



Standard Advisory London Limited (“SALL”)

1. Background

- 1.1 SALL is a MiFID Investment Firm regulated by the Financial Conduct Authority (“FCA”). The following disclosures are made for the financial year ended 31 December 2023 and are in line with the small and non-interconnected firm requirements set out within MIFIDPRU 8.6 (Remuneration policies and practices).

2. Introduction

- 2.1 SALL is a 100% subsidiary of Standard Bank Group Limited (“SBGL”) which is the ultimate holding company of the Standard Bank Group (“Group”). SBGL is listed on the Johannesburg Stock Exchange with a market capitalisation of ZAR 348.6 billion (approximately GBP 14.8 billion) as at 31 December 2023.
- 2.2 SALL’s primary activity relates to services to Corporate & Investment Banking clients, and it does not originate financial assets or liabilities for its own balance sheet. Assets and liabilities arising from its activities are booked on the balance sheets of other Group subsidiaries. SALL, in return for its services to the Group, receives compensation from the Group in line with Organisation for Economic Co-operation and Development (“OECD”) transfer pricing guidelines. In addition, SALL receives fee income directly from clients for arranging and advisory services.
- 2.3 As a member of the Group, SALL adopts Group policies and practices, including those related to remuneration, with any amendments made for local legal or regulatory requirements.

3. Group Remuneration Report

- 3.1 The Group’s Remuneration Report, found on the Group’s investor relations [website](#), describes the Group’s Remuneration Policy and its implementation. Key aspects of this report are summarised below.

4. Remuneration approach, objectives and principles

- 4.1 The Group’s approach to remuneration, and the resulting policies and practices, is built around the following overall principle – “Our people are at the heart of our business and our greatest source of sustainable competitive advantage. To meet the needs of our clients and accelerate our strategy to achieve higher growth and efficiency, our people must be highly skilled, experienced and engaged. Our responsibility to them is to ensure that they have the resources and capabilities needed to support our ambitions and are recognised and rewarded for their performance and the value they create for our stakeholders.”
- 4.2 The Group’s remuneration policy sets out the methodology to remunerate its employees and to ensure that value is appropriately shared among shareholders, senior executives and employees.
- 4.3 Key objectives of the Group’s the remuneration policy:
- (a) Measure and reward for value created for all stakeholders over the short, medium and long term.
 - (b) Be competitive in the global marketplace for skill.
 - (c) Reward our people fairly while avoiding a bonus centric culture that distorts motivations and may encourage excessive and irresponsible risk-taking.
 - (d) Promote and reward teamwork.



4.4 Principles that underpin the Group's remuneration policy:

- (a) Fair, responsible and transparent pay decisions.
- (b) Competitiveness.
- (c) Inclusive.

5. Setting incentive pools and individual proposals

5.1 Incentive pools are set through a top-down approach with the following financial and non-financial performance criteria used to determine pool sizes:

- (a) Group incentive pool:
 - (i) The pool is anchored as a percentage of headline earnings pre minority interests and incentives ("HEpMI") and modified for performance against set targets under each of the Group's value drivers (client focus, employee engagement, risk and conduct, operational excellence, financial outcome and positive impact).
 - (ii) The pool calculation is benchmarked against historic analyses of pool size as percentage of HEpMI and cumulative pool growth relative to headline earnings growth.
 - (iii) In determining the final Group incentive pool, the Group Remuneration Committee ("Remco") considers whether the scorecard outcome sufficiently reflects all relevant performance and risk considerations in the context of the macro environment in which results were generated and may make adjustments accordingly.
- (b) Business unit, country and Group Function incentive pools:
 - (i) Scorecard methodology similar to that of the Group Incentive pool calculation is applied to allocate the Group pool to business units, countries and Group Functions, by referencing the respective area's performance against set targets across the value drivers.
 - (ii) Pools are cascaded to the relevant Group Leadership Council members accountable for the business units, countries and corporate functions.
 - (iii) Final pool proposals for each area are approved by Remco.
- (c) Individual incentive proposals:
 - (i) Individual incentive awards comprise of the following:
 - (A) Cash incentive and mandatory deferred incentive: Individual incentive awards of up to GBP150 000 are settled fully in cash. A portion of awards which exceed this threshold are deferred over a period of 18 to 42 months (refer section 7.3).
 - (B) Discretionary deferred incentive: These awards are made to key roles at managerial level and above to aid retention and to achieve the desired mix between cash and deferred components. They follow the same deferral terms as mandatory deferred incentives.
 - (ii) Individual incentive proposals are discretionary and not based on a fixed formulaic approach.
 - (iii) Awards reflect Group, business unit and individual performance, and are informed by market benchmarks.
 - (iv) Adjustments are made for any risk and compliance breaches.
 - (v) A comprehensive review and moderation process across the Group is conducted by the Group Leadership Council members and the Group CEO prior to final proposals being tabled at Remco.



6. Remuneration governance

- 6.1 The Group board delegates remuneration issues to Remco which is responsible for ensuring that the remuneration process is fair, responsible and supports the delivery of the Group's strategy.
- 6.2 As a separate legal entity, the SALL board of directors has delegated certain remuneration matters to the SALL Reward Review Committee. This committee comprises of SALL's Chairman, SALL's CEO and SALL's Head of People & Culture and is responsible for the approval of:
- SALL's Reward Strategy Policy and related addendums.
 - Overall reward proposals.
 - Reward proposals for the top 50 SALL employees by total reward.
 - Reward proposals for SALL Senior Managers and Certified employees under the FCA's Senior Managers & Certification Regime.
 - Risk adjustments to SALL employee incentive proposals.

7. SALL reward structure

- 7.1 SALL considers the total reward given and strives for an appropriate balance between fixed and variable pay for all employees, depending on seniority and roles. This balance ensures that individual remuneration is differentiated in a transparent way based on quantitative, qualitative and behavioural performance. SALL's senior executives are also significantly invested in the Group's share price and performance over time, aligning their interests with those of the Group's shareholders.
- 7.2 The table below sets out the components of fixed and variable remuneration:

Fixed remuneration		Variable remuneration	
Components	Application	Components	Application
Cash remuneration <ul style="list-style-type: none"> Monthly salary Allowances 	Fixed remuneration levels reflect the role and its market context and the employee's experience and performance. Fixed remuneration structuring differs according to the country market context: <ul style="list-style-type: none"> South Africa: <ul style="list-style-type: none"> Non-managerial employees: guaranteed package plus a medical aid employer contribution Managers and executives: inclusive cost to company package¹ Other countries: Basic salary plus benefits package² 	Short-term incentive (STI) <ul style="list-style-type: none"> Cash incentive Mandatory deferred incentive Discretionary deferred incentive 	All permanent employees are eligible for a discretionary STI award based on group, business unit and individual performance in the context of the role being performed and market considerations. <ul style="list-style-type: none"> Cash incentive: All STI awards include a cash component. Awards below R1.5 million (or similar local currency threshold)³ are settled fully in cash. Mandatory deferred incentive: A portion of awards exceeding R1.5 million (or similar local currency threshold)³ are deferred over a period of 18 – 42 months. Discretionary deferred incentive: Key roles at managerial level and above may receive part of their STI as a discretionary deferred incentive to aid retention and to achieve the desired mix between cash and deferred components. Awards follow the same deferral terms as mandatory deferred incentives.
Core benefits <ul style="list-style-type: none"> Pension funding Medical cover Death and incapacity cover 		Long-term incentive (LTI) <ul style="list-style-type: none"> Performance Reward Plan (PRP) award 	PRP eligibility is limited to senior executives in roles which influence the group's results and long-term strategy. Awards vest after three years if, and to the extent, performance conditions are met.
Optional benefits <ul style="list-style-type: none"> Varies according to country context and requirements 			

Pay mix: Variable pay as a percentage of total remuneration increases with seniority and is dependent on the type of role. For example, investment banking roles generally have a higher variable pay component than retail banking and group function roles. Share-linked deferred STI and LTI awards as percentage of total variable remuneration also increases with seniority to ensure sustained alignment with shareholder and other stakeholder interests.

1 Fixed remuneration for all Liberty employees comprises a guaranteed package plus a medical aid subsidy. STANLIB fixed remuneration is set on a cost to company basis for all employees.
2 With the exception of Namibian managers and executives who receive cost to company fixed remuneration packages.
3 Legacy deferral thresholds apply to Liberty and STANLIB employees.

- 7.3 SALL's incentive awards are subject to mandatory deferrals, which vest in equal tranches at 18, 30 and 42 months from the award date. Deferral thresholds for the 2023 reward cycle were:
- GBP0 to GBP150,000 incentive awards, 0% deferral;



- (b) GBP150,000 to GBP225,000 awards, 30% deferral;
- (c) GBP225,000 to GBP450,000 awards, 40% deferral; and
- (d) Awards above GBP450,000, 50% deferral.

8. Forfeiture and Clawback provisions

- 8.1 SALL has forfeiture provisions in place applicable to all unvested awards.
- 8.2 In addition, clawback provisions are applicable to any awards granted from 1 March 2019 paid to all Executive employees.

9. SALL reward

- 9.1 Total remuneration for SALL's financial year ended 31 December 2023 was as follows:

	GBP'm
Total fixed remuneration	27.1
Total Variable remuneration	24.8
of which, awarded in cash	16.4
of which, awarded in non-cash	8.4
Proportion of total variable remuneration deferred	34%