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 2022 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 283.6 billion (approximately GBP 13.8 billion) as at 31 December 2022.

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 corporate governance 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 – “People are at the heart of our business. To satisfy our clients, meet their needs 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 advanced 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) Correlated to headline earnings ("HE") and HE pre-minorities and incentives ("HEpMI") on a through-the-cycle basis and adjusted for the Group's performance against its six strategic value drivers.
(ii) Tested against the historical ratio analysis of incentive pools and profit measures.
(iii) Assessed against the relative returns to shareholders and employees in the year of award and cumulatively over time.
(iv) Benchmarked against the variable incentive pools of banking competitors.

(b) Business unit and corporate function pools
(i) Determined by Group HEpMI performance (and business unit performance where relevant) on a through-the cycle basis, and against the six strategic value drivers.

(c) Where deemed necessary, the Group Remuneration Committee ("Remco") adjusts incentive pools to reflect any significant risks not reflected in the group's performance.

(d) Individual proposals
(i) Individual incentive proposals are discretionary and not based on a fixed formulaic approach.
(ii) Determined by market pay, business unit performance, team performance and individual performance (within the constraints of the incentive pool available).
(iii) Adjustments are made for any risk and compliance breaches.
(iv) All proposals for the Group's top 400 executives are analysed by Remco and the necessary adjustments made to ensure consistency across client segments and corporate functions.

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.

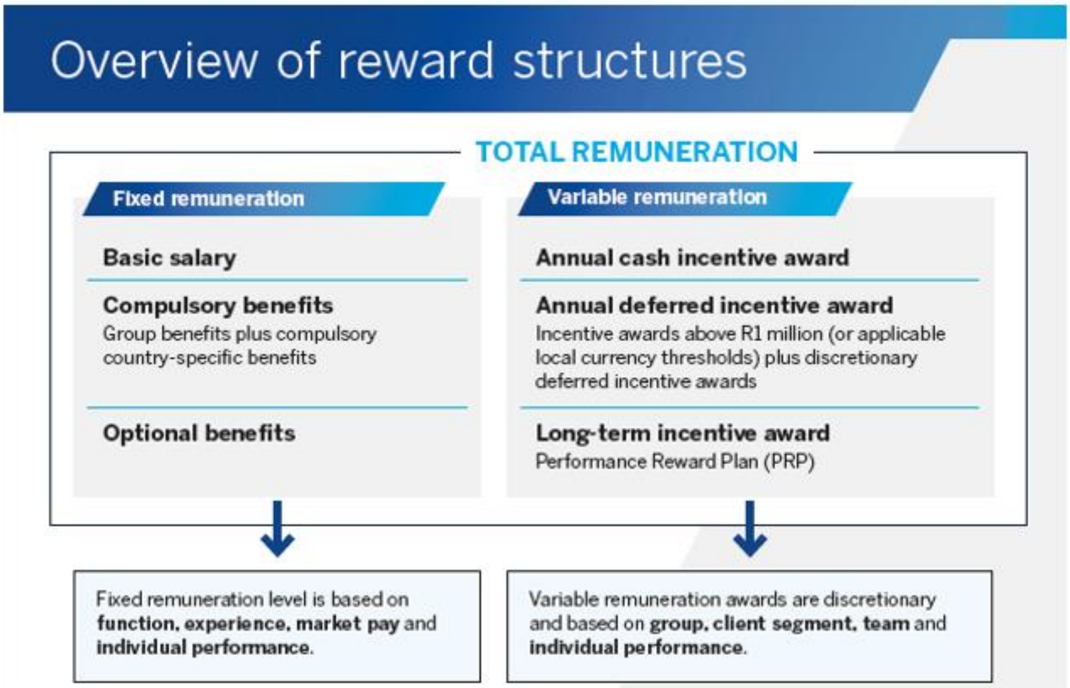
6.2 As a separate legal entity, the SALL board of directors has delegated certain remuneration matters to the SALL Reward Review Committee. This committee comprises of SALL's Chairman, SALL's CEO and SALL's Head of People & Culture and is responsible for the approval of:
(a) SALL's Reward Strategy Policy and related addendums.
(b) Overall reward proposals.

(c) Reward proposals for the top 50 SALL employees by total reward.
(d) Reward proposals for SALL Senior Managers and Certified employees under the FCA's Senior Managers & Certification Regime.
(e) 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:



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 2022 reward cycle were:
(a) 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 heads of major business units; heads of major geographical regions; heads of risk, control and other corporate functions; and employees whose individual actions may have a material impact on the risk exposure of the Group.

9. SALL reward

9.1 Total remuneration for SALL’s financial year ended 31 December 2022 was as follows:

	GBP'm
Total fixed remuneration	23.8
Total Variable remuneration	20.4
of which, awarded in cash	13.4
of which, awarded in non-cash	7.0
Proportion of total variable remuneration deferred	34%