

At a glance

How do the performance measures used for incentive arrangements align with the group's KPIs?

The Committee considers it important that the performance measures used for the purpose of the incentive arrangements for management are directly aligned to the group's KPIs. The following table therefore sets out how the performance measures used for the purpose of the AVP and PSP are directly linked to our KPIs.

Overarching drivers of the business	Group KPIs	Key measure in the remuneration of executives
Profit	<ul style="list-style-type: none"> • Operating profit • Earnings per share • Profit before tax 	<ul style="list-style-type: none"> • Operating profit – up to 25% of 2018 AVP awards • Adjusted EPS – up to 12.5% of 2018 AVP awards • EPS growth – 50% of 2018 PSP awards
Cash generation	<ul style="list-style-type: none"> • Net release from operations 	<ul style="list-style-type: none"> • Net release from operations – up to 20% of 2018 AVP awards
Shareholder value creation	<ul style="list-style-type: none"> • Total shareholder return 	<ul style="list-style-type: none"> • Relative TSR – 50% of 2018 PSP awards
Strategic priorities and non-financial goals	<ul style="list-style-type: none"> • Worldwide employee engagement index • Diversity agenda • Risk profile • Divisional objectives • Customer experience 	<ul style="list-style-type: none"> • Divisional and personal strategic objectives make up significant proportions of the AVP scorecards for all executive directors • Performance against Solvency II objectives considered when determining vesting for the PSP awards