Redburn Atlantic

IFPR Disclosures for the year ending 31 December 2023

Rothschild & Co

Contents

Overview

This disclosure is in relation to Redburn (Europe) Limited (the "Firm" or "Redburn"), 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). In February 2022 Redburn varied its permissions in order to undertake ECM activity. Redburn 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.

Business developments

Acquisition by Rothschild & Co

Following the completion of a change of control transaction on 1 December 2022, 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).

In January 2023, Rothschild & Co made an offer to purchase the remaining shares held by minority shareholders of the Firm. In March 2023 Rothschild & Co acquired the minority shares and owned 100% of the share capital of the Firm from that point.

Acquisition of the business of Atlantic Equities LLP

In April 2023, the Firm reached an agreement to acquire the business of Atlantic Equities LLP ("Atlantic"), a US equity research and agency execution specialist. The acquisition was structured in the form of the purchase of certain of its assets and liabilities, rather than the acquisition of a legal entity. The acquisition was subject to certain conditions precedent, and the acquisition completed on 14 August 2023. From this date, the Firm and its subsidiaries traded under the name of Redburn Atlantic. However, the legal name of the regulated Firm, Redburn (Europe) Limited, remained unchanged. Whilst this transaction resulted in an expansion of the Firm's client base and employee population, it did not result in a change in business activities or associated risk profile.

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). The document provides transparency and accountability regarding Redburn's business activities.

This document sets out the public disclosures for Redburn as at 31 December 2023, which represents the end of the financial accounting period. The financial statements for the year ended 31 December 2023 are available on the Companies House website.

Policy, validation and sign-off

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

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 Redburn.

These disclosures were approved by the Board on 11 June 2024.

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.

Potential for harm from Redburn's activities by risk category

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

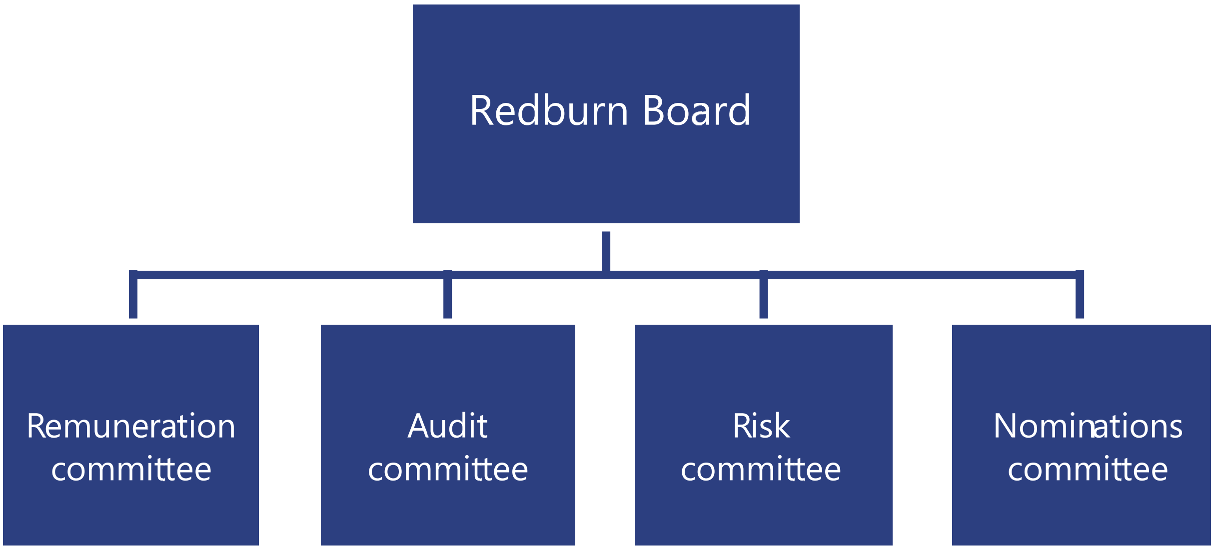
The ‘three lines of defence’ model distinguishes between functions owning and managing risks, functions overseeing risks and functions providing independent assurance. It is in the first instance the responsibility of senior management within Redburn to implement risk management systems and controls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

Redburn risk framework

First line	Second line	Third line
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	Comprises specialist support functions including Compliance, 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	Provides independent objective assurance on the effectiveness of the management of risks. During 2023 the internal audit provision was transitioned from an outsourcing model (Grant Thornton LLP) to the Group Audit department of Rothschild &Co.

Governance structure

Redburn governance structure



Roles and responsibilities

The Roles and Responsibilities of the Board and its Committees, with respect to risk management, are as follows:

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, following the change in control in December 2022, 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 Chief Executive Officer ("CEO"). The CEO is 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.

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.

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.

Nominations 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.

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.

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, Risk Committee, Remuneration Committee and Nominations Committee are Sub-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 2023.

Overview of directorships within scope of MIFIDPRU 8.3.1R(2)

Senior management function/role as of 31 December 2023	Name	Number of other directorships
SMF 9 – Chair SMF 13 – Chair of Nominations Committee	John Stier	2
SMF 1 – CEO, SMF 3- Executive Director	Adam Young	0
SMF 3 – Executive Director, SMF 2 – Chief Finance	Ben Burston	0
SMF 3 – Executive Director	Alice Harper	0
SMF – Executive Director	Christopher Middleton	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
Non-Executive Director	Aisling Meany	1

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

Following the Change in Control in December 2022, Redburn adopted Rothschild & Co's policy on Diversity in 2023. This 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.

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.

OF1 – Composition of regulatory own funds

Item	£'000s	Source based on reference numbers/letters of the balance sheet in the audited financial statements
1 OWN FUNDS	31,125	-
2 TIER 1 CAPITAL	31,125	-
3 COMMON EQUITY TIER 1 CAPITAL	31,125	-
4 Fully paid-up capital instruments	50,017alice	Page 12
5 Share premium	107,988	Page 12
6 Retained earnings	(56,707)	Page 12
7 Accumulated other comprehensive income	0	
8 Other reserves	1,415	Page 12
9 Adjustments to CET1 due to prudential filters	-	-
10 Other funds		-
11 (-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	(71,588)	-
19 CET1: Other capital elements, deductions and adjustments	0	-
20 ADDITIONAL TIER 1 CAPITAL	0	-
21 Fully paid up, directly issued capital instruments	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	-

Own funds: 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 2023. The balance sheet below is as per the audited financial statements.

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

(£'000s)		Balance sheet as in published/audited financial statements (a)	Under regulatory scope of consolidation (b)	Cross reference to template OF1 (c)
		Assets – breakdown by asset classes according to the balance sheet in the audited financial statements		
1	Intangible assets	49,030	-	-
2	Tangible assets	2,653	-	-
3	Investment in related entities	8,341	-	-
4	Settlement balances	188,444	-	-
5	Other debtors	45,473	-	-
6	Cash and cash equivalents	27,913	-	-
	Total assets	**321,854**	**-**	**-**
		Liabilities - breakdown by liability classes according to the balance sheet in the audited financial statements		
1	Settlement balances	188,444	-	-
2	Other creditors	30,697	-	-
	Total liabilities	**219,141**	**-**	**-**
				-
		Shareholders' equity		
1	Share capital	50,017	-	OF 1 (4)
2	Share premium	107,988	-	OF 1 (5)
3	Retained earnings	(56,707)	-	OF1 (6)
4	Share based payments reserve	1,415	-	OF1 (8)
	Total shareholders' equity	**102,713**	**-**	**-**

Own funds: main features of own instruments issued by the firm

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

CET1 Instruments used by Redburn Atlantic

Public or private placement	Private
Instrument type	Ordinary share
Amount recognised in regulatory capital (GBP thousands, as of most recent reporting date)	50,017
Nominal amount of instrument (GBP thousands, as of most recent reporting date)	50,017
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	N/A
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

Own funds requirements

K-Factor Requirement, Fixed Overheads Requirement and Permanent Minimum 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”) and the K-Factor Requirement (“KFR”). The table below shows Redburn’s KFR at 31 December 2023, broken down into three groupings and the amount of the FOR in comparison to the PMR.

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 K-CMH requirement and the K-ASA requirement	The sum of the K-AUM requirement, the K-CMH requirement and the K-ASA requirement
	The sum of the K-COH requirement and the K-DTF requirement	336
	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		12,374
c. Permanent minimum requirement		750
Basic own funds requirement (highest of a, b, c)		12,374

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 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).

Output of ICARA exercise and summary of capital position at 31 December 2023

Capital

Through its 2023 ICARA process, Redburn has concluded that holding the Basic Own Funds Requirement is sufficient for the Firm to address potential harms and meet the Overall Financial Adequacy Rule.

Redburn's Own Funds Requirement is therefore the Basic Own Funds Requirement :- the Fixed Overhead Requirement of £12.4m.

Redburn Atlantic basic own funds requirement

Capital position at 31 December 2023	£'000s
Own funds	31,125
Own funds threshold requirement	(12,374)
Capital Buffer at 31 December 2023	18,751

Liquidity

- The ICARA exercise determined that there is an ongoing operations liquidity requirement of £1.5m in excess of the Basic Liquid Assets Buffer of £4.1m (1/3 of the Fixed Overhead Requirement).
- The Liquid Assets Threshold Requirement is therefore £5.6m.
- At 31 December 2023, Redburn recognised liquid assets eligible for the basic buffer of £26.5m and total liquid cash of £27.9m. Group cash was £37.9m.

Remuneration policy and practices

Remuneration policy, principles, practices and procedures

Redburn's remuneration policies, practices and procedures are documented in a Remuneration Policy, which applies to employees of Redburn (Europe) Limited, and anyone employed by a Redburn Group company. Redburn's Remuneration Policy is based on, and is consistent with, that adopted by Rothschild & Co, but is tailored to the specific circumstances of the Redburn Group. The policy 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 Redburn Group's approach to guaranteed bonuses, retention awards and severance pay. It applies to remuneration for all employees providing services to Redburn Group companies.

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

Redburn's approach to the Remuneration Policy and remuneration practices is guided by its business strategy, objectives, values and long-term interests. The Remuneration Policy reflects Rothschild & Co's and Redburn's risk appetite and strategy, culture and values.

The approach encourages responsible business conduct and effective management of conflicts of interests. Redburn 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 Redburn.

Remuneration policy governance and decision making

The Redburn Board is responsible for the Remuneration Policy and remuneration practices of Redburn.

Redburn has a Remuneration Committee which reports to the Redburn Board to assist with its remuneration related duties and the preparation of decisions aimed at deciding Redburn's remuneration policy principles.

The Board of Redburn is responsible for:

- Adopting and reviewing at least annually the Redburn Remuneration Policy to ensure that it:
  - complies with the UK Remuneration Rules;
  - is consistent with and promotes sound and effective risk management;
  - is in line with the business strategy, objectives, values and interests of Redburn;
  - includes measures to avoid conflicts of interests; and

  - does 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;

- Overseeing implementation of relevant Remuneration Policy general principles.

  - The Remuneration Committee will recommend changes to the Remuneration Policy, taking input from Rothschild & Co subject matter experts, as well as other functions such as the Compliance function as appropriate. Any material change to the Remuneration Policy must be approved by the Redburn Board.

The Remuneration Committee periodically (and at least annually) assists the Redburn Board to review the Remuneration Policy, with input as required from Rothschild & Co subject matter experts and support functions within the Redburn Group.

Use of external advisers

The Committee's work during the year was informed by advice provided by subject matter experts working for Rothschild & Co. External advisers (Linklaters LLP) provided advice on the interpretation and application to Rothschild &Co and therefore the Redburn Group of certain regulations.

The link between pay and performance

Redburn awards variable remuneration to its employees contingent on performance. All employees of Redburn 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 include both financial and non-financial metrics. These include revenues, pre-compensation profit, market conditions, general economic conditions, the risk profile of, and risk taken by Redburn, market remuneration trends and staff retention.

The measurement of performance includes adjustment for current and potential risks by considering the capital and liquidity position of Redburn and any significant contingencies.

Individual variable remuneration awards reflect individual performance, which is assessed through Redburn's annual performance process. The award of variable remuneration is at the discretion of the Redburn Remuneration Committee and is based on the performance of the R&Co Group and the Redburn Group, as well as the employee's individual performance.

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 Redburn's values and guiding principles.

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

Design and structure of remuneration for Material Risk Takers ("MRTs")

Employees of Redburn that could potentially have a material impact on the risk profile of Redburn are identified as 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 Redburn to operate a truly flexible variable remuneration policy.

The variable component of remuneration is based on performance. 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 Redburn while taking account of Redburn'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.

Redburn 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 Remuneration Committee directly oversees the remuneration of MRTs in control functions.

Malus and clawback

Redburn has a Malus and Clawback Policy governing the application of malus and clawback to variable remuneration paid to MRTs and other employees. The Remuneration Committee has the power to reduce variable remuneration if it considers that to pay it would not be sustainable based on the financial situation of the Redburn.

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 36 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.

2023 IFPR quantitative disclosures

Total number of material risk takers (‘MRTs’) = **21**. This figure, and the related disclosures below, capture any inidvidual who was catergorised as an MRT for all or part of the year ended 31 December 2023.

2023 IFPR quantitative disclosures

	Senior management (£)’k	Other MRTs (£)’k	Other staff (£)’k	Total (all staff, £)
Total remuneration	7,890	-	30,306	38,196
Of which: fixed remuneration	5,672	-	22,977	28,649
Of which: variable remuneration	2,218	-	7,329	9,547
▪ Of which: cash-based	1,625	-	-	-
– Of which: non-deferred	1,373	-	-	-
– Of which: deferred	252	-	-	-
▪ Of which: shares		-	-	-
– Of which: non-deferred		-	-	-
– Of which: deferred		-	-	-
▪ Of which: share-linked instruments	593	-	-	-
– Of which: non-deferred	356	-	-	-
– Of which: deferred	237	-	-	-

2023 IFPR quantitative disclosures (continued)

	---- Senior management (GBP)'k ----	----------------- Other MRTs (GBP)'k -----------------
Total guaranteed variable remuneration awarded to MRTs (and the number of individuals receiving such awards)	0 (0) -	-
Total amount of deferred remuneration awarded for previous performance periods	3,162 -	-
▪ Of which: due to vest in the financial year in which the disclosure is made	904 -	-
– Of which: due to vest in subsequent financial years	1,556 -	-
– Of which: due to vest in the financial year in respect of which the disclosure is made	702 -	-
– 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.	Ten "Senior Management MRTs", for the 2023 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 £3,627k split between fixed – £3,080k and variable £547k.	

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