

**2018 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.

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

<p><b>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.</b></p>	
<p>Composition and the mandate of the ‘remuneration committee’</p>	<p>The Remuneration &amp; Nomination Committee (the “Committee”) is appointed by the Board of SG Kleinwort Hambros Bank Limited (“SG Kleinwort Hambros”) and consists of Independent Non-Executive Directors chaired by the Chairman of the Board. 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 &amp; 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 &amp; Nomination Committee to ensure it remains consistent with the FCA Remuneration Code (“Remuneration Code”) and the objectives of the Bank. In 2018, the Remuneration &amp; Nomination Committee met 3 times. 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), SG Kleinwort Hambros’ Code Staff are defined as Non-Executive Directors, Senior</p>

	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 SG Kleinwort Hambros' risk profile.
External consultant	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.
Role of the relevant stakeholders	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.

**Article 450 (1)(b) CRR:**

**Information on the link between pay and performance.**

Main performance metrics for Firm, business line and individuals (not a detailed description of application) <sup>1</sup> in a combination of financial and non-financial criteria <sup>2</sup>	<p>SG Kleinwort Hambros 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 2018 this was GBP 90,000. The deferred amounts, and the final amounts paid out, are then subject to further conditions linked 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"> <li>▪ Assessed individual performance against annual objectives, these will include some financial metrics for front office employees.</li> <li>▪ Assessed individual compliance with SG Kleinwort Hambros score</li> </ul>
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	<p>standards (Conduct, Risk &amp; Compliance)</p> <ul style="list-style-type: none"> <li>▪ SG Kleinwort Hambros' performance against annual business plan (for non-control functions).</li> </ul> <p>Compensation for control functions, including Risk and Compliance, is independent from the compensation or performance of the business.</p> <p>SG Kleinwort Hambros 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 negative<sup>3</sup></p>	<p>SG Kleinwort Hambros' 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 variable remuneration pool for SG Kleinwort Hambros is generated based on performance indicators which take into account all costs and risks inherent to the activities (liquidity, credit, market, operational risks as well as capital requirements) of Global Banking &amp; Investor Solutions ("GBIS"), the Wealth &amp; Asset Management Business Unit and the specific business lines within SG Kleinwort Hambros Group. Market practices and trends, as well as the market environment and relative performance, are also taken into account.. If the performance indicators of SG Group or the applicable Business Units contracts, the allocation to SG Kleinwort Hambros will be decreased accordingly.</p>

<sup>1</sup> CEBS Guidelines paragraph 152

<sup>2</sup> Code Principle 12

<sup>3</sup> Code Principle 8

*Notes on the figures below for the Remco (this text will be removed from published version):*

- Variable Remuneration figures are lower than previous year due to reduction in the bonus envelope.
- Also, in previous years, employee benefits figures have been included in the Fixed Remuneration numbers. As part of our review of regulatory disclosures across the UK entities (and specifically based on the format we will use for disclosures for SGLB post-Brexit) we will, going forward, align with the SG Group approach of showing fixed compensation as including salary and allowances only. This is in line with peer practice with other banks and accepted by the regulators. Severance can also be excluded from the totals on the same basis. This is the main driver of the Fixed Remuneration number being lower than the prior year.

<b>Article 450 (1)(g) CRR: Aggregate quantitative information on remuneration, broken down by business area.</b>	
<b>Business Area</b>	<b>Total Remuneration</b>
Management, Support and Control	£14,241,941
Business Lines	£44,217,306

<b>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.</b>			
	<b>Senior management</b>	<b>Other members of Code Staff</b>	<b>Totals</b>
Fixed remuneration	£5,053,564		£5,053,564
Variable remuneration	£1,814,666		£1,814,666
Number of Staff	38	0	38

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.