

## **SANTANDER UK GROUP HOLDINGS PLC**

### **REGULATORY REMUNERATION DISCLOSURES FOR THE FINANCIAL YEAR 2019**

The following disclosures for Santander UK Group Holdings plc (the "Company", "HoldCo" or "Santander UK") are prepared in accordance with Article 450 of the Capital Requirements Regulation ("CRR") and provide details of the remuneration of the Company's Material Risk Takers for the 2019 performance year together with an explanation of the Company's remuneration policies, practices and governance. Additional information is contained in the 2019 Santander UK Group Holdings plc Annual Report & Accounts in the section entitled 'Remuneration Report and Remuneration Policies'.

#### **PART 1 – QUALITATIVE DISCLOSURES**

##### **Decision-making process**

From January 2019, following structural changes to the business and in order to ensure compliance with the Ring-fenced Bodies part of the PRA Rulebook, our governance framework comprised a Remuneration Committee ("RemCo") for HoldCo and another for Santander UK plc (the ring-fenced bank, "RFB"). HoldCo and RFB RemCo meetings were held concurrently.

The remit of the HoldCo RemCo covers remuneration in employing entities across HoldCo and its subsidiaries and undertakings. The remit of the RFB RemCo covers the RFB and its employing entities subsidiaries and undertakings only. Broadly:

The HoldCo RemCo:

- Approves remuneration policies (upon recommendation from the RFB RemCo) and has oversight of the implementation of remuneration policies across the HoldCo Group.
- Makes individual pay decisions for employees aligned to the pre-defined limits of the RFB, in respect of employing entities outside of the RFB in line with pre-defined limits.

The RFB RemCo:

- Approves remuneration policies (proposing any amendments to HoldCo remuneration policies to reflect the individual circumstances, subject to ratification by HoldCo RemCo) and has oversight of the implementation of remuneration policies for colleagues across the RFB, in particular ensuring that such policies and practices are consistent with and promote sound and effective risk management.
- Makes individual pay decisions for employees of the RFB in line with pre-defined thresholds and has oversight of remuneration for other material risk takers across the RFB Group.

The members of each Remuneration Committee are all independent non-executives and include the Chairs of the Company's Board Audit Committee and the Board Responsible Banking

Committee as well as members of the Board Risk Committee to ensure information is appropriately shared between Committees. The Chief Risk Officer (CRO), the Chief HR Officer and the Chief Legal & Regulatory Officer (CLRO) are standing attendees at meetings to provide input on relevant matters. For FY2019, Annemarie Durbin was the Chair of both Remuneration Committees. From 1 January 2020, Scott Wheway assumed the role of HoldCo RemCo Chair with Annemarie Durbin continuing as RFB RemCo Chair.

During 2019, the HoldCo RemCo met seven times and the RFB RemCo met eight times, and as at 31 December 2019, the HoldCo and RFB Committee consisted of four independent non-executive directors including the Chair. The Committee's terms of reference were updated in 2019 and are kept under regular review. Full terms of reference are available at [www.santander.co.uk](http://www.santander.co.uk).

No individual is involved in decisions about their own remuneration.

During 2019, the Committee engaged the advice and support of Deloitte LLP ('Deloitte') as independent remuneration consultants.

### **Material Risk Takers ("MRTs")**

MRTs are identified in accordance with our Material Risk Taker Identification Framework. In addition to the qualitative and quantitative criteria set out in the EBA Regulatory Technical Standards ((EU) No 604/2014), Santander UK conducts a localised risk and compliance assessment of all roles to ensure that all material risk types that could impact the business are considered, not limited to those specified by the regulation.

Broadly, the following types of individuals have been identified as Material Risk Takers of Santander UK:

- The Executive and Non-Executive Directors of the Company's Board and the members of the Company's Executive Committee;
- Senior managers of significant divisions and control functions such as legal, audit and risk;
- Other senior managers reporting to the Board and heads of major divisions;
- Employees whose total remuneration takes them into the same bracket as senior managers; and
- Other risk takers, whose professional activities may have a material impact on the firm's risk profile.

The categories above include all senior level management across the Company as well as those responsible for the management of the main businesses and control function heads.

The Quantitative Disclosures section below provides a breakdown of the number of individuals identified as MRTs by business area and function. The number of MRTs identified as at 31 December 2019 has decreased from 31 December 2018 by 49 individuals due predominantly to

reorganisation of the business. This includes roles transferred to Santander London Branch as a result of ring-fencing and roles which have been made redundant or leavers whose roles are unlikely to be backfilled due to the reorganisation of the business.

### **Remuneration Policy and link between pay and performance**

Santander UK has adopted remuneration policies which are designed to:

- encourage a high-performance culture, where people are rewarded and recognised for their performance (including individual impact on risk culture and customer outcomes) and their contribution to the Company's success;
- encourage responsible business conduct and fair treatment of customers/clients; and
- promote an effective risk culture and effective risk management with the maintenance of a solid capital base.

We apply a consistent approach to the reward of all our employees, aligned to our values of Simple, Personal and Fair.

Our Regulated Remuneration Governance Framework ("RRGF") outlines our remuneration policies, practices and governance structure and sets out the overarching controls system in place to manage and control risks. The RRGF and Remuneration Policy are reviewed annually and were amended and approved in January 2019 and December 2019 to reflect our new governance structure, in particular ensuring that the RFB is able to take decisions independently of other members of its group.

The Board Chair, Chief Executive Officer, Chief HR Officer, Chair of the Board Audit, Chief Internal Auditor, Chief Risk Officer, Chief Legal and Regulatory Officer and our independent remuneration consultants input into any proposed changes to remuneration policy.

In 2018, following developments in corporate governance and best practice, the Committee took the decision to reduce pension provisions for new executive directors to 9% of salary, in line with the wider workforce average. This pension level applied on the appointment to the Board of the Head of Retail & Business Banking on 1 January 2019 and Chief Financial Officer on 16 September 2019. In 2019 the Committee decided to extend this approach to existing executive directors, namely the Chief Executive Officer. This reduction shall be phased with the Chief Executive Officer's allowance reducing from 35% from 22% of salary, effective 1 January 2020. From 1 January 2021, the Chief Executive Officer's pension will be reduced further to the employee average of 9% of salary p.a.. No other changes to the Chief Executive Officer's remuneration are proposed for 2020.

### **Design and structure of remuneration**

Remuneration at Santander UK is comprised of fixed pay (base salary, retirement and other benefits) and performance related variable pay delivered through our single variable pay plan

(including deferred awards), except for non-executive directors who receive a fixed fee. This is aligned to the Banco Santander remuneration framework.

A significant proportion of the performance related pay for Material Risk Takers is deferred over the long-term and remains 'at risk'. The purpose of deferred awards is to support a culture where employees recognise the importance of long-term sustainable performance of both Santander UK and the Banco Santander, S.A. group (the "Group") generally and to ensure that a significant proportion of remuneration remains at risk and capable of risk adjustment over the long-term. The structure of variable pay awards ensures that incumbents acquire a meaningful shareholding in Banco Santander SA which may extend for a significant period post-employment.

Details of the key aspects of the remuneration components are set out below:

#### **a) Fixed pay**

Base salaries are reviewed annually, appropriately benchmarked and set at market competitive levels, with reference to the specific market for the business in which an individual works, the approach to employee pay throughout the organisation, the skills and competencies that the individual brings to their business area and the complexity of the role. Post-retirement and other benefits are offered as part of a competitive remuneration package. The level of fixed pay aims to be sufficient so that inappropriate risk-taking is not encouraged.

#### **b) Variable pay**

The purpose of the variable pay plans is to align participants' reward with the financial and non-financial performance of Santander UK as measured over the financial year, taking into account the Company's risk appetite and an individual's personal contribution. Multi-year deferral, and delivery in Banco Santander SA shares ensures that interests of Material Risk Takers are aligned to the long-term interest of the Company and the Group. Payments may be adjusted subject to performance and risk, and for the most senior participants deferred awards are subject to further performance conditions, which can reduce, but not increase the level of deferred payout.

We apply a consistent approach to reward for all employees and therefore employees participate in our variable pay plan, subject to their role and reward band.

During 2019, the Company operated four variable pay plans in which Material Risk Takers could participate, these were:

- The Santander UK Variable Pay Plan;
- The Santander Corporate and Investment Bank ("SCIB") UK Variable Pay Plan;
- The Santander Consumer (UK) Variable Pay Plan; and
- The Santander Financial Services Variable Pay Plan.

Nominated colleagues are also eligible to participate in the Digital Transformation Award. This variable pay plan was developed by Banco Santander S.A. with amendments for operation in the RFB to ensure compliance with relevant regulations.

### **Santander UK Variable Pay Plan (RFB)**

- This plan rewards financial and non-financial performance over the year against a range of metrics using a balanced scorecard approach. The Plan assesses performance against the RFB's KPIs in the following categories:
  - Customers (Customer Net Promoter Score ('NPS') and loyal customers)
  - People (Employee Engagement)
  - Shareholders
    - Risk (Cost of Credit Ratio and Stage 3 Ratio)
    - Capital (Contribution to Group Capital)
    - Profitability (Net Profit and Return on Tangible Equity)
- In addition, a discretionary adjustment (downward only) for Communities may be made through the Additional Risk Adjustment Standard (which also takes into account an assessment of current and future risks and other factors not considered in the scorecard).

Variable pay is linked to, and varies in line with, RFB overall performance:

- Performance is measured on a quantitative and qualitative basis to ensure a balanced assessment of performance is made and the bonus pool is adjusted for risk based on an assessment of risk events and performance against our overall risk appetite.
- The allocation of the pool is based on an individual's performance, taking into account a range of financial and non-financial factors including behaviours, conduct and risk.
- For the most senior participants in the plan (broadly Executive Committee Members), the payment of the first three deferred tranches of awards (36% of the total award), payable in 2023, 2024 and 2025, is conditional on the achievement of long-term objectives measured over a three-year period 2020 to 2022. The performance measures for 2019 awards are EPS, relative TSR and fully-loaded common equity tier (CET1). Following performance assessment, the level of awards will be adjusted accordingly. The measures can reduce but not increase the value of the deferred awards.

### **Santander Corporate and Investment Bank (UK) Variable Pay Plan (RFB)**

- RFB employees in the Santander Corporate and Investment Bank (SCIB) Global business normally participate in the SCIB Variable Pay Plan which rewards the financial and non-financial performance of SCIB. For 2019, performance was assessed against quantitative and qualitative metrics taking into account customer and shareholder measures including capital and profitability.
- In addition, a discretionary adjustment (downward only) may be made for People, Culture and Communities through the Additional Risk Adjustment Standard (which also takes into account an assessment of current and future risks and other factors not considered in the scorecard).

Variable pay is linked to, and varies in line with, SCIB (RFB) and RFB overall performance:

- The bonus pool is adjusted for risk based on an assessment of risk events and performance against our overall risk appetite.
- The allocation of the pool is based on an individual's performance, taking into account a range of financial and non-financial factors including behaviours, conduct and risk.

### **Santander Consumer (UK) Variable Pay Plan (RFB)**

- This plan rewards MRTs in the Santander Consumer (SCUK) plc business, assessing financial and non-financial performance over the year against a range of metrics using a balanced scorecard approach. For 2019 the metrics related to:
  - Customers (Dealers' satisfaction, Borrowers' Satisfaction and Dealers' Net Promoter Score)
  - Shareholders
    - Risk (Cost of Credit Ratio, Non-performing Loans Ratio)
    - Capital (Contribution to Group Capital)
    - Profitability (Net Profit, Return on Tangible Equity)
- In addition, a discretionary adjustment (downward only) may be made for People, Culture and Communities through the Additional Risk Adjustment Standard (which also takes into account an assessment of current and future risks and other factors not considered in the scorecard).

Variable pay is linked to, and varies in line with, SCUK and RFB overall performance:

- The bonus pool is adjusted for risk based on an assessment of risk events and performance against our overall risk appetite.
- The allocation of the pool is based on an individual's performance, taking into account a range of financial and non-financial factors including behaviours, conduct and risk.
- For the most senior participant in the plan, the payment of the first three deferred tranches of awards (36% of the total award), payable in 2023, 2024 and 2025, is conditional on the achievement of long-term objectives measured over a three-year period 2020 to 2022. The performance measures for 2019 awards are EPS, relative TSR and fully-loaded common equity tier (CET1). Following performance assessment, the level of awards will be adjusted accordingly. The measures can reduce but not increase the value of the deferred awards.

### **Santander Financial Services (UK) Variable Pay Plan**

- This plan rewards MRTs in the Santander Financial Services (SFS UK) plc business, assessing financial and non-financial performance over the year against a range of metrics using a balanced scorecard approach. For 2019 the metrics related to:
  - Customers (Number of loyal customers)
  - Shareholders
    - Risk (Non-performing Loans Ratio)

- Liquidity (Grow deposits, Improve NSFR (Net Stable Funding Ratio) and ASF (Available Stable Funding), Maintain LCR performance (Liquidity Coverage Ratio))
  - Profitability (Net Profit, Cost of funds)
  - Employees (Employee Engagement Score)
- In addition, a discretionary adjustment (downward only) for Communities may be made through the Additional Risk Adjustment Standard (which also takes into account an assessment of current and future risks and other factors not considered in the scorecard).

Variable pay is linked to, and varies in line with, SFS overall performance:

- The bonus pool is adjusted for risk based on an assessment of risk events and performance against our overall risk appetite.
- The allocation of the pool is based on an individual's performance, taking into account a range of financial and non-financial factors including behaviours, conduct and risk.

### **Digital Transformation Awards (RFB participants)**

- The purpose of the Digital Award is to attract and retain talent that will advance, accelerate and deepen the digital transformation of Santander. This scheme is designed to offer competitive remuneration comparable to schemes being offered to digital talent elsewhere.
- This Scheme was developed by Banco Santander S.A. and approved by its shareholders at its April 2019 Annual General Meeting ("AGM").
- Pre-grant performance conditions in relation to 2019 include:
  - The launch of a global trade services (GTS platform);
  - The launch of a global merchant services (GMS platform);
  - The migration of our fully digital bank, Openbank, to a "next generation" platform and launch in three countries;
  - The extension of SuperDigital in Brazil to at least one other country; and
  - The launch of our blockchain-based international payments application to non-Santander customers.
- Individual performance (including non-financial elements) and RFB financial performance underpins will apply to this Scheme in the pre-grant performance period and over the vesting period.
- The Scheme is structured so that half of the award will be made in free shares and half in market-value options, vesting in one tranche three years after the date of grant. Any options awarded must be exercised within ten years of the date of grant, following which unvested options will lapse.
  - Awards will be subject to ex-ante and ex-post (malus and clawback) risk adjustment.
- All variable pay awards for Material Risk Takers are subject to deferral principles in accordance with the FCA Remuneration Code and the PRA Rulebook. In summary:

- All variable payments to Material Risk Takers, including both the upfront and deferred portion, are delivered half in cash and half in Banco Santander, S.A. shares.
- The amount of bonus to be deferred (either 40% or 60%) is based on the total variable pay received.
- Deferred awards vest on a pro rata basis and in line with the FCA Remuneration Code and the PRA Rulebook based on MRT status whereby for those on three-year deferral period, a third vests each year after the award. For those on a five-year deferral period, a fifth vests each year after the award, and for those subject to a seven-year deferral period, none of their deferred award vests in the first two years after award and then a fifth vests in each subsequent year.
- Any awards delivered in shares are subject to a twelve-month retention period following the relevant vesting date.
- The vesting of deferred awards is subject to continued employment (other than in the case of employment being terminated in circumstances where the employee is a good leaver) and is subject to the Company's rules on performance adjustment, malus and clawback.

#### **c) Long-term incentive plan ('LTIP') (legacy plan)**

The LTIP was removed from the variable pay framework from 2016. The 2015 award was the final outstanding award and vested in March 2019, subject to performance testing to 31 December 2017. Any awards delivered under the LTIP remain subject to clawback provisions and are delivered in line with the requirements of the Remuneration Code.

#### **d) Risk adjustment**

All variable remuneration is subject to adjustment for current and future risks as well as, on an individual basis, malus and clawback provisions.

##### **i) Ex-ante risk adjustment**

All variable remuneration is subject to adjustment for all current and future risks through our Additional Risk Adjustment Standard which is linked to Santander UK's Risk Appetite. The risks covered include credit risk, market risk, (traded and non-traded), operational risk, conduct risk, financial crime and regulatory risk.

Our Additional Risk Adjustment Standard provides both a formula-based assessment against Santander UK's Risk Appetite and an additional qualitative event-based overlay, for other exceptional events or factors which may also need to be taken into consideration that can result in a downward risk adjustment of up to 100% of the bonus pool or individual awards at the discretion of the Committee. For example, this includes Risk Appetite Limit breaches not captured by the formula-based approach (such as reputational risk, pension risk and financial crime risk), the view of Internal Audit (audit report ratings, the control environment, past due recommendations), evolution of complaints, evolution of Material Escalation Events (MEEs)



and Significant Escalation Events (SEEs), progress on remediation projects, ring-fencing regulation compliance and People, Culture and Communities metrics.

The Standard is adopted and reviewed annually by the RemCo.

## **ii) Ex-post risk adjustment**

Our Individual Remuneration Adjustment Standard provides a framework for the process, governance and standards relevant for making decisions in relation to individual performance adjustments, including malus and clawback.

Performance adjustments may include, but are not limited to:

- Reducing a bonus outcome for the current year;
- Reducing the amount of any unvested deferred variable remuneration;
- Requiring a bonus which has been awarded (but not yet paid) to be forfeited; or
- Requiring repayment on demand (on a net basis) of any cash and share awards received at any time up to ten years following the date of award.

The Remuneration Committee will have full discretion to prevent vesting of all or part of an amount of deferred remuneration and/or to freeze an award during an ongoing investigation in a number of circumstances, including:

- Evidence of employee misbehaviour or material error;
- Material downturn in the performance of Santander UK or a relevant business unit's performance;
- Santander UK or a relevant business unit suffers a material failure of risk management;
- Significant changes in the Santander UK's economic or regulatory capital base and the qualitative assessment of risk; and
- A material restatement of Banco Santander's or Santander UK's financial statements (except when required due to modification of the accounting rules).

The Remuneration Committee will have full discretion to clawback an award from an MRT for up to seven years in the following circumstances:

- There is reasonable evidence of either the Participant's misbehaviour or material error (including a failure to follow internal controls concerning risk management); or
- Either the Company or the Participant's relevant business unit suffers a material failure of risk management.

This clawback period may be extended for a period of up to ten years for PRA designated Senior Managers if either Santander or a regulator has begun an inquiry that could lead to the application of clawback.

The Remuneration Committee seeks input from the Board Risk Committee, the Chief Risk Officer and the Chief Legal and Regulatory Officer when determining whether any performance or risk adjustments are required particularly in relation to the application of risk adjustment to the bonus pool. Furthermore, members of the Company's Board Risk Committee (along with the Audit Committee Chair and Whistleblowing Champion, and another member of the Audit Committee) sit on the Remuneration Committee. The Committee Chair also engages with the Chair of the Board Risk Committee to seek his input on remuneration related matters where appropriate.

**e) Ratio between fixed and variable pay**

The performance-related elements of the package make up an appropriate proportion of the total remuneration of the Company's senior executives and senior employees, up to a maximum of 2:1 variable to fixed pay, in line with the regulatory limit and as approved by shareholders of Banco Santander, S.A. (most recently approved by shareholders with a majority of 94.87% on 12 April 2019). Save for in exceptional circumstances, for control function staff a lower operational ratio of 1:1 is applied.

MRT	Maximum ratio
Control function roles (save for in exceptional circumstances)	1:1
All other MRT roles	2:1

Santander recognises the competitive marketplace for senior talent within financial services. The actual balance of variable to fixed remuneration for an individual within the limits above therefore depends on the role and talent of the individual, taking into account regulatory requirements, market practice and our appetite for risk.

**f) Control function pay**

We apply a consistent approach to reward for all employees. Employees, including those MRTs in control functions, are entitled to a base salary and benefits and have the opportunity to receive an element of performance-related compensation, subject to their role and reward band. Risk, Internal Audit, Compliance, Accounting and Financial Control variable pay is funded from the overall bonus pool with awards allocated based on individual performance, as measured through the performance review process. Individual performance for control function colleagues is assessed by reference to specific objectives set at the start of the year. Such objectives are aligned to the successful operation of their function and, other than in exceptional circumstances, contain no financial metrics and are independent from the business units that they control and oversee. Save for in limited cases, the maximum ratio between the fixed and variable components of total remuneration for anyone in a control function is 1:1.

**g) Guaranteed variable remuneration**

Guaranteed variable remuneration is only awarded in exceptional circumstances where no other suitable candidate is available due to particular market conditions. It will always be limited to new hires and in their first year of service.

**h) Severance payments**

Severance payments are non-contractual and non-statutory payments on termination of employment. Such payments will only be made in exceptional circumstances on a case-by-case basis but generally only in circumstances where not making the payment would put the Company at greater or unnecessary risks. Payments will not be made where there is an issue of conduct or performance which allows for the immediate dismissal of the individual and will not reward failure.

## PART 2 - QUANTITATIVE REMUNERATION DISCLOSURE

The following disclosure provides quantitative remuneration information for the Company's MRT population, and for all staff where required for the financial year ending 31 December 2019.

The number of MRTs identified as at 31 December 2019 was 231, of which 21 were classified as Management Body, 24 as Senior Management and 186 as other MRTs. The Executive Directors are considered as Management Body, Management Function and the Non-Executive Directors are considered as Management Body, Supervisory Function. Members of the Executive Committee and any other individuals at Santander UK job band S7 are considered as Senior Management.

### a) 2019 MRT total remuneration

Business Area	Number of beneficiaries	Fixed remuneration (£000s)*	Variable remuneration					Total remuneration (£000s)
			Upfront cash (£000s)	Upfront shares (£000s)	Deferred cash (£000s)	Deferred shares (£000s)	Total Variable (£000s)	
<b>Management Body</b>								
- Management Function	4	£4,416	£815	£815	£1,133	£1,133	£3,896	£8,312
- Supervisory Function	17	£1,969						£1,969
<b>Retail</b>								
- Senior Management	4	£1,361	£204	£204	£136	£136	£680	£2,041
- Other MRTs	24	£4,930	£605	£605	£403	£403	£2,017	£6,947
<b>Global Corporate and Commercial Banking</b>								
- Senior management	2	£992	£266	£266	£288	£288	£1,106	£2,098
- Other MRTs	70	£15,049	£2,984	£2,871	£2,037	£2,037	£10,668	£25,717
<b>All Other Business Areas</b>								
- Senior Management	7	£3,843	£556	£556	£645	£645	£2,525	£6,368
- Other MRTs	35	£7,056	£1,056	£924	£616	£616	£4,285	£11,341
<b>Internal Control Functions</b>								
- Senior Management	6	£4,077	£662	£662	£683	£683	£3,765	£10,538
- Other MRTs	35	£7,348	£1,050	£992	£661	£661	£3,558	£14,305
<b>Corporate Functions</b>								
- Senior Management	5	£1,937	£255	£255	£170	£170	£851	£3,643
- Other MRTs	22	£4,627	£784	£745	£497	£497	£2,523	£9,695
<b>Total</b>	<b>231</b>	<b>£57,605</b>	<b>£9,237</b>	<b>£8,895</b>	<b>£7,269</b>	<b>£7,269</b>	<b>£35,874</b>	<b>£93,479</b>

\*Fixed remuneration comprises salary and all benefits and allowances, including employer pension contributions, pension cash allowances, car allowances and miscellaneous benefits

## b) 2019 outstanding deferred remuneration

	Awarded during 2019 (value at award) (£000s) <sup>1</sup>	Paid out during 2019 (£000s) <sup>2</sup>	Reduced from prior years (£000s) <sup>3</sup>	Outstanding unvested (as at 31 December 2019) (£000s) <sup>4</sup>	Outstanding vested during financial year (as at 31 December 2019) (£000s)
<b>Management Body</b>					
- Management Function	£2,266	£847	£346	£7,237	
- Supervisory Function					
<b>Other</b>					
- Senior Management					
o Of which shares	£1,922	£981	£103	£3,683	
o Of which cash	£1,922	£642	£103	£3,683	
- Other MRTs					
o Of which shares	£4,214	£3,186	£21	£7,848	
o Of which cash	£4,214	£2,086	£38	£7,832	
<b>Total</b>	<b>£14,538</b>	<b>£7,742</b>	<b>£611</b>	<b>£30,283</b>	

1. Deferred remuneration awarded in respect of the 2019 performance year.

2. Deferred awards paid in the 2019 performance year.

3. Awards lapsing when performance conditions are not met or deferred awards being reduced due to malus or clawback. Reduced amounts are due to share-based ex post implicit adjustments.

4. All unvested remuneration as at 31 December 2019.

## c) 2019 sign-on (buy-out) payments and guaranteed bonuses<sup>5</sup>

	Number of identified staff	Sign-on (buy-out) payments Amount awarded 2019 (value at award) (£000s)	Number of identified staff	Guaranteed bonus payments Amount awarded 2019 (value at award) (£000s)
- Other MRTs	1	£72		
<b>Total</b>	<b>1</b>	<b>£72</b>		

5. No sign-on awards or guaranteed bonuses made to members of the Management Body or Senior Management.

## e) 2019 severance payments<sup>6,7</sup>

	Number of identified staff	Amount awarded 2019 (value at award) (£000s)	Paid out during 2019 (value as at 31 December 2018) (£000s)	Amount deferred 2019 (value as at 31 December 2019) (£000s)	Highest award to single person (£000s)
- Senior Management	2	£1,177	£1,177		£1,076
- Other MRTs	14	£1,989	£1,989		
<b>Total</b>	<b>16</b>	<b>£3,166</b>	<b>£3,166</b>		<b>£1,076</b>

6. Severance payments include redundancy and other contractual payments.

7. No Severance payments were made to members of the Management Body.

Severance payments are considered variable remuneration and met all relevant regulatory requirements.

### 2019 all staff total remuneration

Total number of staff	Total fixed remuneration <sup>8</sup>	Total variable remuneration <sup>9</sup>	Total remuneration
30,316	£1,096m	£192m	£1,288m

8. Total fixed remuneration comprises salary and all benefits and allowances, including employer pension contributions, pension cash allowances, car allowances and miscellaneous benefits.

9. Total variable remuneration includes upfront cash bonuses, upfront share awards, deferred cash and deferred share awards.

### i) Total remuneration by band for all employees earning more than €1 million<sup>10</sup> as at 31 December 2019

Total Remuneration Band	Nos. of individuals
€1,000,000 - €1,500,000	7
€1,500,001 - €2,000,000	2
€2,000,001 - €2,500,000	2
€2,500,001 - €3,000,000	1
€3,000,001 - €3,500,000	1
€3,500,001 - €4,000,000	
€4,000,001 - €4,500,000	
€4,500,001 - €5,000,000	1
➤ €5,000,001	
<b>Total</b>	<b>14</b>

10. Total remuneration includes fixed pay (salary, pension and benefits) and variable pay received (including actual value of any bonus / LTIP vesting in respect of the performance period ending 2019) after any application of malus/ clawback.

Includes non-executive directors.

Table prepared in Euros in accordance with Article 450 of the Regulation under CRD IV, Converted to Euros using the exchange rate £1 GBP = €1.17398 EUR using the rates published by the European Commission for financial programming and budget for December 2019 as published on their website.