MIFIDPRU 8 DISCLOSURES
31 DECEMBER 2024

SAUNDERSON HOUSE LIMITED

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Definitions	
Rathbones	the trading name for the group of companies owned by Rathbones Group Plc
ERC	group executive risk committee
ERACC	Saunderson House executive risk, audit and compliance committee
GEC	group executive committee
GRC	group risk committee
HNW	high net worth
Plc board	the board of directors of Rathbones Group Plc
group executive directors	directors on the group executive committee
FUMA	funds under management and administration
SHL	Saunderson House Limited
the group	Rathbones Group Plc and all its subsidiaries
regulator	Prudential Regulation Authority ('PRA') or Financial Conduct Authority ('FCA') or European Banking Authority ('EBA'), as appropriate
SMCR	senior managers and certification regime

1 / EXECUTIVE SUMMARY

1.1 OVERVIEW OF THE DOCUMENT

The Financial Conduct Authority '(FCA') in its Prudential sourcebook for MiFID Investment Firms '(MIFIDPRU'), sets out the detailed prudential requirements that apply to Saunderson House Limited ('SHL'). Chapter 8 of MIFIDPRU ('MIFIDPRU 8') sets out public disclosure rules and guidance with which Saunderson House Limited must comply, further to those prudential requirements.

Saunderson House Limited is classified under MIFIDPRU as a non-significant non-SNI (small and non-interconnected) firm.

This document has been prepared in accordance with the requirements of MIFIDPRU 8 and is verified by the Saunderson House Limited board of directors. Our MIFIDPRU 8 disclosure document includes details regarding governance arrangements, risk management, own funds and own funds requirements, remuneration policy and practices as well as quantitative disclosures.

Throughout this report, references are made to the group annual report and accounts and group Pillar 3 disclosures, which are available in the investor relations section of the Rathbones website https://www.rathbones.com/investor-relations/results-and-presentations.

1.2 SCOPE AND APPLICATION

The reference date of these disclosures is 31 December 2024 in line with the Firm's financial year end and all figures are in £000's unless otherwise stated.

None of the disclosures are subject to audit and are therefore produced to satisfy the requirements under MIFIDPRU 8. As per MIFIDPRU 8.1.7R, the Firm makes these disclosures on an individual basis.

The disclosures made in this document are commensurate to SHL's size, internal organisation and to the nature, scope and complexity of its activities. These disclosures are made annually on the date that SHL's financial statements are made public.

1.3 TRANSFER OF BUSINESS

The principal activity of Saunderson House Limited was that of the provision of financial planning services and investment management. It is regulated by the Financial Conduct Authority ("FCA")

All employees were novated across to Rathbones plc on 1 January 2024.

The operational integration of Saunderson House Limited and Rathbones Financial Planning, a business unit of Rathbones Investment Management Limited ('RIM') was concluded in July 2024.

The wind-down plan has been fully executed and the directors have submitted an application to the FCA to de-register SHL. It is expected the company will become dormant once de-registration has been approved.

2 / GOVERNANCE ARRANGEMENTS

2.1 GOVERNANCE STRUCTURE

Saunderson House Limited is a wholly owned subsidiary of Rathbones Group Plc regulated by the FCA. Saunderson House Limited is not a member of an investment firm group for MIFIDPRU purposes.

Following the successful transfer of the business to RIM in its entirety and the wind-down plan being fully executed, the Firm now awaits confirmation from the FCA that it has been de-authorised. Therefore, all committees have been disbanded and overall responsibility now sits with the Saunderson House Board which is supported by group committees as noted below.

2.1.1 SAUNDERSON HOUSE LIMITED BOARD

SHL board has ultimate accountability for risk management as well as setting, leading and owning the risk culture of the firm.

2.1.2 RATHBONES GROUP PLC BOARD

The Plc board's primary role is to provide effective leadership and direction for the group as a whole and to ensure that the group is appropriately managed, delivers long-term shareholder value and contributes to wider society. It establishes the group's purpose and strategic objectives and on an ongoing basis monitors management's performance against those objectives.

The Plc board also supervises the group's operations, with the aim of ensuring that it maintains a framework of prudent and effective controls which enables risks to be properly assessed and appropriately managed.

Further information on these considerations can be found in the strategic report of the group's annual report which can be found on Companies House.

2.1.3 GROUP RISK COMMITTEE ('GRC')

The Group risk committee ('GRC') is chaired by a non-executive director of Rathbones Group Plc and assists the Plc board to discharge its responsibilities for risk management across the group. Specific activities include oversight and challenge of risk management activities by the executive and senior management and overall effectiveness of the risk management framework ('RMF') including the risk appetite framework.

Membership of the committee comprises three other independent non-executive directors, with other parties attending by invitation when required. The GRC meets at least four times a year.

2.1.4 GROUP EXECUTIVE COMMITTEE ('GEC')

The Group Executive Committee ('GEC') is chaired by the chief executive officer of Rathbones Group Plc, who is supported by the senior management team. The key role of the GEC is day-to-day management of the Rathbones group. The committee actively reviews and assesses business performance supported by a range of committees that operate across the group. The Saunderson House Limited CEO is a member of this committee and reports regularly on matters relating to Saunderson House Limited.

2.1.5 GROUP EXECUTIVE RISK COMMITTEE ('ERC')

The Group Executive Risk Committee ('ERC') supports the risk management responsibilities of the GEC and risk oversight responsibilities of the GRC to ensure that non-financial risks, including operational and conduct risk management are fully embedded across the group.

The ERC oversees the group's risk culture, adherence to risk appetite, identifying emerging risks and ensuring appropriate risk management activities, as well as monitoring implementation.

The ERC meets at least ten times a year and otherwise as required. The full remit of the committee is detailed within its current terms of reference which are subject to annual review and approval by the GEC. The Saunderson House Limited CEO attends this committee and report regularly on matters relating to Saunderson House Limited.

2.1.6 GROUP AUDIT COMMITTEE

The Group Audit Committee's key role is to ensure there is confidence in the integrity of the group's processes and procedures as they relate to internal financial controls and corporate reporting. The Plc board relies on the committee to review financial reporting and to appoint and oversee the work of the internal and external auditors. The Group's Audit Committee is comprised of and chaired by independent non-executive directors.

2.1.7 GROUP REMUNERATION COMMITTEE

SHL is not classified as a significant non-SNI firm and therefore, in accordance with the rules in MIFIDPRU 7.1.4, it is not required to establish an independent remuneration committee. Responsibilities of a remuneration committee are borne by the Group's Remuneration Committee, which is comprised of, and chaired by independent non-executive directors.

The Group Remuneration Committee's responsibilities are to determine and set the remuneration philosophy, ensuring that it is aligned with the business plans and risk appetite, approve the remuneration policy for executive directors for final approval by shareholders and make remuneration decisions within the policy, approve total annual remuneration for executive directors based on achievement against objectives set by the committee and review total remuneration for executive committee members, material risk takers and other senior control function colleagues.

2.2 INCLUSION AND DIVERSITY

Embedding Diversity, Equality & Inclusion across the group is critical to achieving our strategic ambitions and our purpose of investing for everyone's tomorrow. To support our colleagues in 2024 the group shared a DE&I plan (page 18 of Responsible Business Update), which was crafted from both feedback from engagement surveys as well as insights from colleagues across the group gathered via focus groups and focusses on leveraging the talent in our business, as we develop more career paths, build leadership skills and manage succession.

The Rathbones group are signatories to the Women in Finance Charter and as part of this, we committed to women holding 35% of senior management roles by September 2027. As of September 2024, we reported 30.4% female representation in senior management at group level compared to 33.0% female representation in 2023.

At group board level, as at the end of 2024, we had five female directors out of nine, which means we exceed the commitment of female board representation for FTSE350 companies set by the FTSE Women Leaders initiative.

Rathbones Group also continue to meet the requirements of the Parker Review, with at least one director from an ethnic minority background.

At the end of 2024, the SHL board no longer had female representation following reduction of the number of board members due to the reduced size of the business and its impending deauthorisation and dormancy.

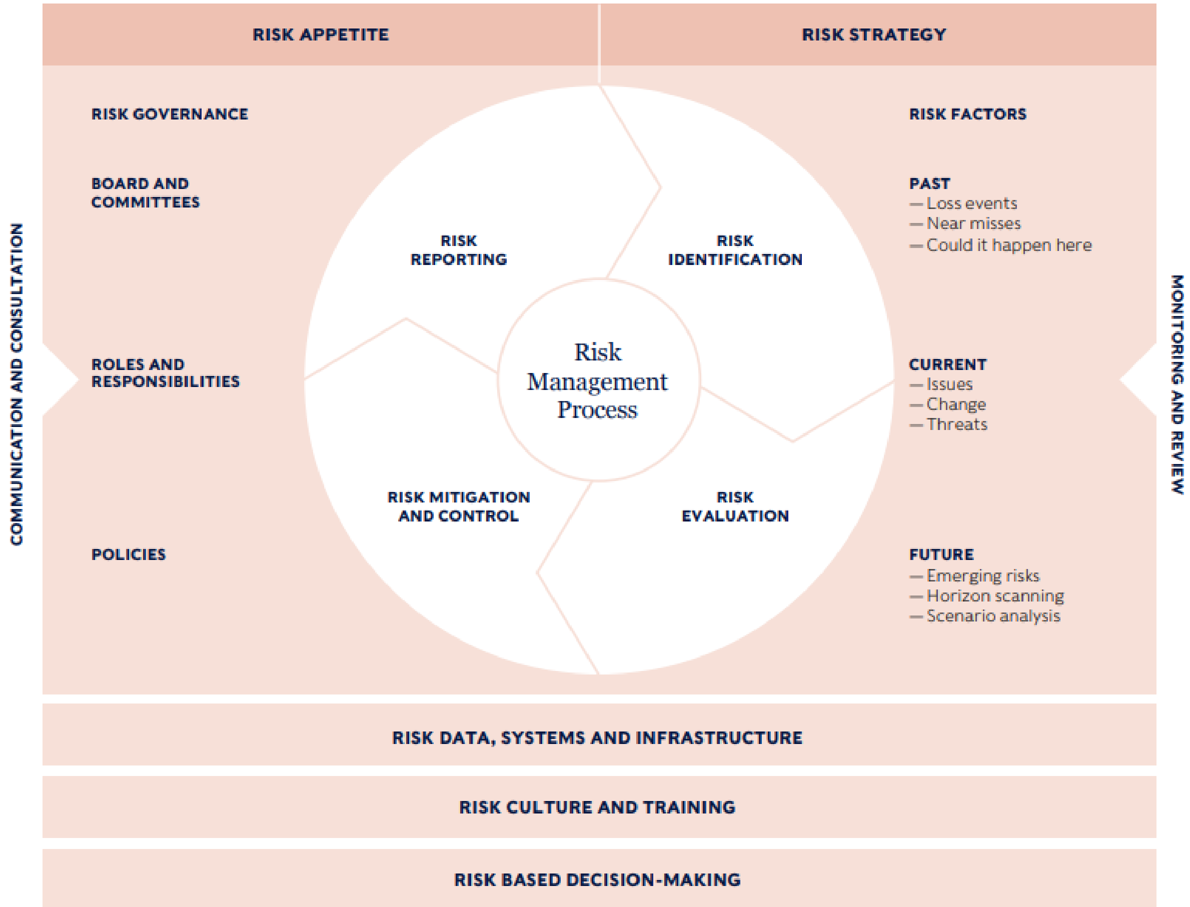
3 / RISK MANAGEMENT

3.1 MANAGING RISK

As of 2024, Saunderson House Limited is fully aligned to the Rathbones group risk management framework. This includes related reporting to the ERC, GRC and GEC following the last ERACC held in August 2024. For further information on the risk management and control framework please refer to the Rathbones Group Plc 2024 annual report and accounts, from page 58. These are not repeated here but relevant extracts have been included.

The Plc board has overall responsibility for risk management across the group, regularly assessing the most significant risks and emerging threats to the group's strategy. The board delegates oversight of risk management activities to the group risk and audit committees.

Our risk governance and risk management framework support the group chief executive and group executive committee members with their day-to-day responsibility for managing risk.



3.2 RISK CULTURE

The risk culture embedded across the group enhances the effectiveness of risk management and decision-making. The Plc board promotes a strong risk culture, reinforced by our executive and senior management team, which encourages appropriate behaviours and collaboration on managing risk across the group.

Risk management is an integral part of everyone's day-to-day responsibilities and activities; it is linked to performance and development, as well as to the group's remuneration and reward schemes. We aim to create an open and transparent working environment, encouraging employees to engage positively in risk management in support of the achievement of our strategic objectives.

GOVERNANCE			
BOARD	**AUDIT COMMITTEE**	**GROUP RISK COMMITTEE**	**EXECUTIVE COMMITTEE** **EXECUTIVE RISK COMMITTEE** **BANKING COMMITTEE**
Sets strategy and risk appetite across the Group, and is ultimately accountable for risk management.	Monitors and reviews the effectiveness of internal controls with oversight of the internal audit function in line with the Group's risk profile on behalf of the Board. It also oversees the appointment and relationship with the external auditor.	Oversees effectiveness of the risk management framework and activity across the Group. Advises the Board on risk appetite, risk assessment, risk profile and risk culture.	First line committees with responsibility for management of risk and internal control across the Group.

3.3 RISK APPETITE, RISK IDENTIFICATION AND RISK ASSESSMENT

No operational risk appetites specific to SHL are monitored against due to all operations moving to RIM. Below explains how the Group manages its risk appetite.

The Plc board approves the firm's risk appetite statement and framework at least annually to ensure it remains consistent with our strategic objectives and prudential responsibilities.

Specific risk appetite statements are set, and measures established for, each principal risk. The risk appetite framework supports strategic decision-making, as well as providing a mechanism to monitor our risk exposures.

The position against our risk appetite statements and measures is assessed and reported on a regular basis to the executive committee, group risk committee and the Plc board.

Given the current economic outlook and the evolving regulatory landscape within the sector, the Plc board remains committed to having a relatively low overall appetite for risk in line with our strategy. The Plc board recognises our performance is susceptible to fluctuations in investment markets and has the potential to bear losses from financial and non-financial risks from time to time, either as reductions in income or increases in operating costs.

Risk appetite measures and thresholds have been approved by the Plc board for 2025, taking into account the combination between Rathbones (including SHL) and IW&I. This year's measures reflect the scale of the enlarged group but, other than this, there have been no other material changes to our appetite for risk. Following full client migration of IW&I clients in 2025, an interim review will be completed to ensure that measures remain appropriate for the group and its individual entities.

3.4 THREE LINES OF DEFENCE

We operate a three lines of defence model to support risk governance and risk management across the group:

BUSINESS AREAS AND LINES OF DEFENCE		
1 **FIRST LINE OF DEFENCE**	2 **SECOND LINE OF DEFENCE**	3 **THIRD LINE OF DEFENCE**
Senior management Business operations and control functions	Risk, compliance and anti-money laundering functions	Internal audit
RESPONSIBILITY Responsible for managing risk in line with risk appetite by developing and maintaining an effective system of internal control.	**RESPONSIBILITY** Responsible for the risk management framework and the independent oversight and challenge of first line risk management activity.	**RESPONSIBILITY** Responsible for providing independent assurance to senior management on the effectiveness of governance, risk management and internal control.

3.5 RISK MANAGEMENT PROCESS

Our risk management process is a defined approach to identify, assess and respond to risks that could affect delivery of strategic objectives and annual business plans. The board, executive and senior management are actively involved in this process.

Risks are identified within a three-tier hierarchy, with the highest level containing business and strategic, financial, conduct and operational risks. Risks are assessed on an inherent and residual basis across a three-year period according to several impact criteria, which include consideration of the internal control environment and/or insurance mitigation.

We maintain a watch list to identify and evaluate current issues and emerging risks as a result of business development or changes in the regulatory landscape, as well as threats and issues in the wider external environment. This helps inform the view of the firm's current and longer-term risk profile and influences management's decisions and actions.

Stress tests are undertaken to include consideration of the impact of a number of severe but plausible events that could impact the business. This work takes account of the availability and likely effectiveness of mitigating actions that could be taken to avoid or reduce the impact or likelihood of the underlying risks materialising.

The group's risk profile, risk register, watch list and stress tests are regularly reviewed and challenged by the group executive, senior management, group risk committee and the Plc board. Throughout 2024, the group risk governance structure has not altered but its membership and inputs have been enhanced to ensure oversight of the enlarged group and its individual entities.

The risk appetite framework determines the following escalation requirements.

- **Key risk indicator trigger**: A breach will require management action with progress monitored by the GEC.
- **Risk appetite**: A breach will trigger management action to revert within appetite in an agreed reasonable timeframe, with progress monitored by the GEC and reported to the GRC.
- **Risk tolerance**: A breach would require immediate intervention and reporting to the GEC and Plc board, to rapid conclusion.
- **Risk capacity**: A matter of corporate survival, a breach will trigger invocation of recovery plan.

3.6 OWN FUNDS' RISKS

The Company's previous activities exposed it to a number of financial and non-financial risks, the economic benefit and burden of SHL client service has now transferred from SHL to RIM. Regulatory responsibility for any client harm has also been fully accepted by RIM. The decision to wind down having been taken by SHL, the entity will continue to assess appropriate levels of capital and liquidity to hold until such time as its FCA permissions are formally de-registered.

The following is an extract from the Saunderson House Annual Report and Financial Statements for the year ended 31 December 2024:

Credit risk
The Company's principal financial assets are its bank balances. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The Company has a concentration of credit risk with Barclays Bank plc (Barclays) as the sole banker to the Company. This risk is expected to be reduced to a minimal level once the Company becomes dormant.

Liquidity risk
The Company's principal liquidity risk comes from intercompany debt with other Rathbones Group entities arising on settlement of supplier charges , however this risk is mitigated as the majority of contracts have either ceased or transferred to Rathbones Investment Management Ltd. This risk is also lowered significantly in 2024 by centralising most bank payments, including payroll, at a group level. This risk is expected to be reduce to a minimal level once the Company becomes dormant.

Any material risk exposures, either on-balance sheet or off-balance sheet are identified, assessed, managed and reported in a timely and accurate manner. These key processes are aligned to a set of processes within the Rathbones group risk framework.

4 / OWN FUNDS, CAPITAL ADEQUACY AND TOTAL FUNDS REQUIREMENT

4.1.1 COMPOSITION OF REGULATORY OWN FUNDS (MIFIDPRU 8.4)

SHL's Own Funds comprise exclusively of Common Equity Tier 1 capital ("CET1") the highest-ranking form of capital comprising fully issued ordinary shares and audited retained earnings in accordance with the criteria for Tier 1 capital instruments laid out in MIFIDPRU 3.3.6 R.

Deductions from CET1 are in the form of a current year loss caused by dividends exceeding current year earnings.

Template OF1 - Composition of regulatory own funds (£000s).

	Item	Amount	Source based on reference numbers/letters of the balance sheet in the audited financial statements
1	OWN FUNDS	13,151	
2	TIER 1 CAPITAL	13,151	
3	COMMON EQUITY TIER 1 CAPITAL	13,151	
4	Fully paid-up capital instruments	86	Note 16
5	Share premium	-	
6	Retained earnings	16,127	Statement of changes in equity
7	Accumulated other comprehensive income	-	
8	Other reserves	-	
9	Adjustments to CET1 due to prudential filters	-	
10	Other funds	-	
11	(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	(3,062)-	Statement of changes in equity
19	CET1: Other capital elements, deductions and adjustments	-	
20	ADDITIONAL TIER 1 CAPITAL	-	
25	TIER 2 CAPITAL	-	

– Note: The rows omitted in this table have nil values and therefore have been removed.

4.1.2 COMPOSITION OF REGULATORY OWN FUNDS (MIFIDPRU 8.4)

The table below describes the reconciliation with Own Funds in the balance sheet as at 31 December 2024, where assets and liabilities have been identified by their respective classes. The information in the table reflects the balance sheet in the audited financial statements.

OF2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements (£000s)

		a	b	c
		Balance sheet as in published/audited financial statements	Under regulatory scope of consolidation	Cross reference to template OF1
		As at period end	As at period end	
Assets - *Breakdown by asset classes according to the balance sheet in the audited financial statements*				
1	Intangible assets	-		
2	Tangible assets	-	-	
3	Trade and other receivables	3,249		
4	Deferred tax asset			
5	Cash at bank and in hand	17,612		
	Total Assets	20,861		
Liabilities - *Breakdown by liability classes according to the balance sheet in the audited financial statements*				
1	Creditors: Amounts falling due within one year	7,484		
2	Provisions for liabilities	226		
	Total Liabilities	7,710		
	Net assets	13,151		
Shareholders' Equity				
1	Ordinary shares	86		4
2	Retained earnings	13,065		6
	Total Shareholders' equity	13,151		

4.1.3 KEY FEATURES OF OWN INSTRUMENTS ISSUED BY SHL

Information on voting ordinary shares of Saunderson House Limited

Issuer	Saunderson House Limited
Unique identifier (Companies' House number)	00940473
Public or private placement	Private
Governing law(s) of the instrument	England & Wales
Contractual recognition of write down and conversion powers of resolution authorities	Yes
Current treatment taking into account, where applicable, transitional MIFIDPRU rules	Common Equity Tier 1
Post-transitional MIFIDPRU rules	Common Equity Tier 1
Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Solo
Instrument type (types to be specified by each jurisdiction)	Ordinary shares (UK)
Amount recognised in regulatory capital or eligible liabilities (Currency in thousands, as of most recent reporting date)	£85
Nominal amount of instrument	85 thousand shares
Issue price	£1
Redemption price	n/a
Accounting classification	Shareholders' equity
Original date of issuance	14/10/1968
Perpetual or dated	Perpetual
Original maturity date	N/A
Issuer call subject to prior supervisory approval	N/A
Optional call date, contingent call dates and redemption amount	N/A
Subsequent call dates, if applicable	N/A
Fixed or floating dividend/coupon	Floating
Coupon rate and any related index	N/A
Existence of a dividend stopper	N/A
Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary
Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary
Existence of step up or other incentive to redeem	N/A
Noncumulative or cumulative	Non-cumulative
Convertible or non-convertible	Non-convertible
Write-down features	N/A
Type of subordination (only for eligible liabilities)	Contractual
Ranking of the instrument in normal insolvency proceedings	Ranks behind all other forms of capital
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior Unsecured
Non-compliant transitioned features	N/A
If yes, specify non-compliant features	N/A

Information on non-voting common shares of Saunderson House Limited

Issuer	Saunderson House Limited
Unique identifier (Companies' House number)	00940473
Public or private placement	Private
Governing law(s) of the instrument	England & Wales
Contractual recognition of write down and conversion powers of resolution authorities	Yes
Current treatment taking into account, where applicable, transitional MIFIDPRU rules	Common Equity Tier 1
Post-transitional MIFIDPRU rules	Common Equity Tier 1
Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Solo
Instrument type (types to be specified by each jurisdiction)	Ordinary non-voting shares (UK)
Amount recognised in regulatory capital or eligible liabilities (Currency in thousands, as of most recent reporting date)	£1
Nominal amount of instrument	1 thousand shares
Issue price	£1
Redemption price	n/a
Accounting classification	Shareholders' equity
Original date of issuance	14/10/1968
Perpetual or dated	Perpetual
Original maturity date	N/A
Issuer call subject to prior supervisory approval	N/A
Optional call date, contingent call dates and redemption amount	N/A
Subsequent call dates, if applicable	N/A
Fixed or floating dividend/coupon	Floating
Coupon rate and any related index	N/A
Existence of a dividend stopper	N/A
Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary
Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary
Existence of step up or other incentive to redeem	N/A
Noncumulative or cumulative	Non-cumulative
Convertible or non-convertible	Non-convertible
Write-down features	N/A
Type of subordination (only for eligible liabilities)	Contractual
Ranking of the instrument in normal insolvency proceedings	Ranks behind all other forms of capital
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior Unsecured
Non-compliant transitioned features	N/A
If yes, specify non-compliant features	N/A

4.2 OWN FUNDS REQUIREMENTS (MIFIDPRU 8.5)

K-Factor Requirement and Fixed Overheads Requirement

The table below shows the K-Factor Requirement ("KFR"), broken down into three groupings and the amount of Fixed Overheads Requirement ("FOR") that are applicable to the Firm.

OFR4 – KFR and FOR

Item		Amount (GBP thousands)
K-Factors	K-AUM, K-CMH, and K-ASA (1)	633
	K-DTF and K-COH	n/a
	K-NPR, K-CMG, K-TCD and K-CON	n/a
Fixed Overheads Requirement ("FOR")		5,404

(1) As per FCA requirements, SHL is only required to calculate its K_AUM factor.

In accordance with MIFIDPRU, SHL undertakes an internal capital adequacy and risk assessment process ('ICARA') to evidence compliance with the overall financial adequacy rule as defined in MIFIDPRU 7.4.7R.

The ICARA process is linked to our overall risk management, business planning and capital management, with each of these components informing the others. Capital planning takes place annually, together with the firm's financial forecasting process. The ICARA process allows us to determine our own funds threshold requirement and liquid assets threshold requirement and therefore determine how we meet our threshold conditions.

Our ICARA document includes the key conclusions and principles of our process:

- we consider and account for the risk of harm posed to consumers and markets and the safety and soundness of the firm's own current financial position and its ability to withstand plausible stressed conditions
- the findings of our analysis include the amount of capital and liquidity we consider should be held and confirmation that SHL has adequate financial resources for its size and the complexity of its business
- we provide an overview of our risk management framework and governance structures
- we identify our material risks and determine whether these risks are within our risk appetite
- we assess the adequacy of our risk management process and governance process
- we review our capital planning and stress testing process
- we describe our business model, strategic planning and earnings forecasts
- we produce a credible costed wind down plan
- we provide a description of the review, challenge and approval process of the ICARA

5 / REMUNERATION

5.1 REMUNERATION POLICY AND PRACTICES

The remuneration section from page 29 of the Rathbones Group plc 2024 annual Pillar 3 disclosures provides an overview of the 2024 remuneration system and link between pay and performance.

The remuneration committee report on pages 114 of the 2024 Rathbones group annual report and accounts includes details of the group directors' remuneration policy. The committee, which comprises the independent non-executive directors, met on four occasions during 2024. The remuneration committee was advised by PricewaterhouseCoopers ('PWC'), who provided external market data and advice on current best practice on remuneration policies and arrangements.

5.2 CHARACTERISTICS OF THE FIRM'S REMUNERATION POLICY AND PRACTICES

Remuneration at Saunderson House Limited was made up of fixed and variable components. The fixed component was set in line with market competitiveness at a level to attract and retain skilled staff. Variable remuneration took into consideration the firm's financial performance and the financial and non-financial performance of the individual in contributing to the firm's success.

The fixed and variable components of remuneration were appropriately balanced: the fixed component represented a sufficiently high proportion of the total remuneration to enable the operation of a fully flexible policy on variable remuneration.

Current and future risks were identified in the Report of the Directors within the firm's Annual Report and mentioned in section 3.5 above.

	Financial performance criteria	Non-Financial performance criteria
Firm	Overall variable bonus pool was determined by reference to adjusted earnings of the company.	
Individual	Individual share of variable bonus pool.	Personal performance, role and experience.

5.3 MATERIAL RISK TAKERS

The procedure used to identify material risk takers ('MRTs') complies with the SYSC 19.G part of the FCA handbook. MRTs fall within categories of SYSC 19G.5.3 R (1), 19G.5.3 (7), 19G.5.3 R (4) (d) and 19G.5.3 R (8) (a). Moreover, additional criteria have been applied where an individual is responsible for more than 5% of revenue is identified as a MRTs.

During the year, the company recorded 6 MRTs. It should be noted that some of these colleagues were also identified as MRTs of the Rathbones group and as such their details will have also been disclosed under the annual Pillar 3 remuneration disclosure.

5.4 QUANTITATIVE REMUNERATION DISCLOSURE

For these purposes, 'staff' is defined broadly and includes directors and employees of the company (£000s).

	Fixed component of remuneration	Variable component of remuneration
Senior management	1,582	1,727
Other material risk takers	360	189
Other staff		

5.5 EX-ANTE AND EX-POST RISK ADJUSTMENTS

Ex-ante risk adjustment amends remuneration for intrinsic risks that are inherent in business activities. Overall bonus pools across all schemes could be adjusted for all types of current and future risks, both financial and non-financial such as:

- reputation
- strategy and values
- effectiveness and operation of the risk and control environment

We reserved the right to adjust variable awards based on crystalised risk or adverse performance outcomes, including those relating to misconduct.

Ex post-risk adjustment could apply at the firm level, for example, if there had been a material misstatement (including any omission in the firm's financial statements), or if the firm were subject to a material adverse event (such as regulatory censure).

5.6 PERFORMANCE ADJUSTMENT

Performance adjustments to variable compensation awards were considered to reflect the risk and performance of the firm, business area or individual.

Awards could be adjusted (including, if appropriate, reducing to zero) on an individual basis in the following three ways:

- decrease current year award not yet granted
- malus – adjust unvested deferred award (either in the form of cash or shares)
- clawback – adjusted vested awards

Where conduct for any employee fell below the standard expected, an appropriate adjustment to variable remuneration at the individual level would be made.

Any adjustments on an individual basis would be advised to the individual as part of the performance review and annual review process, or at any other time when variable compensation was awarded and has been subject to an adjustment.

There was no guaranteed variable remuneration. All annual bonuses were discretionary.

The highest severance payment awarded to an MRT in the period was £7,000.