-target and maximum performance. The actual targets for each measure are deemed to be commercially sensitive and whilst they are not disclosed at this stage, they will be disclosed in next year's Directors' Remuneration Report together with the performance outcome relative to these targets.

| Individual                               | Measures                       | Weighting |
|--|--------------------------------|-----------|
| <b>Steve Murray<br/>&amp; Tom Howard</b> | Operating Capital Generation   | 35.0%     |
|  | Operating Own Funds Generation | 35.0%     |
|  | Strategic Activity Scorecard   | 30.0%     |

If shareholders approve our proposed Remuneration Policy at the 2026 AGM, then the STIS will be implemented and operated by the Remuneration Committee as set out within that proposed Policy (with STIS opportunities of 150% of salary for both the CEO and CFO).

### Measures

For the 2026 STIS award, the existing broad components of assessment will be retained (i.e. a Cash Generation metric, a value growth metric and performance against a strategic scorecard). Having reviewed our APMs, the performance measures for the 2026 STIS award will be aligned to the new APMs where appropriate.

Specifically:

- The Operating Capital Generation (previously Cash Generation) metric measures the Solvency II surplus capital generated by the Group, adjusted to remove short-term positive or negative economic volatility.
- The value growth metric Own Funds (previously EcV Earnings) measures the movement in the Group's Eligible Own Funds, adjusted for foreseeable dividends.
- The strategic scorecard assesses objectives assigned to each executive director are relevant to their roles and include major regulatory or business development initiatives that the Committee considers key to delivery of the Company's business plan. Each individual development objective is assigned a 'significance weighting' influenced by factors such as business criticality, scale, complexity and level of executive director influence. Developments with a higher significance are weighted more heavily when establishing the overall performance target. Note that ESG is not being assessed within the strategic scorecard this year, as it now forms a standalone performance condition in the LTIP, aligned to our Climate Transition Plan.

### Targets

The Operating Capital Generation and Own Funds targets are initially based on the latest budget which is produced annually as part of the Group business planning process. The Group business plan is subject to rigorous Chesnara Board scrutiny and approval. The Remuneration Committee can make discretionary adjustments to either the targets or to the actual results for the year if it considers this to be appropriate, in accordance with the scheme rules.

### Malus and clawback

The STIS includes malus and clawback provisions covering a material misstatement of the Company's results, regulatory breach, gross misconduct on the part of the participant, reputational damage to the Company, a material failure of risk management, insolvency or corporate failure if this arises within two years of an award vesting and it is a precondition that the executive accepts such provisions at the time of the award.

### 2026 award made under the 2023 LTIP

In 2026 the Remuneration Committee proposes to grant awards to the executive directors under the Chesnara 2023 LTIP. We intend to make grants at the same opportunity levels as 2025 (i.e. 125% of current salary for the CEO, and 100% of current salary for the CFO) in late March, and if our proposed Remuneration Policy is approved by shareholders we will make additional 'top up' awards following the AGM at opportunity levels such that the total awards granted are 175% of proposed salary for the CEO and 150% of proposed salary for the CFO.

The table below and accompanying notes set out the performance measures, weightings and the potential outcomes relative to achieving minimum, on-target and maximum performance for the executive directors.

| Measures   | Weighting | Ranges and targets                     |  |
|--|-----------|--|--|
|  |           | Threshold achievement<br>(25% vesting) | Max achievement<br>(100% vesting)      |
| Relative TSR – performance vs FTSE Higher Yield peer group   | 30%       | Median                                 | +6% p.a. above the median              |
| Own Funds growth – cumulative growth over FY26-28  | 30%       | £255m                                  | £320m                                  |
| Core Surplus Emergence – cumulative over FY26-28   | 30%       | £138m                                  | £152m                                  |
| <b>Sustainability</b>  |           |  |  |
| – Intensity of scope 1 and 2 emissions for listed equity and corporate fixed income investments which we can influence or control at 2028 year end | 10%       | 21.8 tCO <sub>2</sub> e/USD M invested | 19.7 tCO <sub>2</sub> e/USD M invested |
| – Absolute scope 1 and 2 emissions of own operations (market-based) at 2028 year end   |           | 106.6 tCO <sub>2</sub> e               | 93.5 tCO <sub>2</sub> e                |

The two 2026 awards under the 2023 LTIP will be implemented and operated by the Remuneration Committee as set out within the Policy.

**Measures**

For the 2026 LTIP award, the existing broad components of assessment will be retained (i.e. a shareholder returns metric (e.g. relative TSR), a surplus generation metric and a value growth metric). Having reviewed our APMs, the performance measures for the 2026 LTIP award will be aligned to the new APMs where appropriate. The Committee has introduced an ESG measure into the LTIP given this is one of the Group's strategic pillars and following the publication of the Group's Climate Transition Plan last year.

Specifically:

- The relative TSR measure compares the 3-year TSR of Chesnara plc with the TSR of the companies comprising the FTSE 350 Higher Yield Index with averaging over the 3 months prior to the start and end of the performance period.
- The surplus generation metric, Core Surplus Emergence, measures the absolute surplus movement of the divisions including the Chesnara entity but adjustments will be made for the impact of items such as FX, T2/T3 restrictions, acquisition impacts and shareholder dividends as deemed appropriate.
- The value growth metric, Own Funds growth (previously EcV), measures total movement in Own Funds over the 3 years to 31 December 2028, excluding the shareholder dividend payment. It therefore includes the day 1 impact of the Chesnara Life transaction, and all integration costs.
- The ESG metric measures reduction in scope 1 and 2 emissions for listed equity and corporate fixed income investments which we can influence or control. It covers two metrics in relation to our 2030 decarbonisation ambitions for both investments and operations, as taken from our Climate Transition Plan, published in September 2025. The maximum award is calculated based on a 2028 year end linear pathway to 2030 from our 2023 baseline figures, with the threshold assuming a 12-month lag on that pathway.

The following table sets out the voting in respect of the Directors' Remuneration Report at the 2025 AGM:

| Report              | Number of votes cast for | Percentage of votes cast for | Number of votes cast against | Percentage of votes cast against | Total votes cast | Number of votes withheld |
|---------------------|--------------------------|------------------------------|------------------------------|----------------------------------|------------------|--------------------------|
| Remuneration Report | 82,141,141               | 98.97%                       | 856,794                      | 1.03%                            | 82,997,935       | 49,307                   |

The following table sets out the voting in respect of the Directors' Remuneration Policy at the 2023 AGM:

| Report              | Number of votes cast for | Percentage of votes cast for | Number of votes cast against | Percentage of votes cast against | Total votes cast | Number of votes withheld |
|---------------------|--------------------------|------------------------------|------------------------------|----------------------------------|------------------|--------------------------|
| Remuneration Policy | 87,638,247               | 96.25%                       | 3,416,902                    | 3.75%                            | 91,055,149       | 70,635                   |

**Approval**

This report was approved by the Board of Directors on 23 March 2026 and signed on its behalf by:

*Eamonn*

Eamonn Flanagan  
Chair of the Remuneration Committee  
23 March 2026

**Weightings**

For the 2026 award, the three financial measures have been assigned equal 30% weightings with the sustainability metric given a 10% weighting.

**Holding period**

A two-year holding period was introduced to the LTIP for awards made from 2019, to follow the three-year vesting period.

**Malus and clawback**

The LTIP includes malus and clawback provisions covering a material misstatement of the Company's results, regulatory breach, gross misconduct on the part of the participant, reputational damage to the Company, a material failure of risk management, insolvency or corporate failure if this arises within two years of an award vesting and it is a precondition that the executive accepts such provisions at the time of the award. The Committee is satisfied that these are sufficient based on the risk profile of the business and market practice.

<sup>1</sup>Alternative Performance Measure (APM) used to enhance understanding of financial performance. Further information on APMs can be found in the additional information section of this Annual Report and Accounts.

## DIRECTORS' REMUNERATION REPORT • REMUNERATION POLICY

### Remuneration Policy (Policy)

This year the Committee has conducted a review of the current Policy, which received a vote in favour of 96.25% at the 2023 AGM. As part of the review, the Committee considered the impact of our entry into the FTSE 250; the sustained strong performance of our executive directors; market best practices; the alignment of our existing structures with strategy; and a comparison of both structure and quantum to comparator companies (focusing on financial services). Our objective is to ensure that the Company continues to have a remuneration package for executive directors which retains, motivates and incentivises, whilst aligning with both the Company's strategy and the shareholder experience.

In considering the strategic context for the Policy review, we have noted that over the last three years, under the leadership of Steve Murray, the Group has been highly successful in implementing its strategy to maximise the value from existing business, acquire life and pension businesses and enhance value through profitable new business.

In particular, the acquisitions over the period including Conservatrix, two portfolios from Canada Life UK, and Chesnara Life (in addition to the proposed acquisition of Scottish Widows Europe SA).

Together these acquisitions are transformational for our UK business and the Group, with the outlook for potential future M&A remaining positive, underpinning our confidence in the ability to successfully execute further value-accretive transactions as and when appropriate opportunities arise. The Committee has therefore been considering how this increased scale and complexity should be reflected in the future approach to our Policy whilst remaining clearly within the parameters of how incentives operate across the market, including at our direct peers.

The proposed Policy therefore retains the market aligned current approach to operation of fixed pay elements, and also retains the Variable Pay Framework consisting of an annual bonus (referred to as a Short Term Incentive Scheme (STIS) at Chesnara) alongside a performance share plan assessed over 3 years (referred to as a Long-Term Incentive Plan (LTIP) at Chesnara). The Committee believes the Variable Pay Framework continues to strike the right balance in driving strong short- and long-term performance from the executive directors, aligning with shareholder experience and the sustainable success of Chesnara.

The Committee proposes to increase the maximum variable pay limits under the revised Policy at 175% of salary for the STIS and 250% of salary for the LTIP for the Group CEO and at 150% of salary for the STIS and 200% of salary for the LTIP for the Group CFO. Implementation in FY26 will be positioned materially lower at 150% of salary STIS for both the Group CEO and CFO, and 175%/150% of salary LTIP for the Group CEO and Group CFO respectively.

The Committee may increase the variable pay opportunities for the executive directors above the levels proposed for FY26 if the Group, for example, continues to deliver against its strategy and grow in scale and complexity and if the individuals continue their strong performance in role. The Committee would also consult with shareholders over any proposed increases to incentive opportunity prior to implementation.

The other key proposed change is the Committee intends to introduce the flexibility to remove STIS deferral where an executive director has met the shareholding requirement, in line with emerging practice. The Committee does not currently intend to implement this element of the Policy in respect of any FY26 STIS outcome, even if the executive directors have met their shareholding requirement at the end of FY26. Further details on the proposals are set out in the Chair's annual statement on page 97.

### Alignment of incentives with strategy

Chesnara plc is a European life and pensions consolidator listed on the London Stock Exchange. It operates as Countrywide Assured and Chesnara Life in the UK, as Scildon in the Netherlands and as Movestic in Sweden with oversight and governance being provided by a central governance team based in the UK. The proposed acquisition of Scottish Widows Europe SA will add a 4th territory to the Group.

The Company has three core strategic objectives:

1. Maximise value from existing business;
2. Acquire life and pensions businesses; and
3. Enhance value through profitable new business.

Alongside becoming a more sustainable business, the achievement of these objectives is considered against the culture and risk environment of the Company to ensure that rewards do not encourage excessive risk taking or an inappropriate culture to develop.

The following schematic illustrates how the Company's KPIs align to its core strategic objectives and, in turn, how those KPIs flow into the performance measures of the executives' short-term and long-term incentives schemes. Reading across the chart shows how the KPIs align to Chesnara's core strategic objectives. For example, 'Maximise value from existing business', 'Enhance value through profitable new business' and 'Acquire life and pensions businesses' will directly impact the Own Funds growth of the Group and our ability to generate cash. And likewise, progress against all three of these objectives will have an impact on Total Shareholder Return to varying degrees.

The diagram demonstrates that the Policy aligns to all aspects of the Group's objectives. For illustration purposes, the diagram shows the KPIs that the Committee has most recently considered appropriate for the incentive schemes but, the Committee may change the KPIs and/or their weighting for future awards. In addition to the KPIs shown, the STIS includes objectives for the executives covering key strategic deliverables for the year ahead.

### Overall Policy aims are:

- To maintain a consistent and stable remuneration strategy based on clear principles and objectives;
- To ensure remuneration structures do not encourage or reward excessive risk-taking which is outside the boundaries of our stated risk appetite;
- To link remuneration clearly to the achievement of our business strategy and ensure that both executive and shareholder reward are closely aligned;
- To enable the Company to attract, motivate and retain high calibre executives; and
- For the Policy to be easy to understand and communicate.

| Strategic objectives/cultural values          |                               | Key performance indicators      |                     |                          |                |                          |  |
|---|-------------------------------|---------------------------------|---------------------|--------------------------|----------------|--------------------------|--|
| Deliver shareholder value                     | Short-Term Incentive Scheme   |                                 |                     | Long-Term Incentive Plan |                |                          |  |
|   | Operating Capital Generation† | Operating Own Funds Generation† | Own Funds† – growth | Core Surplus Emergence   | Sustainability | Total Shareholder Return |  |
| Maximise value from existing business         | ●                             | ●                               | ●                   | ●                        |                | ●                        |  |
| Acquire life and pensions businesses          |                               |                                 | ●                   | ●                        |                | ●                        |  |
| Enhance value through profitable new business | ●                             | ●                               | ●                   | ●                        |                | ●                        |  |
| Chesnara culture and values                   | ●                             | ●                               | ●                   | ●                        | ●              | ●                        |  |

Over the last 3 years, we have been highly successful in implementing our strategy to maximise the value from existing business, acquire life and pension businesses and enhance value through profitable new business.

**The implementation of this Policy involves:**

- paying salaries that reflect individual roles, an individual's personal development in their role and sustained individual performance and contribution, taking account of the external competitive market;
- enabling executives to enhance their earnings by meeting and then outperforming stretching short and long-term targets in line with the Group's strategy;
- requiring executives to build and maintain shareholdings in the Company during employment and for 2 years post-employment;
- rewarding executives fairly and responsibly for their contribution and paying what is commensurate with achievement of their objectives; and
- including malus and clawback provisions in the STIS, including the deferred share award, and the LTIP.

For the avoidance of doubt, the Policy includes authority for the Company to honour any commitments entered into with current, or former, directors that have been disclosed to shareholders in previous Remuneration Reports. Details of any payments to former directors will be set out in the implementation section of this report as they arise.

†Alternative Performance Measure (APM) used to enhance understanding of financial performance. Further information on APMs can be found in the additional information section of this Annual Report and Accounts.

# DIRECTORS' REMUNERATION REPORT • REMUNERATION POLICY

## The Policy table

### Executive remuneration

The Company and the Committee intend that, subject to shareholder approval, the following Directors' Remuneration Policy will take effect from the date of the 2026 Annual General Meeting. The table below describes each component of the remuneration package applicable to the executive directors:

| Purpose and link to strategy  | Operation  | Performance measures and maximum   | Changes from previous policy              |
|---|--|--|---|
| <b>Basic salary</b>   |  |  |   |
| <p><b>To recruit and retain individuals with the skills and experience needed for a given role in which they will contribute to the success of the Group.</b></p>   | <p>In setting basic salaries for new executive roles, or reviewing the salaries for existing roles, the Committee will take into account, as it considers appropriate, some or all of the following factors:</p> <ul style="list-style-type: none"> <li>– assessment of the responsibilities of the role;</li> <li>– the experience and skills of the jobholder on their commencement and their development in it at the review point;</li> <li>– the Group's salary budgets and results;</li> <li>– the jobholder's performance;</li> <li>– with the use of periodic benchmarking exercises, the external market rates for roles of a similar size and accountability;</li> <li>– inflation and salaries across the Company; and</li> <li>– the balance between fixed and variable pay to help ensure good risk management disciplines.</li> </ul> <p>Where a new appointment is made, pay may be initially below that applicable to the role and then may increase over time above an inflationary level subject to satisfactory performance and development in the role.</p> <p>Salaries are usually reviewed annually. There may be reviews and changes during the year in exceptional circumstances (such as new appointments to executive positions or significant changes in a jobholder's responsibilities).</p> | <p>Changes to responsibilities, increased complexity of the organisation, personal and group performance are taken into consideration when deciding whether a salary increase should be awarded.</p> | <p>Minor wording updates for clarity.</p> |
| <b>Taxable benefits</b>   |  |  |   |
| <p><b>To recruit and retain individuals with the skills and experience needed for a given role in which they will contribute to the success of the Group and to reduce the potential for ill health to undermine executives' performance.</b></p> | <p>The Committee sets benefit provisions at an appropriate market-competitive level.</p> <p>Executives currently receive life assurance, a company car, fuel benefit and private medical insurance. A cash equivalent may be paid in lieu of car and fuel benefits.</p> <p>Other appropriate benefits may be provided from time to time. Benefits may be changed in response to changing circumstances, whether personal to an executive or otherwise. When an executive is required to relocate to perform their role, they may be offered appropriate relocation allowances.</p> <p>Executive directors are eligible to participate in the Company's all-employee share schemes on the same terms as other colleagues.</p>   | <p>No performance measures attached.</p>   | <p>Minor wording updates for clarity.</p> |
| <b>Pensions</b>   |  |  |   |
| <p><b>To recruit and retain individuals with the skills and experience needed for a given role in which they will contribute to the success of the Group and to encourage responsible provision for retirement.</b></p>                           | <p>The executives can participate in a defined contribution pension scheme with employer contributions at the same level as available to the wider employee population in the executives' home location, which is currently 9.5% of basic salary in the UK. Executives may elect to receive a cash allowance in lieu of pension.</p>   | <p>No performance measures attached. Maximum pension contribution expressed as a percentage of basic salary to be the same as that awarded to other UK staff.</p>                                    | <p>Minor wording changes for clarity.</p> |

| Purpose and link to strategy  | Operation   | Performance measures and maximum  | Changes from previous policy   |
|---|---|---|--|
| <b>Short-Term Incentive Scheme (STIS)</b>   |   |   |  |
| <p><b>To drive and reward achievement of the Group's business plan and key performance indicators. To help retention and align the interests of executives with those of shareholders.</b></p>  | <p>Awards are based on the Committee's assessment and judgement of performance against specific targets and objectives in support of the Group's business plan. These are assessed over each financial year.</p> <p>Provided the minimum performance criteria is judged to have been achieved, an award will be granted in two parts; at least 35% into deferred share awards which will vest after a three-year deferral period making a total of four years after the award grant; and the balance in cash. Bonus deferral may be reduced or waived for executive directors who have met their shareholding requirement.</p> <p>Dividend equivalents accrue in cash with interest thereon in respect of the deferred share awards between the date the award is granted and the date exercised.</p> <p>It is the intention of the Committee to grant awards annually and the performance criteria will be set out in the corresponding Remuneration Report.</p> <p>The STIS includes malus and clawback provisions.</p> | <p>Performance is measured based on the financial results of the Group and its strategic priorities. The main weighting is given to financial results.</p> <p>The Committee determines the measures, their weighting and the targets for each financial year. In 2026, these will comprise a cash generation metric, a value growth metric, and a range of strategic measures assessed via a strategic scorecard.</p> <p>STIS targets are commercially sensitive and therefore are not disclosed prospectively. Actual targets and results will be disclosed in the Annual Report and Accounts immediately following each performance period.</p> <p>The maximum available opportunity is 175% of basic salary for the Group CEO and 150% for the Group CFO.</p> <p>The Committee may substitute, vary or waive the performance measures in accordance with the scheme rules and will document its use of such discretion for the purposes of transparency.</p> | <p>Increase in the maximum available opportunity from 100% of basic salary to 175% of basic salary for the Group CEO and 150% of the basic salary for the Group CFO.</p> <p>In 2026, it is proposed to implement an opportunity for both the Group CEO and Group CFO of 150% of basic salary.</p> <p>Updated to allow flexibility to reduce or remove bonus deferral for executive directors who have met their shareholding requirement if the Committee considers this necessary to ensure continued competitiveness with the market as practice evolves in this area.</p> |
| <b>Long-Term Incentive Plan (LTIP)</b>  |   |   |  |
| <p><b>To incentivise the delivery of the longer-term strategy of the Group by the setting of stretching targets based on shareholder value, and to help to retain executives and increase their share ownership in the Company.</b></p> | <p>Awards are made under a performance share plan, with nil price. Awards normally vest based on performance over a period of not less than three years, unless the Committee determines otherwise.</p> <p>Dividend equivalents accrue in cash with interest thereon in respect of the share awards between the date the award is granted and the date of exercise.</p> <p>It is the intention of the Committee to grant awards annually and the performance criteria will be set out in the corresponding Remuneration Report.</p> <p>A 2-year holding period applies after the vesting date.</p> <p>Awards are subject to malus and clawback provisions.</p>  | <p>Awards vest based on financial and/or strategic performance conditions which are aligned to the Company's strategy. At least 50% of the assessment will be based on financial metrics.</p> <p>The Committee may substitute, vary or waive the performance measures in accordance with the Scheme Rules and will document its use of such discretion for the purposes of transparency.</p> <p>The Committee has the discretion to amend the formulaic vesting level if it considers that it does not reflect the underlying performance of the Company.</p> <p>The maximum award is up to 250% of basic salary for the Group CEO, and 200% of basic salary for the Group CFO, with each participant being assigned a personal maximum to be disclosed in the corresponding Remuneration Report with each award made.</p>  | <p>Updated to allow more flexibility in the choice of performance measures going forward, including incorporation of non-financial measures.</p> <p>Increase in the maximum available opportunity from 125% of basic salary for the Group CEO and Group CFO to 250% of basic salary for the Group CEO and 200% of the basic salary for the Group CFO.</p> <p>In 2026, it is proposed to implement an opportunity for the Group CEO of 175% of basic salary, and for the Group CFO of 150% of basic salary.</p>   |

<sup>1</sup>Alternative Performance Measure (APM) used to enhance understanding of financial performance. Further information on APMs can be found in the additional information section of this Annual Report and Accounts.

# DIRECTORS' REMUNERATION REPORT • REMUNERATION POLICY

## Non-executive directors' remuneration

| Purpose and link to strategy   | Operation  | Performance measures and maximum  |
|--|--|---|
| <b>Fees and expenses</b>   |  |   |
| <p><b>To recruit and retain independent individuals with the skills, experience and qualities relevant to the non-executive role and who are also able to fulfil the required time commitment.</b></p> | <p>Fees for the Chair are determined and agreed with the Board by the Committee (without the Chair being party to this deliberation). Non-executive director fees are determined by the Chair and the executives.</p> <p>Fees are reviewed annually. In their setting, consideration is given to market data for similar roles in companies of comparable size and complexity whilst also taking account of the required time commitment.</p> <p>All non-executive directors are paid a base fee. Additional fees may be paid to the Senior Independent Director, the Chair and members of Board committees and to other non-executive directors to reflect additional time commitments and responsibilities required by their individual roles.</p> | <p>Fees for the Chair and non-executive directors are not performance related.</p> <p>Increases may differ from those awarded to executives and/or other employees.</p> |

### Explanatory notes:

#### 1. Why these performance measures were chosen and how performance targets are set

In setting targets for both schemes, the Committee exercises its judgement in an effort to align the stretch in the targets with the Company's risk appetite. Full details of the performance measures, weightings, targets and corresponding potential awards are set out in the annual Remuneration Report, subject to commercial sensitivity. The Committee exercises discretion when determining outcomes as opposed to relying solely on formulaic outturns and utilises assurance inputs in so doing.

#### STIS

- i. Award is part cash and part share award which is deferred for a further 3 years. Currently the award is structured 65% cash and 35% deferred shares. The Committee may decrease or waive the requirement to defer 35% of the award if that executive has met their shareholding requirement.
- ii. Awards may be subject to malus provisions which will reduce the number of shares or cash amounts payable on vesting in circumstances including:
  - the discovery of a material misstatement in the accounts of the Company or another member of the Group;
  - a regulatory breach by the Group resulting in material financial or reputational harm;
  - the discovery of an error in the assessment of the extent to which a performance target applicable to a participant's cash award has been satisfied;
  - action or conduct of the participant amounting to fraud or gross misconduct;
  - events or behaviour of the participant leading to the censure or reputational damage to a group member;
  - a material failure of risk management of the Company, a group member or a business unit of the Group; or
  - insolvency or corporate failure of the Company or any group member or business of the Group for which the participant is wholly or partly responsible.

In determining the reduction which should be applied, the Committee shall act fairly and reasonably but its decision shall be final and binding.

For the avoidance of doubt, any reduction may be applied on an individual basis as determined by the Committee.

Cash and deferred share awards are subject to a 2-year clawback provision in substantially the same circumstances as apply to malus (as described above) for a period of two years after vesting. Clawback may be effected, among other means, by requiring the transfer of shares back to the Company or as it directs, or by a cash payment; and it is the intention of the Committee to make a new award each year.

#### LTIP

- i. In making a new award, the Committee will determine the measures, their weighting and targets to maintain a clear focus on longer-term strategic aims;
- ii. Includes a malus provision. Notwithstanding any other provision of the Rules, the Committee has the power to, at any time before an award has vested, reduce the number of shares subject to the relevant award or any cash amounts which may be paid pursuant to the relevant award (including to nil) in the circumstances of those set out under point (ii) above for the STIS;
- iii. A 2-year clawback provision applies in substantially the same circumstances as apply to malus. Clawback may be effected, among other means, by requiring the transfer of shares back to the Company or as it directs, or by a cash payment; and
- iv. It is the intention of the Committee to make a new award each year.

The malus and clawback provisions are considered to be appropriate in light of the risk profile of the Company and relevant market practice.

#### Minimum shareholding requirement

In order to align the executives' interests with those of shareholders, a minimum shareholding requirement (the 'MSR') applies which is currently equal to 200% of basic salary. Both salary and shareholding values are calculated before tax. The requirement is expected to be achieved within five years of appointment. It may be achieved by participating in the Company's share plans and the Committee may, in assessing progress towards the minimum, take into account vesting levels and personal circumstances. Aside from shares that are chosen to be sold to pay for income tax and National Insurance liabilities, shares awarded under the STIS and LTIP must be retained if the minimum shareholding has not yet been met.

Post-employment provisions exist which require a departing executive to retain a post-employment minimum shareholding. These are proposed to be unchanged from the 2023 Remuneration Policy, namely that executive directors must retain a shareholding of 200% of salary or the level of shareholding attained at the date of departure, if lower, for 2 years post-employment. With only two executives, the Committee is taking an approach to enforcement of the policy which it considers to be proportionate. Executives will be required to attest to comply with the policy as part of accepting an award.

Full provisions are set out in the Minimum Shareholding Policy that the Committee reviews annually.

#### Expenses

In line with the Company's Expenses Policy, all directors may receive reimbursement of reasonable expenses incurred in connection with company business, including settling any tax incurred in relation to these.

**Differences in policy compared with other employees:**

The following note outlines any differences in the Company's policy on executive director remuneration from other employees of the Group.

- **Salary and fees:** There are no differences in policy. The Committee takes into account the Company's overall salary budget and percentage increases made to other employees. It also sets the remuneration for senior management, that being the first layer of management below Board level.
- **All taxable benefits:** There are no differences in policy although the benefits available vary by role and jurisdiction. For example, executive cars and health insurance benefits are broadly consistent with the equivalent benefits when offered to other UK personnel but executives receive a fuel allowance which is a benefit not offered to other staff who receive a car allowance.
- **Annual bonus:** This is an integral part of the Company's philosophy with all UK employees below Board level being eligible to participate in a bonus scheme which is based on personal performance and achievement of financial targets.
- **Long-term Incentive Plans:** Only members of Chesnara's Senior Leadership Team are currently entitled to participate in the long-term plans as these are the roles which have most influence on, and accountability for, the strategic direction of the Group and the delivery of returns to shareholders. This may be reviewed as appropriate in the light of growth and/or other changes in the Company.
- **Pension:** The level of contribution made by the Company to executives is the same as that offered to other UK employees.
- **Other:** The Company operates a Save As You Earn (SAYE) share scheme in the UK. This is a tax efficient, HMRC-recognised, all-employee scheme in which executive directors are eligible to participate.

**Approach to remuneration on recruitment**

The following principles apply when recruiting executives:

- To offer a remuneration package that is sufficient to attract individuals with the skills and experience appropriate to the role being filled whilst also being consistent with all aspects of this Policy. In addition to salary and variable remuneration, this may include pension, taxable benefits and other allowances such as relocation, housing and education.
- Pay levels will be set taking account of remuneration across the Company including other senior appointees and the salary offered for similar roles by other companies of similar size and complexity.
- Base salary levels set with reference to incumbent, level of experience in sector, previous experience at the equivalent plc level. Where the base salary is set lower on appointment, the timescales over which the Committee intends to make more material salary increases reflecting development in role will be clearly communicated.

- Each element of remuneration offered will be considered separately and collectively in this context.
- The maximum awards in respect of the STIS and LTIP, as set out in the Policy table, apply in recruitment situations.
- The Committee may make additional awards when appointing an executive director to buy out any remuneration forfeited on leaving a previous employer. The Committee will look to do so on a like-for-like basis with the awards forfeited, taking account of relevant factors including any performance conditions attached to these awards, the form in which they were granted (e.g. cash or shares) and the time over which they would have vested. To facilitate buyout awards in the event of recruitment, the Committee may grant awards to a new executive director under Listing Rule 9.3.2.

The Company may pay legal fees incurred by any new executive director in respect of their appointment.

**Service contracts and loss of office****Executives**

Our policy is for executives to have service contracts with a rolling twelve-month notice period exercisable by either party.

The following table summarises the notice periods and other termination rights of the executives and the Company. The approach of the Company on any termination is to consider all relevant circumstances and to act in accordance with any relevant rules or contractual provisions. Typically, a leaving employee is classified as a 'Good Leaver' if they depart under 'Special Circumstances' (defined in the following table). An employee leaving under any other circumstances is classified as a 'Bad Leaver'.

The Committee has discretion to classify an employee as a 'Good Leaver' or a 'Bad Leaver' and to determine the treatment of their outstanding awards upon departure. Regardless of whether a departing executive is deemed to be a 'Good Leaver' or 'Bad Leaver', the Committee has discretion to pay a departing executive's legal fees subject to any such payment being made in accordance with the terms of a compromise agreement which waives all claims against the Company.

## DIRECTORS' REMUNERATION REPORT • REMUNERATION POLICY

Typical treatment in relation to salary, benefits and outstanding incentive awards for leavers under each scenario is shown below:

| Nature of termination   | Salary and benefits   | Short-Term Incentive Scheme   | Long-Term Incentive Plan   |
|---|---|---|--|
| By executive or company giving notice (and where deemed to be a Bad Leaver).  | Normally cease on date employment ends.<br>Payment may be made for any unused holiday entitlement.<br><br>Discretion for the Company to make a payment in lieu of notice, which may comprise salary and benefits, and may be made in a single payment or in monthly instalments.        | No grants following service of notice.<br><br>Right to cash payment and unvested deferred share awards cease on date employment ends.<br><br>Outstanding options must be exercised within 6 months of date employment ends.   | No grants following service of notice.<br><br>Unvested awards lapse on date employment ends.<br><br>Outstanding options must be exercised within 6 months of date employment ends.   |
| By company summarily (Bad Leaver).  | Where payments are made monthly the executive is under an obligation to mitigate their loss and monthly payments will cease or reduce upon the executive accepting alternative employment.<br><br>If leaving by reason of redundancy, the payment may include statutory redundancy pay. | No further grants.<br><br>Right to cash payment and unvested deferred share awards cease on date employment ends.<br><br>Outstanding options must be exercised within 6 months of date employment ends.   | No further grants.<br><br>Unvested awards lapse on date employment ends.<br><br>Outstanding options must be exercised within 6 months of date employment ends.   |
| Under special circumstances: Good Leaver Status whether leaving by reason of death, injury or disability, redundancy, retirement with the agreement of the Committee, the sale of employing business, or other special circumstances (such as terminal illness) at the discretion of the Committee. |   | Discretion to make further grants during a notice period where this is considered to be in the Company's interests.<br><br>Where employment ends before deferred share awards made, at the discretion of the Committee, the award may be retained.<br><br>If retained, the Committee has discretion to allow the award to vest in accordance with original terms, or determine award is to vest on ceasing to be employed and will also assess the extent to which targets have been met.<br><br>In either case the award will be pro-rated to reflect the period of the performance period that has been worked and will be paid in cash. The Committee has discretion to pro-rate using a longer period.<br><br>Where employment ends after deferred share awards made, the award will be retained and vest in accordance with original terms. The Committee has discretion to allow the award to vest on ceasing to be employed.<br><br>All outstanding options must be exercised within 6 months of the date on which employment ends or on which they vest (whichever is later), unless the Committee specifies a longer period. | No further grants.<br><br>Where employment ends before share awards vest, at the discretion of the Committee the award may be retained. If retained, the Committee has discretion to allow the award to vest in accordance with original terms or, by exception, may determine awards to vest on ceasing to be employed and will also assess the extent to which the targets have been met.<br><br>In either case the award will be pro-rated to reflect the period of the performance period that has been worked. The Committee has discretion to pro-rate using a longer period.<br><br>All outstanding options must be exercised within 6 months of the date on which employment ends or on which they vest (whichever is later) unless the Committee specifies a longer period. |

Share awards may vest early in the event of a takeover, winding up or other corporate event. The Committee will determine the number of shares that vest under an award in these circumstances in accordance with the relevant share plan rules. Deferred share awards will vest in full.

### Non-executive directors

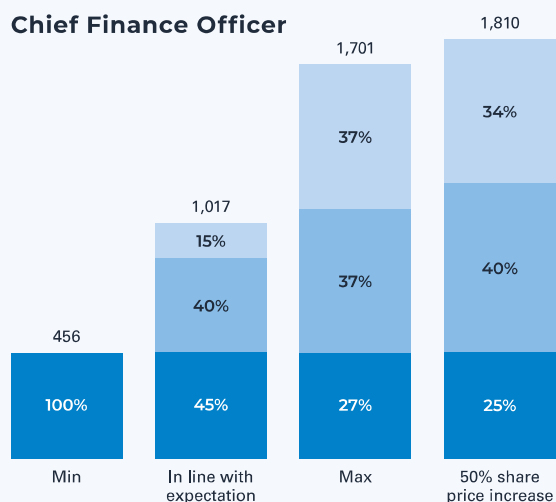
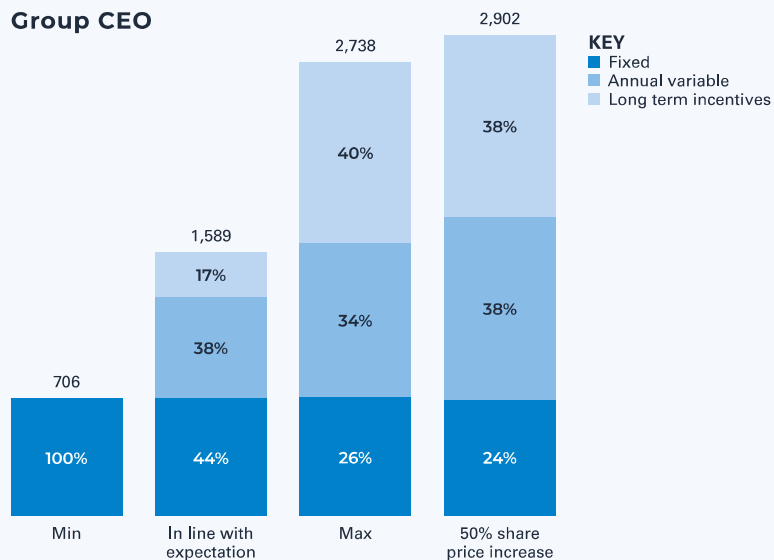
- Appointments are made under a contract for services for an initial term of three years subject to election by shareholders at the first Annual General Meeting following their appointment and annual re-election thereafter.
- Non-executive directors are typically expected to serve two three-year terms but may be invited by the Board to serve for an additional period. Any renewal is subject to Board review and AGM re-election.
- The terms of an appointment are set out in a letter of appointment which can be terminated by either party with three months' notice or immediately if termination is as a result of not being elected at the AGM.
- There are no compensation terms regardless of the circumstances that may lead to a contract being terminated.

### Executives' other directorships

Executives may, if approved by the Board, accept appointments as non-executive directors of suitable organisations. Normally fees for such positions are paid to the Company, unless the Board determines otherwise.

**Illustration of the application of the Policy**

The following charts provide estimates of the potential future reward opportunities for each executive under the new Policy in 2026, and the potential split between the different elements of remuneration under four different performance scenarios: 'Minimum', 'In line with expectation', 'Maximum' and '50% share price increase'. The illustration assumes that the Policy applies throughout the period.



'Minimum' comprises fixed pay only, being salary, pension and benefits.

Performance in line with expectation assumes that the STIS and LTIP payments are at 65.0% and 25.0% of their maximum respectively for the Group CEO and the Group CFO.

The estimate of the maximum remuneration receivable assuming the Company's share price increases by 50% over the performance period for any long-term incentive is reflected in the 4th column of the charts above.

**Statement of consideration of wider pay and conditions**

In setting the Directors' Remuneration Policy, the Remuneration Committee considered the pay and employment conditions of employees across the Company and the wider Group, including base salary increases, incentive arrangements, and benefit provision, to ensure the Policy remains fair and consistent with the approach taken for employees generally. The Company did not consult with employees when drawing up the Directors' Remuneration Policy. The Committee was informed of workforce pay and conditions through regular reporting from management and the Human Resources function and the Remuneration Committee chair participated in the Employee Forum in December 2025 alongside the CEO.

**Statement of shareholder views**

The Remuneration Committee is committed to maintaining an ongoing dialogue with our shareholders and takes into account the views of proxy voting agencies and representative bodies such as the Investment Association, Glass Lewis and Institutional Shareholder Services. A significant consultation exercise was undertaken as part of the development of this Policy.

**Approval**

This report was approved by the Board of Directors on 23 March 2026 and signed on its behalf by:

*Eamonn*

Eamonn Flanagan  
 Chair of the Remuneration Committee

# AUDIT & RISK COMMITTEE REPORT

“Our focus in the year has included acquisitions, the Scildon merger, Corporate Governance reform provision 29 and our Climate Transition Plan.”

GAIL TUCKER, CHAIR



# AUDIT & RISK COMMITTEE REPORT

## NUMBER OF MEETINGS DURING YEAR: 5

### MEMBERS:

#### Gail Tucker

Member (appointed 29 January 2025) and Chair (appointed 13 May 2025)

#### Jane Dale

Chair (stepped down 13 May 2025)

#### Eamonn Flanagan

Member

#### Sam Tymms

Member (appointed 6 June 2025)

#### Karin Bergstein

Member (stepped down 6 June 2025)

The requirements for the composition of the Audit & Risk Committee are detailed within its terms of reference. The composition of the committee in accordance with the requirements of the UK Corporate Governance Code and with DTR 7.1.1AR and committee member biographies are detailed on pages 94 to 95.

## Chair's introduction

Welcome to the Audit & Risk Committee Report of the 2025 Annual Report and Accounts. It has been another busy year for the committee, with a packed agenda which has covered not only our business-as-usual activities but a number of other key areas of focus. These have arisen from various internal and external factors and include the acquisition of Chesnara Life; the announcement of the proposed acquisition of Scottish Widows Europe SA; the publication of our Climate Transition Plan; the merger of the two Dutch business units, Scildon and Waard; preparation for the implementation of the Corporate Governance Code Provision 29; and risk oversight over a number of key operational changes across the Group. Further detail on these, and more, has been provided below.

### Acquisitions

The Company agreed a deal to acquire Chesnara Life from HSBC plc on 3 July 2025 for £260m. Following regulatory approval of the acquisition of Chesnara Life, now known as Chesnara Life (UK) Limited, completion of the transaction occurred on 30 January 2026. The purchase of the acquisition was supported by a £150m rights issue and an increase to the Company's Revolving Credit Facility (RCF) to £150m.

The Company agreed a deal to acquire Luxembourg based Scottish Widows Europe SA from Scottish Widows Limited on 17 February 2026 for a total cash consideration of €110m. The acquisition is due to complete before the end of 2026, subject to regulatory approval.

The committee's role is to focus on ensuring that the acquisition diligence process has been delivered in line with the Group's risk-based acquisition process; that all key benefits and risks are appropriately understood; and that the accounting and associated judgements for the transaction is in compliance with accounting standards. The committee members through the Board had oversight of the diligence and deal benefit assessment processes for these two transactions. The accounting and associated judgements will be brought to the committee during the course of 2026 for each of these acquisitions.

### Merger of Scildon and Waard

The committee has been provided with progress reports on the merger of Scildon and Waard during the year, this included prior to receiving regulatory approval from DNB and the post-merger integration activity. The merger came into legal effect on 1 July 2025 and the portfolio transfer completed on 2 July 2025. The aim of the merger is to deliver material cost reductions and improved financial results.

### Corporate governance reform provision 29

In January 2024 the Financial Reporting Council ('FRC') announced its revisions to the Corporate Governance Code. One of the main changes to the Code extends the disclosures that are expected regarding the Board's role in annually reviewing the effectiveness of the Company's risk management and internal controls framework. The 2024 code requests that boards explain through a declaration in their Annual Reports how they have done this and their conclusions from this work. These new disclosures will apply from periods beginning on or after 1 January 2025, with the exception of Provision 29, which is effective from 1 January 2026.

During the year the committee supported the development of the Material Controls Framework in line with Provision 29, providing challenge and oversight to ensure that Material Controls were appropriately identified and documented in a consistent and transparent manner. The committee also reviewed and recommended the 2026 Assurance Map to the Board, taking into account areas where risk indicators had operated outside appetite, material incidents and assurance findings during 2025, to support effective monitoring and assurance over the effectiveness of the control environment.

### Sustainability – Climate Transition Plan

The committee's role in the Group's sustainability programme is to oversee any material reporting made by the Group in this area, as well as to oversee the Group's monitoring of sustainability-related risk exposures and consider the effectiveness of the internal control environment with regards to sustainability-related risks.

During the year, the committee regularly reviewed the sustainability-related risk exposures underlying the Group's principal risks, together with the mitigants in place to lessen or manage their impact. The updated principal risks, including those relating to sustainability-related risk exposures, which were reviewed by the committee and approved by the Board on the recommendation of the committee, are set out on page 84 of the strategic report. In September 2025, the Group published its first Climate Transition Plan, which details the actions that will be taken to decarbonise the investments and operations of the business. The committee provides risk management oversight of the Climate Transition Plan and considers the Climate Transition Plan as part of its ongoing assessment of the Group's control environment.

The committee oversees the production of the Group's Annual Sustainability Report (ASR) and reviews the TCFD (Task Force on Climate-Related Financial Disclosures) Report as part of the Annual Report and Accounts. The 2025 year end ASR has been published alongside these Annual Report and Accounts. Our ASR provides an update on our progress over the course of the year against our sustainability targets and commitments. As well as our ASR, these Annual Report & Accounts include a section covering the Group's Corporate and Social Responsibility.

### Operational change and operational resilience

The Group has seen a reasonable level of operational change during the course of the year; the UK division continues to make progress with its programme to migrate its outsourced operations to one strategic partner. The committee's role has been to ensure that the risks associated with these changes are appropriately captured and managed. Detailed risk reporting and analysis is managed at a local level, and the committee has had full sight of this through a combination of direct interactions with local Audit Chairs coupled with coverage through the Group's Risk Reporting processes, via the quarterly Chief Risk Officer's risk report.

From an operational resilience perspective, the committee has continued to ensure that it is appropriately appraised regarding the Group's operational resilience. This has included obtaining updates regarding the status of the UK's operational resilience programme, in line with regulatory requirements. Alongside this the committee oversaw the embedding and testing of the Group's Cyber Response Framework, which is designed to ensure that the Group is appropriately positioned to respond to any cyber incidents.

## AUDIT & RISK COMMITTEE REPORT

### Governance

The committee has continued to oversee some of the Group's core governance processes. This has included:

- Monitoring the risk management and internal control system: the annual Risk Management and Internal Control Report was reviewed and challenged by the committee during the year. This concluded that the overall Internal Control Framework has remained effective during the year, that the Group has responded appropriately to any risks or issues which have arisen, and that any control deficiencies identified are being appropriately addressed.
- Systems of governance effectiveness: the committee oversaw the Group's annual assessment of the effectiveness of its systems of governance. This concluded that there were no major areas of concern.
- Committee evaluation process: the committee performed its own evaluation process during the year and concluded that it has operated effectively during the year. The evaluation also highlighted areas the committee members wish to focus on in the year ahead, as set out below.

### Looking forward

As ever, there is a full agenda ahead, much of which reflects a continuation of work that is currently in train. As well as the committee's business as usual activities particular focus will be given to:

- **Sustainability reporting:** This continues to develop rapidly with different regimes applying in the UK and Europe. The committee will look to ensure that regulatory reporting is delivered on time and to a good standard. Specifically, during 2026, the committee will oversee the Group's implementation of the initial stage of the PRA's Supervisory Statement 5/25 'Enhancing banks' and insurers' approaches to managing climate-related risks'. The committee will also be monitoring the endorsement process for UK Sustainability Reporting Standards S1 and S2 and overseeing the production of implementation plans, in line with the expected mandatory reporting for the Group for the year ending 31 December 2027.
- **Corporate governance code:** This new UK legislation is to formalise the monitoring of the internal Risk Management and Internal Control Framework effectiveness which comes into effect 1 January 2026. The committee will need to oversee the continued embedding and operation of the Material Controls Framework. The committee will monitor progress, review outcomes and provide oversight and challenge to support the Board in fulfilling its Provision 29 reporting obligations.
- **Operational change:** There are a number of operational change programmes across the Group, including the UK's transformation programme. The committee will continue to ensure that it monitors the risks around operational change across the Group.
- **Group operational resilience:** The committee will be focusing on ensuring that it is satisfied that the Group remains materially operationally resilient, with appropriate recovery plans in place. This will include monitoring emerging regulation and industry practice. A particular focus will be on the integration of Chesnara Life and progress on the acquisition of Scottish Widows Europe SA.
- **Acquisitions:** The committee will have oversight and regular reporting as the acquisition of Scottish Widows Europe SA progresses. Should the Group enter into any further acquisition processes over the course of 2026 the committee will ensure that it has the appropriate oversight over the process, commensurate with the size and complexity of the target, mindful of any industry developments that will need to be considered in any future acquisition diligence process. Any associated benefits and risk analysis will be scrutinised by the committee.

- **External audit tender:** In accordance with the Statutory Auditors and Third Country Auditors Regulation which requires Public Interest entities to conduct an audit tender, the Chair of the committee in conjunction with the rest of the committee has decided to commence and conclude the external audit tender process during 2026 with the appointment of the new auditors planned to commence on 1 January 2028. This will provide adequate time to deliver a robust tender process, address any conflicts that may arise and facilitate a smooth transition, giving opportunity for a thorough handover between the new and outgoing auditors.
- **Tax oversight:** As the Group becomes more complex, with more complex transactions and arrangements in place, the committee's role will be to ensure that tax risks around the Group are being appropriately identified and managed. This includes the implementation of the new BEPS 2.0 requirements.
- **Financial reporting controls:** From a financial controls perspective it remains critical that the committee has good oversight over any financial reporting control risks across the Group. In particular the committee will focus on areas of operational change such as acquisitions and the new IFRS 18 Presentation and Disclosure in Financial Statements.

This is my first report as Chair of the Audit & Risk Committee. I would like to thank my fellow committee members for making me feel so welcome. I would also like to thank everyone at Chesnara for their hard work and enthusiasm over the past busy year.

*Gail*

Gail Tucker  
Chair of the Audit & Risk Committee  
23 March 2026

### Role of the Audit & Risk Committee

The role of the Audit & Risk Committee includes assisting the Board in discharging its duties and responsibilities for financial reporting, corporate governance and internal control. The scope of its responsibilities also includes focus on risk management: accordingly, it also assists the Board in fulfilling its obligations in this regard. The committee is also responsible for making recommendations to the Board in relation to the appointment, re-appointment and removal of the external auditor. The committee's duties include keeping under review the scope and results of the audit work, its cost effectiveness and the independence and objectivity of the external auditor. The full terms of reference of the Audit & Risk Committee are available on our website [www.chesnara.co.uk](http://www.chesnara.co.uk).

The Chesnara Audit & Risk Committee has responsibilities over a combination of both risk and audit matters. An update against each of these two key obligations has been provided below.

#### Audit responsibilities

This section of the report includes the following:

- 1. Activities during 2025:** A summary of the work performed by the Audit & Risk Committee during the year.
- 2. External audit:** Further detail of how the committee has overseen various aspects of the external audit process.
- 3. Internal audit:** The work performed by the committee in overseeing the Internal Audit function of Chesnara.
- 4. Significant issues:** Provides some insight into the significant issues that the committee has considered during the year in relation to the financial statements, and how these were addressed.

#### 1. Activities during 2025

The committee's work is driven by a combination of business as usual ('BAU') activities and non-standard areas that have required attention during the year. The committee has focused on the following non-BAU areas during 2025; acquisitions, transformation programmes, the Group's operational resilience programme; climate change and sustainability reporting; and conduct regulatory developments, including the UK's Consumer Duty. A summary of all the activities performed by the committee during 2025 in relation to its audit responsibilities is summarised below:

|                     |  |  |
|---------------------|--|--|
| Financial reporting | <p><b>Annual Report and Accounts:</b> Reviewed the Annual Report and Accounts, including; compliance with accounting standards, accounting policy appropriateness; consideration of any other financial reporting changes and emerging practice; whether they are fair, balanced and understandable; and disclosures surrounding going concern, prospects and longer-term viability. See significant issues section on pages 137 to 138 for further details on certain aspects of this year's accounts.</p> <p><b>Half year report:</b> Reviewed and challenged the Chesnara Half Year Report for the six months ended 30 June 2025.</p> | <p><b>Actuarial assumptions:</b> Reviewed and challenged the actuarial assumptions underpinning the quarterly financial reporting process, covering IFRS and Solvency II. See significant issues section on pages 136 to 137 for further detail.</p> <p><b>Solvency narrative reporting:</b> Reviewed the Chesnara Group Solvency and Financial Condition Report, which is published annually on the Chesnara website and sent to the Prudential Regulation Authority.</p> <p><b>Financial performance:</b> Monitored and scrutinised the financial performance of the Group, covering IFRS, Solvency, Cash Generation and expenses.</p> |
| External audit      | <p><b>External audit plans:</b> Reviewed the groupwide plans of the external auditor, including consideration of the key audit risks.</p> <p><b>External audit quality:</b> Assessed the quality of the external auditor during the year. This has included, amongst other things, consideration of feedback from management, and having reviewed the positive findings from the FRC's Audit Quality Review of the 2024 audit which had no actions arising.</p>  | <p><b>External audit reporting and feedback:</b> Reviewed key findings reported by the group external auditor on the Annual Report and Accounts, including key judgements and control matters. As part of its interactions with the external auditor the committee met with the external auditor without the presence of executive directors.</p> <p><b>External audit independence:</b> Reviewed the assessment regarding the independence of the external auditor, with specific consideration given to audit fees and the nature and volume of the services delivered by the external auditor during the year.</p>                    |
| Internal audit      | <p><b>Oversight of Internal Audit function during the year:</b> The committee reviewed the work of the Internal Audit functions across the Group, via interactions with local Audit &amp; Risk Committees, and their subsequent findings. See page 133 for more information.</p> <p><b>Evaluation of internal audit effectiveness:</b> The committee evaluates the effectiveness of the Group and UK internal audit on an annual basis and concluded that the function remains appropriate for the business.</p>   | <p><b>Review of internal audit findings:</b> Received regular updates from business unit Audit &amp; Risk Committees regarding key findings from internal audits that have been performed during the year. Reviewed the internal audit findings and management responses for the Company.</p>  |
| Other               | <p><b>Feedback from divisional Audit &amp; Risk Committees:</b> Reviewed and challenged regular feedback provided by representatives of the Group's divisional Audit &amp; Risk Committees. The Audit &amp; Risk Committee met with the independent Chairs of the Audit &amp; Risk Committees in Sweden and the Netherlands during the year.</p> <p><b>Whistleblowing:</b> Reviewed compliance with its whistleblowing policies and related control systems and has established reasonable assurance that both have operated effectively.</p>  | <p><b>Committee Terms of Reference:</b> Reviewed its Terms of Reference during the year and completed its annual assessment of compliance with its Terms of Reference.</p> <p><b>Performance evaluation:</b> Conducted an evaluation of the committee's performance during the year, which was completed by members of the committee. The review showed that the committee performed well across all aspects of the assessment framework.</p>  |

## AUDIT & RISK COMMITTEE REPORT

### 2. External audit

#### Quality and effectiveness of the audit process

The quality and effectiveness of the external audit process is reviewed on an annual basis and had regard to the following factors:

- The quality of the background papers and verbal presentations to the committee on the audit planning process and final audit findings and compliance with independence criteria;
- The rationale put forward for the materiality limits established and the explanation given of the impact these have had on the work performed;
- The views of the executive on the way in which the audit has been conducted;
- The positive findings from the FRC’s Audit Quality Review of the 2024 audit which had no actions arising; and
- The audit fees charged and the change in fees from the previous year. Changes in annual fees do, of course, need to reflect change in the nature of the Company’s business which has expanded over time.

It was concluded that the audit process was effective.

#### Provision of non-audit services and independence

The committee has in place a policy on the engagement of the audit firm for non-audit services. Approval is granted where the service is clearly related to the process of audit services, including regulatory returns (‘assurance services’). In other cases, the approval of the committee is required and documented governance processes are followed.

The committee regularly monitors the level of fees paid for non-audit services to ensure, over a period of years, that these represent a low proportion of total fees paid. Reports from the auditor on independence are also reviewed annually and discussed with the auditor. Prior to the approval of Deloitte becoming the Reporting Accountant for the rights issue prospectus a specific review was conducted on expected fees and independence.

Details of the fees paid to Deloitte, and its associates, for both audit and non-audit services during the year have been provided below:

| Audit fees         | 2025<br>£000 | %<br>proportion | 2024<br>£000 | %<br>proportion |
|--------------------|--------------|-----------------|--------------|-----------------|
| Audit services     | 2,281        | 81              | 2,077        | 92              |
| Assurance services | 539          | 19              | 186          | 8               |
| <b>Total</b>       | <b>2,820</b> |                 | <b>2,263</b> |                 |

#### Audit services

The fees charged for audit services have increased when compared with 2024. The key reasons for the £204k increase were in relation to additional recurring scope work, one-off scope work and inflation increase.

Audit fees of £1,007k (2024: £1,012k) were paid to EY during the year for the audits of Scildon, Waard Schade and Movestic.

#### Assurance services

Assurance services totalling £539k (2024: £186k) were provided by Deloitte in 2025 and consisted of £175k (2024: £171k) relating to an annual CASS audit of CASFS Limited, and £16k (2024: £15k) relating to assurance on the Group’s covenant compliance. The audit of regulatory returns was performed for the first time this year and the fees were £348k (2024: £nil).

#### Non-audit services

Non-audit services totalling £1,290k (2024: £nil) were delivered in 2025. The non-audit services in 2025 were in relation to the rights issues prospectus, £1,210k, and the restricted Tier bond, £80k.

### 3. Internal audit

Within Chesnara, Internal Audit operates as separate functions across each business unit.

These functions report to their respective Audit & Risk Committees, which hold primary oversight and supervisory responsibility. This includes deciding how the local Internal Audit functions are resourced, resulting in a combination of outsourced and in-house capabilities.

At group level, the Chesnara Audit & Risk Committee has established three overarching principles that all business units are required to follow. The committee also receives periodic updates from each business, including details on the composition of the audit plan, progress against that plan, and any significant issues identified.

The UK-based Internal Audit team’s remit extends to the Parent Company. Accordingly, the committee receives similar periodic updates on the Chesnara audit plan throughout the year, consistent with the reporting provided to the local committees.

Across the Group, Internal Audit covered a broad range of topics including Operational Resilience, CASS, Anti Money Laundering controls, Unit Pricing, Remuneration, Legal Compliance, Product Governance, Data Quality, Outsourcing, Asset Management, and Sustainability and Business Continuity Planning.

#### 4. Significant issues

The table below provides information regarding the significant issues that the committee has considered in relation to the preparation of the Annual Report and Accounts. This includes consideration of matters communicated by the auditors.

| Area of focus   | Reporting issue   | Role of the committee   | Conclusion/action taken  |
|---|---|---|--|
| <b>Valuation of Chesnara plc's investment in CA plc</b>                         | Chesnara plc's solo balance sheet includes the value of its investment in its various subsidiaries. These are typically carried at cost and are reviewed at least annually for impairment. As a result of dividend payments over time, at some point the underlying value of the Group's closed-book subsidiaries will become lower than the carrying value that it is held at in the Chesnara plc balance sheet, resulting in a need to write down the carrying value.   | The committee's role is to review and challenge management's paper covering the assessment of the carrying value of Chesnara's investment in its subsidiaries. This includes scrutinising the underlying assumptions underpinning the 'value in use' assessment and the conclusions made.       | As a result of the annual impairment process, it was concluded that the carrying value of Chesnara plc's investment in Countrywide Assured plc required writing down by £28.2m. This reflects that the underlying value of Countrywide Assured has reduced, largely because of its continued dividend streams up to Chesnara plc. Further detail can be found on page 171. |
| <b>Impairment assessment of AVIF intangible assets</b>                          | The Group IFRS balance sheet includes intangible assets (the 'AVIF' assets), representing the acquired value of the in-force policies at the point of previous acquisitions, which is amortised over the estimated profit profile of the associated policies that were acquired. An impairment test of these intangible assets is required on an annual basis.  | The committee is required to review the work performed by management in assessing the carrying value of the AVIF intangible assets, including scrutinising the assumptions made, and conclusions drawn.   | The review did not identify any material impairment losses. As a result of this, no losses have been posted for 2025. Further detail can be found on page 195.   |
| <b>UK expense assumptions used in determining insurance contract provisions</b> | The actuarial reserving process for the UK division includes an assumption on the future expenses that are required to run the business. This includes making judgements on the re-phasing of the Transition and Transformation migration delivery programme as a result of the Chesnara Life acquisition and the revised timing of projected expense reductions, which also reflect an expectation that a portion of the costs will be allocated to Chesnara Life following completion.  | The responsibility of the committee is to satisfy itself that the judgements underpinning the projected future expenses required to run the UK life insurance operations are appropriate, and to ensure these judgements are appropriately reflected in the year-end 2025 financial statements. | The committee is satisfied that the expense assumptions included in the valuation of the insurance contract liabilities of the UK division on 31 December 2025 are appropriate and that they are suitably described in note A6 on page 171.  |
| <b>Actuarial assumptions</b>  | A key aspect of the Audit & Risk Committee's role is to review and challenge the actuarial assumptions that underpin the valuation of the policyholder liabilities in the financial statements. The assumptions are inherently judgemental and are updated at least annually to reflect the facts and circumstances available at the time. The assumptions are underpinned by a combination of internally observed experience coupled with data that is available at a market level. The key assumptions include estimates over: <ul style="list-style-type: none"> <li>– future mortality and morbidity rates;</li> <li>– future lapse assumptions;</li> <li>– future expense required to manage the policies in force; and</li> <li>– policyholder options and guarantees.</li> </ul> | The committee's role is to review and challenge the actuarial assumptions report which underpins the valuation of insurance liabilities.  | The committee concluded that the actuarial assumptions were appropriate. Disclosures over key judgements are included in note 3 and note 30 of the IFRS financial statements.  |

#### Risk responsibilities

This section of the report provides information regarding the risk oversight responsibilities of the Audit & Risk Committee.

#### General responsibilities

Overall, the committee is responsible for:

- the Group's risk management and internal control systems and their effectiveness;
- overseeing the Group's risk profile in the context of its current and future strategy;
- discussing and recommending to the Board for approval, the Group's risk appetite statement, reverse stress testing and scenario stress testing;
- advising the Board on proposed changes to the Group's risk appetite statement where this is deemed appropriate;
- monitoring risk exposures across the Group and advising the Board where such exposures do not appear to accord with the Group's risk appetite statement;
- reviewing the Group's capability to identify and manage emerging and new risk types;
- challenging the regular stress and scenario testing of the Group's business;

- determining whether there is a sufficient level of risk mitigation in place;
- overseeing due diligence of a major strategic transaction, including any proposed acquisition or disposal, prior to the Board taking a decision to proceed with a view to ensuring that the Board is aware of all material risks associated with the transaction;
- considering the adequacy and effectiveness of the Cyber Response Framework, including resilience, and supporting documentation in the Risk Management System and framework;
- considering and approving the remit of the Risk function and ensuring it has adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards;
- providing qualitative and quantitative advice to the Remuneration Committee on risk weightings to be applied to any performance objectives; and
- considering and recommending to the Board for approval, the Group's risk related regulatory submissions, including the ORSA.

## AUDIT & RISK COMMITTEE REPORT

### Focused activities performed during the year

Further information is provided below with regard to the more focused activities that the committee has performed during the year in discharging its risk oversight responsibilities.

#### Acquisitions

The committee members, through the Board, have overseen the due diligence for the acquisition of Chesnara Life and Scottish Widows Europe SA, including overseeing that the Board is appropriately informed of all appropriate material risk, in particular the implications for the risk appetite and tolerance of the Company, taking independent external advice where appropriate.

The committee has overseen the risk reporting surrounding these activities and monitoring has been appropriate and that management has responded to any associated risks as they emerge.

#### UK transition and transformation

The Audit & Risk Committee has continued to be updated on the multi-year programme to migrate our policy administration services and newly acquired books of business to SS&C Technologies. The committee is satisfied that there is appropriate visibility of the key strategic risks and that appropriate mitigants have been in place, with regular and transparent reporting on programme progress.

#### IT/data security and cyber risk

The committee's risk responsibilities include overseeing management's plans to continue to ensure the Group remains resilient to IT risks. This includes monitoring results from various initiatives such as the Group's 'phishing' tests, cyber-attack simulations and penetration testing. Chesnara has embedded a groupwide Cyber Response Framework to guide the Group in preparing and responding effectively to a cyber-attack which includes a new Cyber Response Playbook aimed to be tactical and operational, used directly by responders during live incidents. The committee was satisfied that the Group's IT risk programme continues to focus on the right priorities and this ever-evolving area.

#### Global market instability

Ongoing global conflict and economic uncertainty remains a prominent emerging risk for the Group, with potential for inflation driven expense risk and future investment returns being the affected key areas with greatest potential impact. As a result of these observations the committee has obtained regular updates from management on potential impacts. This has included consideration of the following:

- Financial results volatility;
- Increased expense base with wage inflation and increasing supplier costs; and
- 3rd party/supplier failure risks.

The committee is satisfied that management is monitoring these risks closely, and that the Group's ORSA process suitably examines these scenarios.

#### Operational and regulatory change

There are a number of operational and regulatory change projects across the Group, and as a result the committee has been monitoring these closely. Activity across the Group includes:

- integration and Part VII activity for the acquisitions of Canada Life;
- the UK Transition and Transformation project including moving to a new outsourced admin provider, SS&C;
- the merger of our Dutch entities into one combined insurer;
- Corporate governance reform provision 29;
- operational resilience; and
- climate change risk and sustainability.

The committee was satisfied that the risk reporting surrounding these programmes has been appropriate and that management has responded to any associated risks as they emerge.

#### Regular activities performed during the year

Further information is provided below with regard to the 'business as usual' activities that the committee has performed during the year in discharging its risk oversight responsibilities:

- **Quarterly risk reporting:** During the year the committee reviewed the quarterly group and divisional risk reports on the identification, evaluation and management of principal risks across the Group, including any emerging risks. The quarterly risk reporting included 'in focus' topics as required and reports against the Group's 'watchlist' of items.
- **Principal risk definition:** Reviewed and challenged the Group's definition of principal risks for the purpose of reporting and monitoring against these risks, including how they are mitigated through the Group's Internal Control Framework.
- **Dividend proposal:** The committee considered the interim and final dividend proposal review document prepared by the Group Chief Risk Officer.
- **Risk plan review and sign off:** The committee reviewed and approved the Group and divisional risk plans and associated resourcing needs.
- **Internal control report:** The committee reviewed and approved the annual internal controls assessment report, which concluded that the overall Internal Control Framework has remained effective during the year, that the Group has responded appropriately to any risks or issues which have arisen, and that any control deficiencies identified are being appropriately addressed.
- **Systems of governance review:** An annual review of the effectiveness of the systems of governance review was facilitated by the Risk function. This considered a number of areas of the overall system of governance including its completeness, effectiveness, its use and the overall culture. This concluded there were no major areas of concern. Any areas for improvement have been built into future plans, with suitable priorities attached.
- **ORSA review:** The committee reviewed the 2024 Group ORSA and made a formal recommendation to the Board to approve it. The ORSA includes the outcome of the Group's stress and scenario testing. The stresses that are modelled are reviewed and approved as part of the ORSA planning process, and the results are included in the final ORSA report.
- **Risk appetite:** Reviewed and re-approved the Group's Risk Appetite Framework, including reviewing and challenging the key risk indicators/tolerance limits and key business performance measures.
- **Review divisional Audit & Risk Committee progress:** Received and challenged updates provided by divisional Audit & Risk Committees.
- **Continuous solvency monitoring:** Reviewed the output from the Group's continuous solvency monitoring activities. There were no issues arising from this process during the year.
- **Standard formula assessment:** As part of its annual cycle, the Actuarial function performs an assessment of the appropriateness of the standard formula for the purposes of calculating the Group's capital requirements under Solvency II. The work and associated findings was reviewed and challenged by the committee as part of the ORSA process.

#### Assurance

Taken together, the Group's Risk function and Internal Audit function ensure that the committee is provided with appropriate assurance throughout each year. The second-line Risk function ensures independent review and challenge of business performance and activities with the opportunity to influence areas of review to be undertaken by the independent third-line Internal Audit function. The committee can direct the activity of either function as circumstances require, amending work plans to accommodate deep dives if felt appropriate to do so. The committee leverages these functions within the Group's proportionate three lines of defence model in addition to engaging with and having Board representation on the business unit Audit & Risk Committees which themselves have local Risk and Internal Audit functions. In this way, and through receiving assurance reports from each business unit on a quarterly basis, the committee satisfies itself with regard to the assurance it obtains on the Group's activities and performance.

*Gail*

Gail Tucker  
Chair of the Audit & Risk Committee  
23 March 2026

## DIRECTORS' REPORT

The directors present their annual report and the audited consolidated financial statements of Chesnara plc for the year ended 31 December 2025. The Corporate Governance Report on pages 98 to 103 forms part of the Directors' Report.

### Chesnara plc – Company No. 4947166

The following information, that has been included by way of a cross reference to other areas of the Annual Report and Accounts, is required by the Companies Act to be included within the Directors' Report:

#### Requirements/reference

##### *Financial risk management objectives and policies*

The financial management section on pages 53 to 54 and the risk management section on pages 55 to 66.

##### *Exposure to price risk, credit risk, liquidity risk and cash flow risk*

Note 6 'Management of financial risk' to the IFRS Financial Statements.

##### *Likely future developments*

The business review section on pages 39 to 45.

##### *Greenhouse gas reporting*

The corporate and social responsibility section on pages 73 to 79.

##### *Environmental, employee and social community matters*

The corporate and social responsibility section on pages 69 to 72.

### Directors

Full information of the directors who served in 2025 and to the date of signing is detailed in the Corporate Governance Report on pages 96 to 103.

Detail of the non-executive directors who served as Chairs and members of the Board committees of the Board are set out in the Corporate Governance Report on pages 96 to 103. Information in respect of the Chair and members of the Remuneration Committee and in respect of directors' service contracts is included in the Remuneration Report on pages 108 to 131, which also includes details of directors' interests in shares and share options. The Chair and all the non-executive directors will retire at the Annual General Meeting and offer themselves for election or re-election as appropriate. All of the executive directors have service contracts with the Company of no more than one year's duration and will offer themselves for re-election at least every three years.

The service contracts of all the directors are retained at the Company's office and will be available for inspection for 15 minutes prior to the Annual General Meeting. No director had any material interest in any significant contract with the Company or with any of the subsidiary companies during the year.

The directors benefited from qualifying third party indemnity provisions in place during the years ended 31 December 2024 and 31 December 2025 and the period to 23 March 2026.

### Director evaluations

During the year, the Chair evaluated the performance of all appointed directors in one to one meetings and the Senior Independent Director evaluated the performance of the Chair. It was confirmed that each director continued to make effective contributions in their role and to the Board as a whole.

### Director appointments

With regard to the appointment and replacement of directors, the Company followed the UK Corporate Governance Code 2018 during the financial year ending 31 December 2025 and is governed by its Articles of Association, the Companies Act 2006 and related legislation. The Articles of Association may be amended by special resolution of the shareholders. The Company follows the UK Corporate Governance Code 2024 since 1 January 2025.

### Share capital

Details of the issued share capital, together with details of movements in the issued share capital of Chesnara plc during the year are shown in note H1 to the IFRS Financial Statements which is incorporated by reference and deemed to be part of this report.

The Company has one class of ordinary share which carries no right to fixed income. Each share carries the right to one vote at general meetings of the Company. The ordinary shares are listed on the Official List and traded on the London Stock Exchange. As at 31 December 2025, the Company had 230,899,448 ordinary shares in issue, of which none were held as treasury shares. During the year, no treasury shares were held or traded.

In order to retain flexibility, the Company proposes to renew the authority granted by ordinary shareholders at the Annual General Meeting in 2025, to repurchase up to 10% of its issued share capital. Further details are provided in the Notice of this year's Annual General Meeting.

At the Annual General Meeting in 2025, shareholders approved resolutions to allot shares up to an aggregate nominal value of £5,033,034 and to allot shares for cash other than pro rata to existing shareholders. Resolutions will be proposed at this year's Annual General Meeting to renew these authorities.

No person has any special rights of control over the Company's share capital and all issued shares are fully paid. There are no specific restrictions on the size of holding nor on the transfer of shares which are both governed by the general provisions of the Articles of Association and prevailing legislation. The directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or voting rights. The directors have no current plans to issue shares.

### Articles of Association

The Company's Articles of Association may only be amended by special resolution of the Company at a general meeting of its shareholders.

### Conflicts of interest

Procedures are in place to ensure compliance with the directors' conflict of interest duties as set out in the Companies Act 2006. The Company has complied with these procedures during the year and the Board considers that the procedures operated effectively. During the year, details of any new conflicts or potential conflicts were advised and submitted to the Board for consideration, and where appropriate, approved.

There were no material conflicts of interest noted in 2025.

# DIRECTORS' REPORT

## Results and dividends

The consolidated statement of comprehensive income for the year ended 31 December 2025, prepared in accordance with United Kingdom adopted international accounting standards and set out on page 152 shows:

|   | 2025<br>£m | 2024<br>£m |
|---|------------|------------|
| Post-tax loss for year attributable to shareholders | (10.4)     | 3.9        |

The Group IFRS results are reported under IFRS 17 in the annual financial statements.

An interim dividend of 7.70p (2024: 7.48p<sup>Δ</sup>) per ordinary share was paid by Chesnara on 17 October 2025. The Board recommends payment of a final dividend of 14.80p (2024: 13.96p<sup>Δ</sup>) per ordinary share on 20 May 2026 to shareholders on the register at the close of business on 7 April 2026.

The Chesnara Dividend Policy is directly influenced by two key factors. We firstly recognise that our shares are predominantly held as a source of predictable and sustainable income. Our primary aim is therefore to provide an attractive yield with steady growth where possible.

However, our aim to satisfy investor expectations cannot and will not be delivered at the expense of financial security and solvency. As such, dividend capacity is assessed giving full regard to our Group Capital Management Policy which currently prohibits dividends to be declared that would result in Chesnara having a solvency ratio below 110%.

## Total dividend as a ratio of cash generated



## Considerations

|                              |  |
|------------------------------|--|
| <b>Cash Generation</b>       | Historic and projected Cash Generation levels need to support any dividend payment although there is no explicit requirement for the current year's Cash Generation to cover the dividend.                                       |
| <b>Solvency</b>              | The Company's risk appetite solvency level is 140% of SCR, however, the Board is prepared to approve dividend distributions such that, post payment of the dividend, the solvency position of the Group is at least 120% of SCR. |
| <b>Acquisition strategy</b>  | The Chesnara business model is based upon making future acquisitions and any dividend payments consider the financial requirements to continue to deliver our acquisition strategy.  |
| <b>Investor expectations</b> | In addition to a stable and attractive dividend yield our investors value predictability and sustainability of earnings. As such, under normal circumstances, 'special dividends' are unlikely.                                  |

The chart above shows the coverage of cash generated over the dividend paid in each respective year. Over the past 5 years, £194m of dividends have been paid at an average annual yield of 8.7% (based on average annual share prices) representing a Cash Generation coverage of 1.45 against dividends paid.

<sup>Δ</sup>Dividend per share has been rebased to reflect the rights issue bonus factor of 1.15x applied to historical dividend per share metrics.

The Board makes dividend decisions having regard to a range of management information, reports and policies including the Group ORSA, group business plan, solvency analyses including sensitivities, analysis of historic financial results and the Group Capital Management Policy.

#### Substantial shareholdings

Information provided to the Company by major shareholders pursuant to the FCA's Disclosure and Transparency Rules (DTR), is published via a Regulatory Information Service and is available on the Company's website. The Company had been notified under Rule 5 of the DTR of the following interests in voting rights in its shares.

| Name of substantial shareholder       | Total number of ordinary shares held | Percentage of the issued share capital as at 31 December 2025 |
|---------------------------------------|--------------------------------------|---|
| Columbia Threadneedle Investments     | 27,329,839                           | 11.84%  |
| aberdeen plc                          | 15,003,096                           | 6.50%   |
| Hargreaves Lansdown Asset Mgt         | 19,661,694                           | 8.52%   |
| Interactive Investor                  | 17,562,872                           | 7.61%   |
| M&G Investments                       | 13,551,768                           | 5.87%   |
| Royal London Mutual Assurance Society | 11,110,316                           | 4.81%   |
| Janus Henderson Investors             | 7,802,834                            | 3.38%   |
| Blackrock Inc                         | 7,683,550                            | 3.33%   |
| Canaccord Genuity Group Inc           | 7,416,731                            | 3.21%   |
| Dimensional Fund Advisors             | 7,197,929                            | 3.12%   |

Subsequent to 31 December 2025 there have been changes to this position and the holdings as at 27 February 2026 are shown below. No other person holds a notifiable interest in the issued share capital of the Company.

| Name of substantial shareholder   | Total number of ordinary shares held | Percentage of the issued share capital as at 27 February 2026 |
|-----------------------------------|--------------------------------------|---|
| Columbia Threadneedle Investments | 25,301,696                           | 10.96%  |
| Hargreaves Lansdown Asset Mgt     | 19,481,054                           | 8.44%   |
| Interactive Investor              | 17,552,056                           | 7.60%   |
| aberdeen plc                      | 14,483,426                           | 6.27%   |
| M&G Investments                   | 13,551,768                           | 5.87%   |
| Royal London Asset Mgt            | 11,116,193                           | 4.81%   |
| Janus Henderson Investors         | 7,794,871                            | 3.38%   |
| Dimensional Fund Advisors         | 7,097,320                            | 3.07%   |

Chesnara plc has no multiple voting rights or voting certificates relative to total voting rights and no issued share capital is composed of non-voting shares. Depository receipts represent 0% of voting rights and our free float percentage of voting rights exceeds 98%.

#### Related party transactions and significant contracts

During the year ended 31 December 2025, the Company did not have any material transactions or transactions of an unusual nature with, and did not make loans to, related parties in which any director has or had a material interest.

There were no significant contracts with substantial shareholders during the year.

#### Post balance sheet events

On 2 February 2026, the Company announced its completion of the acquisition of HSBC Life (UK) Ltd (then renamed to Chesnara Life (UK) Limited). Furthermore, on 17 February 2026, the Company entered into an agreement to acquire 100% of the issued share capital of Scottish Widows Europe SA, a Luxembourg based closed life insurance business, from Scottish Widows Limited (a subsidiary of Lloyds Banking Group plc) for a total cash consideration of €110 million, subject to customary regulatory approvals.

#### Charitable donations

Charitable donations made by Group companies during the year ended 31 December 2025 were £89,663 (2024: £9,941). We have provided financial and non-financial assistance to charitable organisations including UNICEF, The Money Charity, NSPCC, The Wildlife Trust and Just DiggIt. UK colleagues also can donate through a Give as You Earn scheme, supported by the Charities Aid Foundation.

No political contributions were made during the year ended 31 December 2025 (2024: £nil).

#### Employees

The average number of employees during 2025 was 346 (2024: 355).

## DIRECTORS' REPORT

### Employee involvement

The Group believes that employee communication and consultation is important in enhancing the company culture and connectivity, and in motivating and retaining employees. An open communications programme enables all employees to understand key strategies and other matters of interest and importance, quickly and efficiently. The communication includes face-to-face briefings, open discussion forums with executive and senior management and updates via email.

### Business relationships

Throughout the year, the directors have had regard for the need to foster the Company's business relationships with suppliers, customers and stakeholders, including on the principal decisions taken by the Company during the financial year. Information supporting this is provided in the Section 172 disclosures on pages 32 to 35.

### Going concern statement

After making appropriate enquiries, the directors confirm that they are satisfied that the Company and the Group have adequate resources to continue in business for the foreseeable future. Accordingly, they continue to adopt the going concern basis in the preparation of the financial statements. Further details can be found within the financial management section on page 54.

### Viability Statement

In accordance with Provision 30 of the 2024 UK Corporate Governance Code, the directors have assessed the prospects of the Group over a period longer than the 12 months required by the 'going concern' provision. The Viability Statement, aligned with Provision 31 of the 2024 UK Corporate Governance Code, is included in the Strategic Report on page 54.

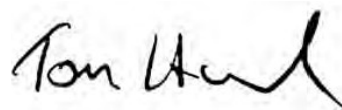
### Disclosure of information to the auditor

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information. This information is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

### Auditor

A resolution for the re-appointment of Deloitte LLP as Auditor of the Company is to be proposed at the forthcoming Annual General Meeting. Chesnara is satisfied that it adheres to the rules that are imposed on UK listed companies to perform a tender after 10 years and with a mandatory change of auditors after 20 years.

Approved by the Board on 23 March 2026 and signed on its behalf by:



Tom Howard  
Group Chief Financial Officer

## DIRECTORS' RESPONSIBILITIES STATEMENT

### Directors' responsibilities

The directors are responsible for preparing the annual report and the Group and Parent Company Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and have elected to prepare the Parent Company Financial Statements on the same basis.

- In preparing the financial statements, International Accounting Standard 1 requires that directors:
- properly select and apply accounting policies;
  - present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
  - provide additional disclosures when compliance with the specific requirements in IFRS Standards are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
  - make an assessment of the Company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Details of the Company's greenhouse gas emissions, energy consumption and energy efficiency can be found in the Climate-Related Financial Disclosures within the Strategic Report, on pages 73 to 91.

### Disclosures under Listing Rule 9.8.4R

For the purposes of Listing Rule 9.8.4C, the information required to be disclosed under Listing Rule 9.8.4R can be found within the following sections of the Annual Report and Accounts:

| Section | Requirement   | Location                       |
|---------|---|--------------------------------|
| 1       | Statement of interest capitalised                   | Not applicable                 |
| 2       | Publication of unaudited financial information      | Not applicable                 |
| 3       | Deleted   | Not applicable                 |
| 4       | Details of long-term incentive schemes              | Directors' Remuneration Report |
| 5       | Waiver of emoluments by a director                  | Not applicable                 |
| 6       | Waiver of any future emoluments by a director       | Not applicable                 |
| 7       | Non pre-emptive issue of equity for cash            | Not applicable                 |
| 8       | As per 7, but for major subsidiary undertakings     | Not applicable                 |
| 9       | Parent participation in any placing of a subsidiary | Not applicable                 |
| 10      | Contracts of significance                           | Not applicable                 |
| 11      | Controlling shareholder provision of services       | Not applicable                 |
| 12      | Shareholder dividend waiver                         | Not applicable                 |
| 13      | Shareholder dividend waiver – future periods        | Not applicable                 |
| 14      | Controlling shareholder agreements                  | Not applicable                 |

### Responsibility statement

The directors whose names and functions are listed in the Board profile and Board of Directors' section on pages 94 and 95, confirm that to the best of our knowledge:

- the Group and Parent Company Financial Statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the annual report and the Group and Parent Company Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

Approved by the Board on 23 March 2026 and signed on its behalf by:



Luke Savage  
Chair  
23 March 2026



Steve Murray  
Chief Executive Officer  
23 March 2026