

ROYAL LONDON ASSET MANAGEMENT PRODUCT DEVELOPMENT PROCESS

The intention behind this Product Development Procedure is to set out the governance process for designing and developing propositions, including their approval requirements, within RLAM with the goal of ensuring that propositions meet identified customer needs based on insight and deliver good customer outcomes. The procedure includes regulatory considerations, including the MiFID II regulations which came into force on 3rd January 2018.

Product Development Objectives

Royal London Asset Management's Product is designed to enforce the following principles:

- Proposition decisions are based on robust customer insight and on clear benefits to customers and Royal London
- It's clear how the proposition meets customers' needs and supports Royal London's Customer Value Statements
- Propositions are developed in line with Royal London strategy, the Group policy suite and brand guidance
- Proposition risks are understood and mitigating actions are planned, documented and tracked
- Propositions comply with regulatory guidance including that related to Conduct Risk and the achievement of good customer outcomes
- Propositions are designed with clear Target Markets defined as part of the development process
- Businesses have appropriate transparency and disclosure over their proposition developments, capital requirements, costs and risks, and engaging with the right approval committees at the right times
- The Customer Value Statements (CVS) support our approach to Conduct Risk and are designed to deliver the right outcomes for customers, demonstrate what good looks like from a customer's perspective and are core standards for Royal London's propositions



Concept Stage

Documentation:

- Concept Paper
- Impact Assessment
- Product Proposal

- Annual Proposition and Fund reviews
- Post Sale Target Market reviews
- Complaints and Breaches
- Deep Dives and Investigations
- Regulatory Updates and Changes

Sign off by RLAM Exco

Post Launch and Annual Review

Client Needs

Product Proposal

Documentation:

- Business Case & Target Market definitions
- Cost Benefit Analysis
- Confirmation of Target Market

Sign off

- Royal London Group Committees
- RLUTM or RLAM Bond Funds Plc Board
- Trustee/ Depository
- Regulator

Sign off

- Compliance, Proposition, Sales, Front Office, Operations, Marketing, Legal, Tax
- RLAM Board
- RLUTM or RLAM Bond Funds Plc Board

Product Launch/ Implementation

Documentation:

- Project Plan
- Operating Model
- Regulatory Documents (Prospectus, KIID, App Form, EMT & Cost and Charges)
- Operational Readiness

