

2017 Remuneration Code Disclosure Table SG Kleinwort Hambros Bank Limited (the “Bank”)

The below disclosures are made in accordance with the Capital Requirements Regulation (CRR), Capital Requirements Directive (CRD IV) and the PRA and FCA rules for disclosure by Level 3 firms.

In line with the above regulations, the disclosures below provide information regarding the remuneration policies and practices for those staff whose professional activities have a material impact on the Bank’s risk profile.

In the calendar year 2017, Kleinwort Benson Bank Limited (“Kleinwort Benson”) was fully acquired by SG Hambros Bank Limited (later renamed SG Kleinwort Hambros Bank Limited). Employees present within Kleinwort Benson were transferred to SG Hambros Bank Limited by 1 April 2017, with the entities formally integrating in November 2017. This disclosure therefore covers both Kleinwort Benson and SG Hambros Bank Limited for the period of 2017 and all remuneration data includes employees from both entities

The Bank has been confirmed by the PRA/FCA to be a proportionality Level 3 Remuneration Code firm.

<p>Article 450 (1)(a) CRR: Information concerning the decision-making process used for determining the remuneration policy including if applicable, information about the composition and the mandate of the remuneration committee, the external consultant whose services have been used for the determination of the remuneration policy and the role of the relevant stakeholders.</p>	
<p>Composition and the mandate of the ‘remuneration committee’</p>	<p>The Remuneration & Nomination Committee (the “Committee”) is appointed by the Board of SG Hambros Bank Limited (the “Bank”) and consists of Independent Non-Executive Directors chaired by the Chairman of the Board. Prior to the integration, this also applied to the Kleinwort Benson Nomination & Remuneration Committee. This independence enables the Committee to exercise competent judgement on remuneration policies and incentives for managing risk and creation of value in line with the shareholder’s and other stakeholders’ expectations.</p> <p>The Remuneration & Nomination Committee is responsible for determining the framework and broad remuneration policy for the Bank (taking into consideration the wider Societe Generale Group (“SG Group”) remuneration policy, financial services industry standards, and PRA/FCA requirements. The Remuneration Policy of the Bank is reviewed at least annually by the Remuneration & Nomination Committee to ensure it remains consistent with the FCA Remuneration Code (“Remuneration Code”) and the objectives of the Bank. In 2017, the Remuneration & Nomination Committee met 5 times (the Kleinwort Benson Nomination &</p>

	<p>Remuneration Committee also met prior to the integration). The Remuneration Code applies to Remuneration Code Staff (“Code Staff”), also known as “Material Risk Takers” (“MRTs”). Using the definition of Material Risk Takers laid down by the European Banking Authority in the Technical Delegated Regulations (EU) for the Identification of MRTs issued under Article 94(2) of Directive 2013/36/EU (and updated in a supplement No 604/2014), the Bank’s Code Staff are defined as Non-Executive Directors, Senior Management, SG Kleinwort Hambros Group Heads of significant functions (including control functions such as Risk, Operational Risk, Legal, Compliance and AML), Senior Managers of Private Banking and Trust teams and any employees receiving total remuneration that takes them into the same remuneration bracket as Senior Management, whose professional activities have a material impact on the Bank’s risk profile.</p>
External consultant	<p>The Committee has not sought to use external consultants to determine remuneration policy but the Bank has sought advice from Price Waterhouse Coopers on certain regulatory issues.</p>
Role of the relevant stakeholders	<p>Material relevant stakeholders are considered to be the Regulators, Shareholder, customers and employees. The Remuneration & Nomination Committee and attendees represent members of each of these stakeholder groups and the Remuneration & Nomination Committee considers the short and long term interests of stakeholders in the decision making process.</p>

<p>Article 450 (1)(b) CRR: Information on the link between pay and performance.</p>	
<p>Main performance metrics for Firm, business line and individuals (not a detailed description of application)¹ in a combination of financial and non-financial criteria²</p>	<p>The Bank has in place a discretionary bonus plan for the benefit of its employees. The awards in this plan are linked to the employee’s annual objectives with performance measured against specific financial and non-financial performance metrics, such as risk management and compliance. Bonus awards are variable remuneration as defined in the FCA Remuneration Code. Individual awards are split between amounts payable in March following the year to which the reward relates, and amounts deferred (in a mixture of cash and quasi-shares) for three years. For all staff, including Code Staff, deferral applies over a threshold amount; for 2017 this was GBP 85,000. The deferred amounts, and the final amounts paid out, are then subject to further conditions linked</p>

	<p>to the performance of the applicable business of SG Group.</p> <p>The calculation of bonus awards for individuals is undertaken annually and is linked to three key factors:</p> <ul style="list-style-type: none"> ▪ Assessed individual performance against annual objectives, these will include some financial metrics for front office employees. ▪ Assessed individual compliance with SG Kleinwort Hambros Group's core standards (Conduct, Risk & Compliance) ▪ Bank's performance against annual business plan (for non-control functions). <p>Compensation for control functions, including Risk and Compliance, is independent from the compensation or performance of the business.</p> <p>The Bank does not have any executive Long-Term Incentive Plans however, employees are eligible for consideration for a discretionary grant under the Performance Shares Plan, subject to caps on the total amount granted. The Performance Shares granted are subject to a vesting period during which the performance shares are not vested and remain conditional to the achievement of specific conditions. During this period, the beneficiary only has conditional rights to the shares.</p>
<p>Description of how the firm will ensure total variable remuneration is generally contracted when firm performance is subdued or negative³</p>	<p>The Bank's remuneration practices, policies and procedures aim to ensure that the remuneration arrangements properly take into account all types of risks, liquidity and capital levels and that the remuneration is consistent with and promotes sound and effective risk management and is in line with the business strategy, objectives, culture and values and the long-term interest of the Bank and the shareholders As stated in the Remuneration Policy Statement (RPS), the construction of the bonus pool is linked to Gross Operating Income (GOI) and Normalised Profit of Societe Generale Group and Global Banking and Investor Solutions (GBIS), as well indicators such as Return on Equity (ROI) and compensation ratios. In addition, the Net Banking Income (NBI), Net New Managed Accounts (NNMA) and Gross Operating Income (GOI) of SG's global Private Banking business and the GOI of SG Kleinwort Hambros Group is then considered. Normalised profit is the measure of profit post all costs including capital, risk and Societe Generale Group allocations. If</p>

	the operating income or normalised profit of Societe Generale Group or the applicable business lines contracts, the allocation to SG Kleinwort Hambros Bank Limited will be decreased accordingly.
--	--

¹ CEBS Guidelines paragraph 152

² Code Principle 12

³ Code Principle 8

Article 450 (1)(g) CRR: Aggregate quantitative information on remuneration, broken down by business area.	
Business Area	Total Remuneration (including benefits)
Management, Support and Control	£18,391,194
Business Lines	£52,764,091

Article 450 1(h) CRR: Aggregate quantitative information on remuneration, broken down by senior management and members of staff whose actions have a material impact on the risk profile of the firm.			
	Senior management	Other members of Code Staff	Totals
Fixed remuneration (including benefits)	£5,608,603		£5,608,603
Variable remuneration (including severance)	£2,912,150		£2,912,150
Number of Staff	36	0	36

Please note that, consistent with prior years, the figures above are inclusive of all SG Kleinwort Hambros Group entities including employees in the UK, Channel Islands, Gibraltar and Ireland.