



## Questions and Answers 2020

### M&G plc AGM 27 May 2020

**M&G plc's Annual General Meeting 2020 ('AGM') was held at 10 Fenchurch Avenue, London, EC3M 5AG (as a closed meeting) on Wednesday 27 May 2020 at 10:00.**

Questions were invited from shareholders ahead of the AGM which were subsequently posted, with answers, on our website.

### **Why is M&G holding a closed meeting / Why is M&G not holding a virtual meeting?**

At the current time, the approach we would usually take, on an in-person meeting, is not possible.

If social distancing measures are sufficiently relaxed before the date of our AGM, and it is safe for our shareholders to attend, we will be reverting back to a physical meeting at our offices with the usual criteria for attendance.

It is our intention to hold a physical meeting in future years.

Our Directors are able to hold a meeting with just two employee shareholders present in order to protect shareholder safety and run an orderly meeting. We reassure shareholders that we are following our Articles of Association, a quorum will be present and this will allow all proxy votes to be validly cast at the meeting.

We have considered carefully whether a virtual AGM would enhance engagement for our shareholders.

It is our view, taking into account the unprecedented circumstances, security of proceedings and safety of employees, shareholders and third party suppliers, that this year we would not best serve shareholders by holding a virtual meeting:

- (a) we believe that the voting process is easier and more accessible carried out through the online methods provided, than through the unfamiliar method of a virtual meeting;
- (b) we believe it is preferable to give shareholders time to consider and receive answers to questions, in a more familiar format of email and website, than doing so through a virtual meeting; and,
- (c) holding a virtual meeting would involve a number of colleagues and suppliers being required to work on a new and unfamiliar project. Trialling a virtual AGM for the first time when our colleagues and suppliers are less able to plan and execute a new project, due to working from home, and having less access to workplace technology than usual, would have some risk attached. We do not want to place any risk around shareholder votes being cast.

We will keep under review all aspects of our shareholder engagement throughout the year.

### **Why are M&G not taking on fresh annuity business and would the Company be open to taking on fresh annuity business in the future?**

We closed our annuity book to new customers around three years ago as we transition to become a more capital-light business. While we currently have no plans to reopen it, our annuity book is a profitable book of business and we will continue to optimise its performance for the benefit of annuitants and shareholders alike.

M&G plc benefits from a broad range of income sources, driven by its diverse mix of retail customers and institutional clients, geographic footprint and product types. Together with the long-term nature of the majority of the Group's business, this diversity of income helps to underpin the quality of its earnings and the resilience of its financial performance.

In the Savings & Asset Management segment, earnings are primarily driven by fees typically related to the level of AuMA net of expenses, and by the shareholder share of the returns allocated to policyholders in the PruFund range. The M&G plc Group sees opportunity for earnings growth from both sources over time, both in the UK and internationally.

In the Heritage segment, the main sources of earnings are income from the book of shareholder annuities and the shareholder share of the returns allocated to traditional with-profits policyholders by means of bonuses. Both of these books are closed to new customers, but the run-off profiles are relatively long, and consequently, subject to financial market conditions, earnings are expected to remain resilient over the medium term.

**Will M&G hold some other form of shareholder event as we cannot attend the AGM?**

We are keeping this under review, as part of our broader stakeholder engagement programme.