Rothschild & Co | Redburn

IFPR disclosures for the year ending 31 December 2024

Redburn (Europe) Limited

June 2025

Contents

1. Overview

This disclosure is in relation to Redburn (Europe) Limited ("**Redburn**" or the "**Firm**" or), a firm incorporated in the United Kingdom, and authorised and regulated by the Financial Conduct Authority ("**FCA**") under Firm reference number 607483. Redburn undertakes the following primary activities, in accordance with its FCA permissions:

- Advising on investments;
- Arranging deals in investments;
- Dealing in investments as agent;
- Dealing in investments as principal;
- Making arrangements with the view to transactions in investments; and
- Safeguarding and administration of assets (without arranging).

Redburn also has permission to hold client money and client assets but does not typically do so when undertaking its core regulated activity, matched principal broking. Redburn has professional clients only. It has no retail clients.

Redburn is a subsidiary of Rothschild & Co Continuation Holdings AG, a holding company wholly owned by Rothschild & Co SCA ("**Rothschild & Co**"). Rothschild & Co is registered on the list of financial holding companies supervised by the French Prudential Control Authority (Autorité de Contrôle Prudentiel et de Résolution).

This document sets out the public disclosures for Redburn as at 31 December 2024 which represents the end of the financial accounting period. This document is available on Rothschild & Co's website (www.rothschildandco.com).

Basis and Frequency of Disclosure

As a UK investment firm undertaking activities within the scope of the UK Markets in Financial Instruments Directive ("**MIFID**"), Redburn is subject to the prudential requirements of the Investment Firms Prudential Regime ("**IFPR**") contained in the MIFIDPRU Prudential sourcebook for MIFID Investment Firms of the FCA Handbook. Under the IFPR's firm categorisation, Redburn is categorised as a non-small non-interconnected MIFIDPRU investment firm.

Redburn is required to publish disclosures in accordance with the provisions outlined in MIFIDPRU 8 of the IFPR. These requirements are supplemented by the guidance set out in MIFIDPRU 8 published by the FCA. The objective of these disclosures is to increase the transparency of the risk, governance, remuneration and investment management practices of the Firm.

The disclosure for Redburn is prepared annually on an individual basis and is proportionate to the size, organisation, nature, scope and complexity of the Firm's activities.

In accordance with IFPR, investment firms are required to publicly disclose information on the firm's own funds (financial strength), behaviour (investment policy) and culture (risk management, governance, and remuneration). This document provides transparency and accountability regarding Redburn's business activities.

Policy, Validation and Sign-Off

These disclosures have been approved by the Board of Directors (the "**Board**") of Redburn.

Unless otherwise indicated, information contained within this document has not been subject to external audit. The disclosures have been prepared purely for the purpose of explaining the basis on which Redburn has prepared and disclosed certain own funds requirements and information about the management of certain risks, and for no other purpose. They do not constitute any form of financial statement and must not be relied upon in making any judgement on the financial position of the Redburn.

2. Risk management and governance arrangements

Categories of risk

Redburn has established processes for identifying, evaluating and managing the material risks faced by the Firm. Per MIFIDPRU 8.2.1, the potential for harm from Redburn's activities by risk category is summarised below.

Risk category	Potential for harm (non-exhaustive)
Own funds requirements	This is the level of own funds required to be held by Redburn to reflect the potential harm that might be incurred by Redburn, its clients, and the markets it operates in from: credit risk, operational risk, market risk, strategic risk, cyber risk, legal, regulatory and compliance risk
Settlement Risk	Settlement risk arises in the matched principal broking business and is monitored to reduce the risk of Redburn being exposed to too much risk from a single client or high overall market exposure. Settlement is on a delivery vs payment basis which significantly reduces credit risk
Liquidity	The MIFIDPRU basic liquid assets requirement is for investment firms to hold a certain amount of liquid assets in order to cover commitments as they become due. This is to ensure that Redburn has enough liquidity to meet obligations to counterparties and clients

See Redburn's financial statements for a more detailed description of principal risks.

Approach to managing risk

Redburn manages its risks by applying the framework described below to ensure alignment with respect to compliance with relevant regulations, law, corporate governance and industry best practice

- Identification
  This identifies risks through regular business monitoring, reviews, or changes in services offered. The likelihood and severity of the risks are also assessed.
- Risk appetite
  This sets the amount of risk that the Redburn Board is prepared to accept in order to deliver its business objectives. Risk appetite reflects culture, strategic goals and the existing operating and control environment.
- Controls assessment
  Controls are measures that are taken to mitigate risks. They can be preventive, detective, or corrective in nature. Redburn assesses the effectiveness of controls in place to reduce the probability of a risk occurring or, should it materialise, mitigating its impact.
- Monitoring and reporting
  Ongoing monitoring and reporting of risks to senior management provides insight to inform decision-making and allocation of resources to achieve business objectives.

Risk governance - three lines of defence

The 'three lines of defence' model distinguishes between functions owning and managing risks, functions overseeing risks and functions providing independent assurance. It is in the first instance the responsibility of senior management within Redburn to implement risk management systems and controls which comply with the Redburn Risk Framework.

R&Co EMS Risk Framework
The Three Lines of Defence for identifying, evaluating and managing risks

First Line of Defence

It is the responsibility of senior management in each of Redburn's business lines and functions to establish and maintain effective risk management systems and to support risk management best practice.

Second Line of Defence

Comprises specialist Support functions including: Legal, Compliance and Risk, and in some cases Finance and Human Resources.

These functions provide

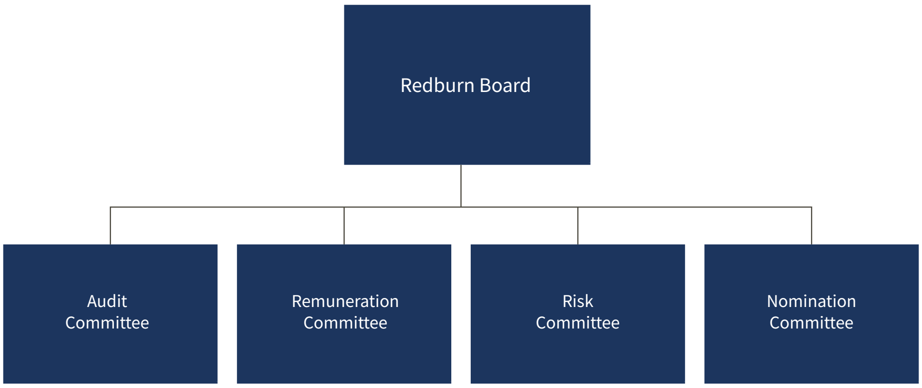
- advice to management
- assistance in the identification, assessment, management, measurement, monitoring and reporting of financial and non-financial risks;
- independent challenge to the businesses
- technical guidance
- risk and compliance policies for approval

Third Line of Defence

Provides independent objective assurance on the effectiveness of the management of risks.

This is provided by the Group's Internal Audit function

Redburn governance structure



Governance arrangements
Redburn Board

In accordance with applicable requirements under UK regulation and company law, the Board is accountable to the shareholder for:

- the creation and delivery of strong, sustainable financial performance and long-term shareholder value,
- the overall leadership of the Firm.
- the Firm's culture, values and standards.

The Board comprises of executive and non-executive directors who are appointed by the Board. Executive directors and non-executive directors who chair committees are also subject to FCA approval. The Board approves the Firm's strategy which is set within the context of the overall Rothschild & Co strategy. The Board monitors the execution of that strategy, oversees the Firm's operations and maintains a sound system of internal control and risk management.

The Board has delegated the executive management of the Firm's business to the Co-Chief Executive Officers ("CEOs"). The CEOs are empowered to delegate responsibility for the day-to-day management of the Firm to suitable individuals, with the exception of the matters which are reserved for the Board, and any matter which is the subject of a delegation to a Board committee.

Specialised committees of the Redburn Board

The Board is supported by a number of Board and Executive committees.

Audit Committee

The Redburn Audit Committee has been established by the Redburn Board to review the following matters:

- the process of drawing up financial information and accounting methods;
- the statutory audit process;
- the independence and objectivity of the statutory auditors;
- the effectiveness of the internal control systems; and
- internal audit and external auditors' arrangements.

Remuneration Committee

The Committee has been established by the Redburn Board to:

- ensure that Redburn's remuneration practices promote sound and effective risk management and do not encourage excessive risk taking;
- exercise competent and independent judgment on remuneration policies and practices and the incentives created for managing risk, capital and liquidity; and
- be responsible for preparing decisions regarding remuneration, including decisions which have implications for the risk and risk management of the firm and which are to be taken by the Redburn Board.

Risk Committee

The Committee has been established by the Redburn Board to:

- advise the Board on the firm's overall current and future risk appetite and strategy;
- assist the Board in overseeing the implementation of that strategy by senior management; and
- without prejudice to the tasks of the Redburn Remuneration Committee, examine whether incentives provided by the remuneration system take into consideration risk, capital, liquidity and the likelihood and timing of earnings.

Nomination Committee

The Committee has been established by the Redburn Board to:

- lead the review process for appointments to the Board and its Committees; and
- oversee the development of a diverse pipeline for succession to the Board, its Committees and wider senior management within Redburn.

Group Executive Committee

This is an executive committee established to oversee the day to day running of the business. Amongst other matters, Group Executive Committee ("GEC") members are responsible for:

- Raising any new risks and highlighting key risk developments.
- Overseeing successful implementation of risk mitigation plans suggested by GEC, Audit Committee, Risk Committee or Board.

- Reviewing Internal Audit Reports and ensuring timely closure of open audit findings.
- Reviewing the Group Risk Report on a regular basis to ensure completeness of information and appropriateness of escalation decisions.

The Audit Committee, Remuneration Committee, Risk Committee and Nomination Committee are Committees of the Board and are composed exclusively of Non-Executive Directors.

Directorships

The following information relates to the appointments of directors held in both, executive and/or non- executive functions, including any directorships held at external, commercial organisations as at 31 December 2024.

Table 1: Overview of directorships within scope of MIFIDPRU 8.3.1R(2)

Senior management function/role as of 31 December 2024	Name	Number of other directorships
SMF 9 – Chair, SMF 13 – Chair of Nominations Committee	John Stier[1]	2
SMF 1 – CEO, SMF3 – Executive Director	Steven East (effective from 13 June 2024)	0
SMF 1 – CEO, SMF 3- Executive Director	Aisling Meany (effective from 13 June 2024, previously Non-Executive Director)	1
SMF 1 – CEO, SMF 3 – Executive Director	Adam Young (resigned 18 November 2024)	0
SMF 3 – Executive Director, SMF 2 – Chief Finance	Ben Burston[2]	0
SMF 3 – Executive Director, SMF 16 – Compliance Oversight, SMF 17 – MLRO	Alice Harper	0
SMF 3 – Executive Director	Christopher Middleton[3]	0
SMF 10 – Chair of Risk Committee	Adam Greenbury	0
SMF 11 – Chair of the Audit Committee	Peter Barbour	2
SMF 12 – Chair of Remuneration Committee	Jessica Hanmer	0
Non-Executive Director	Alice Squires	0

[1] – Resigned on 31 March 2025.
[2] – Resigned on 28 March 2025.
[3] – resigned on 25 February 2025.

Note: in accordance with MIFIDPRU 8.3.2R the following directorships are not within scope of MIFIDPRU 8.3.1R(2): (1) executive and non-executive directorships held in organisations which do not pursue predominantly commercial objectives; and (2) executive and non-executive directorships held within the same group or within an undertaking (including a non-financial sector entity) in which the firm holds a qualifying holding

Approach to diversity

The Policy for promoting diversity on the management bodies of UK regulated entities is designed to promote sound governance outcomes, ensure optimal decision-making for the benefit of the Group's shareholders and reduce the propensity for group-think. The policy aims to ensure that diversity aspects will be promoted when appointing candidates to UK boards.

3. Own Funds

Composition of regulatory own funds

The own funds of a firm are the sum of its common equity tier 1 capital (‘**CET1**’), additional tier 1 capital (‘**AT1**’) and tier 2 capital (‘**T2**’). Redburn’s own funds consist of fully paid up capital instruments, share premium and accumulated retained earnings.

Table 2: OF1 - Composition of Regulatory Own Funds

Ref	Item	£’000s	Source based on reference numbers/ letters of the balance sheet in the audited financial statements
1	**OWN FUNDS**	**36,869**	
2	**TIER 1 CAPITAL**	**36,869**	
3	**COMMON EQUITY TIER 1 CAPITAL**	**36,869**	
4	Fully paid up capital instruments	64,017	Page 21
5	Share premium	121,988	Page 21
6	Retained earnings	(82,712)	Page 21
7	Accumulated other comprehensive income	0	
8	Other reserves	1,415	Page 21
9	Adjustments to CET1 due to prudential filters		
10	Other funds		
11	(-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	(67,839)	
19	CET1: Other capital elements, deductions and adjustments	0	
20	**ADDITIONAL TIER 1 CAPITAL**	**0**	
21	Fully paid up, directly issued capital	0	
22	Share premium	0	
23	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1	0	
24	Additional Tier 1: Other capital elements, deductions and adjustments	0	
25	**TIER 2 CAPITAL**	**0**	
26	Fully paid up, directly issued capital instruments	0	
27	Share premium	0	
28	(-) TOTAL DEDUCTIONS FROM TIER 2	0	
29	Tier 2: Other capital elements, deductions and adjustments	0	

Reconciliation of regulatory own funds to balance sheet in the audited financial statements

The table below shows the reconciliation of own funds to the balance sheet of Redburn as at 31 December 2024. The balance sheet below is as per the audited financial statements.

Table 3: reconciliation of regulatory own funds to balance sheet in the audited financial statements

(£'000s)		a. Balance sheet as in published/ audited financial statements	b. Under regulatory scope of consolidation	c. Cross reference to template OF1
Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements				
Reconciliation of regulatory own funds to balance sheet in the audited financial statements				
1	Intangible assets	44,612		
2	Tangible assets	10,823		
3	Investment in related entities	8,341		
4	Settlement balances	88,068		
5	Other debtors	42,941		
6	Cash and cash equivalents	33,784		
	Total assets	**228,569**		
Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements				
1	Settlement balances	88,068		
2	Other creditors	35,793		
	Total liabilities	**123,861**		
Shareholders' Equity				
1	Share capital	64,017		OF 1 (4)
2	Share premium	121,988		OF 1 (5)
3	Retained earnings	(82,712)		OF1 (6)
4	Share based payments reserve	1,415		OF1 (8)
	Total Shareholders' equity	**104,708**		

Main features of own instruments issued by the firm

The table below provides information on the CET1 Instruments used by Redburn.

Table 4: main features of own instruments issued by the firm

	RMW UK
Public or private placement	Private
Instrument type	Ordinary share
Amount recognised in regulatory capital (GBP thousands, as of most recent reporting date)	64,017
Nominal amount of instrument (GBP thousands, as of most recent reporting date)	64,017
Issue price	£1
Redemption price	N/A
Accounting classification	Called up share capital
Original date of issuance	2003
Perpetual or dated	Perpetual
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
Coupons/dividends	
Fixed or floating dividend/coupon	N/A
Coupon rate and any related index	N/A
Existence of a dividend stopper	N/A
Convertible or non-convertible	N/A
Write-down features	N/A
Link to the terms and conditions of the instrument	N/A
Public or private placement	Private

4. Own Funds Requirements

K-Factor Requirement and Fixed Overheads Requirement

For non-SNI (non-small and non-interconnected) investment firms, the own funds requirement is the higher of the Permanent Minimum Requirement ("**PMR**"), the Fixed Overhead Requirement ("**FOR**") or the K-Factor Requirement ("**KFR**"). The table below shows Redburn's KFR at 31 December 2024, broken down into three groupings and the amount of the FOR in comparison to the PMR.

Table 5: main features of own instruments issued by the firm

Item	K-factor breakdown	Total amount (£'000s)
a. K-Factor Requirement	The sum of the K-AUM requirement, the N/A K-CMH requirement and the K-ASA requirement	N/A
	The sum of the K-COH requirement and 422 the K-DTF requirement	422
	The sum of the K-NPR requirement, the K-CMG requirement, the K-TCD requirement and the K-CON requirement	N/A
b. Fixed Overheads Requirement		13,887
c. Permanent Minimum Requirement		750
Basic own funds requirement (highest of a, b, c)		**13,887**

Approach to Assessing the Adequacy of Own Funds

At all times, Redburn must hold adequate financial resources, both in amount and quality, to ensure that it remains financially viable throughout the economic cycle with the ability to address and mitigate any potential harms to, itself, customers or to other market participants.

In addition, Redburn is required to perform an Internal Capital Adequacy and Risk Assessment ("**ICARA**") annually, which is an internal risk management process. The focus is on assessment of the firm's business model and identifying, assessing, and estimating the potential 'Risks of Harm' to clients, to markets, and to the firm itself – and includes Own Funds quantifications, stress testing and wind down planning. The following are the key components of the ICARA process:

- Business model assessment: An assessment of how the firm generates returns and the vulnerabilities that may affect its ability to generate acceptable and sustainable profits, covering, e.g. details of business lines and activities, details of external factors that influence success of the business model and strategy, competitive environment, reliance on wider franchise etc.
- Assessing Risks of Harm: Identification of the potential harms by considering plausible hypothetical scenarios that may occur in relation to the firm's activities. A failure to provide an appropriate level of service which results in a legal claim; significant operational events, such as failure of key systems or internal fraud.
- Stress testing: A 'severe but plausible' assessment, based on forward-looking hypothetical events, that covers all material risks and vulnerabilities identified and estimates the effects on a firm's profits and losses and its financial position before and after taking into account realistic management / recovery actions.
- Wind down planning: An assessment of the steps and resources to ensure orderly wind-down and termination of its regulated business in a realistic timescale, and an evaluation of the potential harms (and associated mitigants) arising from winding down, as well as an identification of the levels of Own Funds and Liquid Assets that the firm considers, if reached, may indicate that there is a credible risk that the firm will breach its threshold requirements.
- Capital & liquidity assessment: an assessment of the levels of Own Funds and Liquid Assets resources (based on prescribed methodologies) and requirements (based on business plans, as well as capital/liquidity required to mitigate risks of harm and wind-down).

5. Remuneration Policy and Practices

Remuneration policy, principles, practices and procedures

Rothschild & Co Group's ("**R&Co Group's**") remuneration policies, practices and procedures are documented in a Remuneration Policy, which applies to all entities in the R&Co Group.

The Remuneration Policy includes an IFPR Annex for the R&Co Group's UK firms that are subject to the IFPR, including N.M. Rothschild & Sons Limited, which is part of a sub-group headed by Rothschild & Co Continuation Limited; Redburn (Europe) Limited, as well as Five Arrows Managers LLP, Rothschild & Co Equity Markets Solutions Limited and Rothschild & Co Wealth Management UK Limited ("**UK IFPR Firms**"), containing additional principles of remuneration relevant to the UK IFPR Firms to the extent there are principles that differ from or supplement the principles set out in the Remuneration Policy ("**IFPR Annex**"). The IFPR Annex has been developed to take into account the specific remuneration requirements of the MIFIDPRU Remuneration Code at SYSC19G of the FCA Handbook, as amended from time to time, together with any other applicable remuneration rules, guidance and regulator expectations from time to time (together the "**UK Remuneration Rules**").

The Remuneration Policy outlines, among other things, the governance framework for remuneration matters, the way in which Material Risk Takers ("**MRTs**") are identified and remunerated, the definition of fixed and variable remuneration and the appropriate ratios between the two, the performance measures used in determining variable remuneration including adjustments for current and potential risks and R&Co Group's approach to guaranteed bonuses, retention awards and severance pay. It applies to remuneration for all employees providing services to the UK IFPR Firms.

R&Co Group's reward programmes are designed to attract, motivate and retain high quality staff and support the R&Co Group in attaining its strategic goals whilst ensuring that they do not provide any incentives for excessive risk taking.

The R&Co Group's approach to the Remuneration Policy and remuneration practices is guided by its business strategy, objectives, values and long-term interests. The Remuneration Policy incorporates consideration of the R&Co Group's risk appetite and strategy (including environmental, social and governance risk factors), culture and values, the long-term effects of investment decisions taken and, where applicable, the interests of the managed funds and investors in those funds.

The approach encourages responsible business conduct and effective management of conflicts of interests. The R&Co Group ensures that there is a clear distinction and independence between its business functions and control functions, and that appropriate safeguards are in place to prevent conflicts of interest. No staff members are involved in the decision-making process regarding their own remuneration. The Remuneration Policy and remuneration practices are also guided by the promotion of sound and effective risk management, risk awareness and prudent risk taking so as not to encourage risk taking which is inconsistent with the risk profile of the R&Co Group, the UK IFPR Firms and other firms within the R&Co Group and/or the risk profile, rules or instruments of incorporation of the managed funds.

Remuneration policy governance and decision making

The Rothschild & Co SCA Supervisory Board (the "R&Co Board") is responsible for the Remuneration Policy and remuneration practices of the R&Co Group. The IFPR Annex has been approved by the Board of directors of each UK IFPR Firm.

Rothschild & Co SCA has a Remuneration and Nomination Committee ("Committee") which reports to the R&Co Board to assist with its remuneration related duties and the preparation of decisions aimed at deciding R&Co Group's remuneration policy principles. There are also separate Remuneration Committees for NMR and Redburn (Europe) Limited ("NMR Committee and Redburn Committee") who report into their respective Boards.

The Board of Redburn is responsible for:

- Adopting and reviewing at least annually the general principles of the IFPR Annex as relevant to Redburn, including to ensure that they:
    - comply with the UK Remuneration Rules;

  - are consistent with and promotes sound and effective risk management;
  - are in line with the business strategy, objectives, values and interests of Redburn;
  - include measures to avoid conflicts of interests; and
  - do not encourage risk–taking which is inconsistent with the risk profile of Redburn.
- Reviewing annually the methodology for identifying MRTs to the extent there have been any changes and overseeing the annual review of employees working for Redburn to identify those roles which could potentially have a material impact on the risk profile of the Firm;
- Reviewing annually the proportionality assessment for the application of the UK Remuneration Rules as they apply to Redburn; and
- Overseeing implementation of relevant Remuneration Policy general principles, including those in the IFPR Annex.

The Committee will recommend changes to the Remuneration Policy, taking input from the R&Co Group's risk and compliance functions, as well as other functions as appropriate. Any material change to the Remuneration Policy must be approved by the R&Co Board. Any material change to the IFPR Annex must be approved by the Board of directors of the relevant UK IFPR Firm. The Board of directors of each UK IFPR Firm will be notified of any material changes to the Remuneration Policy or any of the policies referred to therein and will arrange for any necessary updates to the IFPR Annex to be made, as necessary, to ensure compliance with the UK Remuneration Rules.

The Committee periodically (and at least annually) assists the R&Co Board to review the Remuneration Policy, with input as required from relevant control and support functions within the R&Co Group. The Board of directors of each UK IFPR Firm is responsible for ensuring that the implementation of the IFPR Annex is, at least annually, subject to central and independent internal review by internal audit staff for compliance with the policies and procedures for remuneration that it has adopted.

Use of external consultants

The Committee's work during the year was informed by independent professional advice on remuneration issues from external consultants, in particular Linklaters. The external consultants provided advice on the interpretation and application to the Group of new remuneration regulations as well as updates to and the application of the Remuneration Policy, which informed the management decisions reviewed by the Committee.

The link between pay and performance

R&Co Group awards variable remuneration to its employees contingent on performance. All employees of the UK IFPR Firms are eligible to be considered for a variable remuneration award, other than those under notice of termination of employment, or under investigation, a disciplinary sanction, or on suspension/leave pending a disciplinary investigation.

The performance measures used to set discretionary bonus pools are at the absolute discretion of the R&Co Group and include both financial and non-financial metrics. These include revenues, pre-compensation profit and appropriate levels of shareholder return and bearing in mind market conditions, general economic conditions, the risk profile of, and risk taken by the R&Co Group, market remuneration trends and staff retention.

The measurement of performance takes account of the return to shareholders and return on capital as well as liquidity requirements. It also includes adjustment for current and potential risks by considering:

- The full impairment of financial instruments and other assets where under the business unit's control;
- Full provision for all remuneration costs whether deferred or current in the management accounts;
- Any significant contingencies;

- The collectability of fees, if the fees were material in the determination of the variable remuneration pool; and
- Any risk positions which the Committee should take into account when setting variable remuneration pools (as highlighted by the Group's Chief Finance Officer, Group Chief Risk Officer, and Group Head of Legal and Compliance).

Individual variable remuneration awards reflect individual performance, which is assessed through the R&Co Group's annual performance process. The award of variable remuneration is at the discretion of the R&Co Group and is based on the performance of the R&Co Group, relevant UK IFPR Firm, and the relevant business unit, as well as the employee's individual performance over a multi-year period. Where applicable, performance assessment also considers the performance of the managed funds over the relevant financial year.

Individual performance assessment takes into account financial measures and non-financial measures such as contribution measured against pre-set personal and technical competencies, effective risk management, compliance with the regulatory system and behaviours that support the R&Co Group's values and guiding principles.

There is strong central oversight of variable remuneration pools and individual awards. Overall annual remuneration expense is reviewed every year by the relevant Committee. There is clear individual differentiation to ensure that the best performers are rewarded.

Design and structure of remuneration for Material Risk Takers

Employees of the UK IFPR firms that could potentially have a material impact on the risk profile of the relevant UK IFPR Firm are identified as IFPR MRTs.

Executives and staff receive fixed compensation and non-executives receive fees. These amounts primarily reflect their role, market value and level of responsibility. The structure of the remuneration package is such that the fixed element is set at an appropriate level to enable the R&Co Group to operate a truly flexible variable remuneration policy.

The variable component of remuneration is based on performance and includes long-term incentive awards and discretionary annual performance bonuses. All MRTs, except for non-executive directors, are eligible to participate in the discretionary annual bonus scheme. Annual variable remuneration awards are designed to reward performance in line with the business strategy, objectives, values and long-term interests of the R&Co Group and each UK IFPR Firm while taking account of the R&Co Group's risk appetite.

Other payments

Guaranteed bonuses are only awarded in exceptional circumstances. These include when a new employee is offered a sign-on award as an inducement to join. Guaranteed variable remuneration is limited to the staff member's first year of service.

Buy-out awards are made following Redburn undertaking reasonable steps to ensure that the buy-out award aligns with the long-term interests of Redburn. Buy-outs will only be awarded where Redburn is confident that the terms and amount are no more generous than the variable remuneration offered by the individual's previous employer, including ensuring it is subject to the same periods of deferral, retention, vesting and clawback.

Retention awards are only made after a defined event or at a specified point in time. Retention awards are rare and not common practice. Retention awards may be made (i) in the context of a major reorganisation, restructuring or wind down where the services of the individual are required for a defined period while the risks of the business are being managed; (ii) where the Remuneration Committee, considers that this is compatible with the requirement for remuneration policies to be consistent with and promote sound and effective risk management; and (iii) where local regulations permits the grant of retention awards.

Each UK IFPR Firm may make payments to employees on termination ('**severance payments**'). These payments reflect performance achieved over time and do not reward failure or misconduct. They also consider any impact that their actions may have had on Redburn's financial position or reputation. Severance payments to MRTs are subject to the approval of the Remuneration Committee as applicable. In the qualitative disclosures, severance payments are categorised as variable remuneration (unless specific criteria are met), but are not separately reported due to the need to maintain confidentiality.

The policies regarding other payments apply regardless of whether an employee is classified as an MRT

Control functions

Employees engaged in control functions are independent from the business units they oversee and have appropriate authority.

The remuneration of employees in control functions is determined with reference to objectives that relate to their respective functions and not to the performance of the business units they oversee.

The NMR and Redburn Committees directly oversee the remuneration of senior officers in control functions in NMR and Redburn respectively. The Committee directly oversees the remuneration of senior officers in control functions in respect of other IFPR Firms.

Malus and clawback

The R&Co Group has developed a Malus and Clawback Policy governing the application of malus and clawback to variable remuneration paid to MRTs and selected other employees. The R&Co Group has the power to reduce variable remuneration, including portions that are deferred, if it considers that to pay or vest it would not be sustainable according to the financial situation of the R&Co Group, the relevant entity within the R&Co Group (as applicable), and justified on the basis of the performance of the R&Co Group, the relevant IFPR Firm, the business unit or the MRT concerned.

Any variable remuneration awarded to MRTs may be reduced (i.e., subject to “malus”) or be subject to in-year adjustments up until the date of vesting or may be subject to clawback for a period of 24 months from vesting. The circumstances where malus or clawback may be applied include when there is reasonable evidence of misbehaviour or of conduct that resulted in significant losses or where the MRT failed to meet appropriate standards of fitness and propriety.

Deferral, retention and holdings in non-cash instruments

Redburn MRTs must have 50% of their total variable remuneration awarded in non-cash instruments unless their variable remuneration is both no more than £167,000 and one third of their total annual remuneration. At least 40% (and up to a maximum of 60%) of variable remuneration is subject to deferral. An MRT’s deferred bonus will usually vest over three years unless subject to malus and clawback. Non-cash instruments will usually be subject to a twelve-month retention period which applies after vesting.

2024 IFPR quantitative disclosures

Total number of MRTs = 16. This figure, and the related disclosures below, capture any individual who was categorised as an MRT for all or part of the year ended 31 December 2024.

Table 6: 2024 IFPR quantitative disclosures – Redburn

Total number of MRTs	16

	Senior management GBP'k	**Other MRTs GBP'k**	**Other staff GBP'k**	**Total (all staff) GBP'k**
Total remuneration	5,096	2,068	33,800	40,964
▪ Of which: fixed remuneration	2,384	1,418	23,445	27,247
▪ Of which: variable remuneration	2,712	650	10,355	13,717
▪ Of which: cash- based	1,436	413		
▫ Of which: non-deferred	848	318		
▫ Of which: deferred	588	95		
▪ Of which: shares				
▫ Of which: non-deferred				
▫ Of which: deferred				
▪ Of which: share- linked instruments	1,276	238		
▫ Of which: non-deferred	688	143		
▫ Of which: deferred	588	95		

	Senior management GBP'k	**Other MRTs GBP'k**
Total guaranteed variable remuneration awarded to MRTs (and the number of individuals receiving such awards)	0	
Total amount of deferred remuneration awarded for previous performance periods	1,837	
▪ Of which: due to vest in the financial year in which the disclosure is made	593	
▪ Of which: due to vest in subsequent financial years	719	
▪ Of which: due to vest in the financial year in respect of which the disclosure is made	525	
▫ Of which: withheld as a result of performance adjustment	0	
Information on whether the firm uses the MRTs' de-minimis exemption together with details of: (i) the provisions in SYSC 19G.5.9R(2) in respect of which the firm relies on the exemption (i.e. payment in instruments; retention; deferral and discretionary pension benefits) (ii) the total number of MRTs who benefit from an exemption from each provision referred to in (i); and (iii) the total remuneration of those MRTs who benefit from an exemption, split into fixed and variable remuneration.	Five "Senior Management MRTs" and "Other MRTs", for the 2024 performance year, benefitted from the de- minimis exemption set out in SYSC 19G5.9R. The total remuneration for those MRTs who benefitted from an exemption is £1,434k split between fixed – £1,099k and variable £335k.	

London
New Court
St. Swithin's Lane London, EC4N 8AL
+44 20 7000 2020
contactlondon@redburnatlantic.com

Paris
11 Rue de Téhéran
75008 Paris
+33 1 73 05 40 30
contactparis@redburnatlantic.com

Madrid
Paseo de la Castellana,
35 28046 Madrid
+34 919 26 85 66
contactmadrid@redburnatlantic.com

Frankfurt
Börsenstraße 2-4,
60313 Frankfurt am Main
+49 69 667 799 82
contactfrankfurt@redburnatlantic.com

New York
461 Fifth Avenue, 15th Floor New York,
NY 10017
+1 212 803 7300
contactnewyork@redburnatlantic.com

Boston
International Place, 14th Floor
Boston, MA 02116
+1 212 803 7328
contactbonston@redburnatlantic.com