Brewin Dolphin Wealth Management Limited

IFR Annual Disclosure

31 October 2023

Contents

Overview

Business Profile

Our Organisation

Brewin Dolphin Wealth Management Limited (BDWM and the Firm), trading as RBC Brewin Dolphin, is a leading Wealth Manager operating in the Republic of Ireland.

The Firm is a limited liability company regulated by the Central Bank of Ireland (CBI). Its parent company is Brewin Dolphin Holdings Limited. Royal Bank of Canada (RBC) completed the acquisition of the Firm's parent on 27 September 2022.

The Firm is authorised as an Investment Firm under the European Communities (Markets in Financial Instruments) Regulations 2007 and the Investment Intermediaries Act, 1995.

Firm Classification

The Firm is regulated by the CBI and is subject to the Investment Firm Regulations (2019) and Investment Firm Directive (2019) (the IFD/IFR) which came into effect in Ireland in June 2021. Under the IFD/IFR the Firm has been classified as a Class 2 firm. There are four classifications which determine the prudential regime to which an investment firm will be subject to, which is based on their size and complexity.

There are certain disclosures under the IFD/IFR from which the Firm is exempt as it does not meet the 'on and off-balance sheet assets >EUR 100m' threshold.

Business Lines

The Firm predominantly provides wealth management and financial planning, to private clients in Ireland.

To ensure that financial solutions are precisely tailored to clients' needs and aspirations, the Firm offers a range of services focused on discretionary investment management.

Basis and Frequency of Disclosure

The aim of this document is to publish a set of disclosures which allow market participants to assess key information on the capital condition, risk exposures and risk assessment process.

The Firm publishes IFR disclosures on at least an annual basis. Given the small scale and range of its operations and the lack of complexity, the Firm currently assesses that there is no need to publish some or all of its disclosures more frequently than annually.

These disclosures have been reviewed and approved by the Firm's Executive Committee and are published on the Firm's public website: **https://www.brewin.ie**

These disclosures have been compiled to satisfy those required under IFR disclosures and have not been audited.

Risk Governance

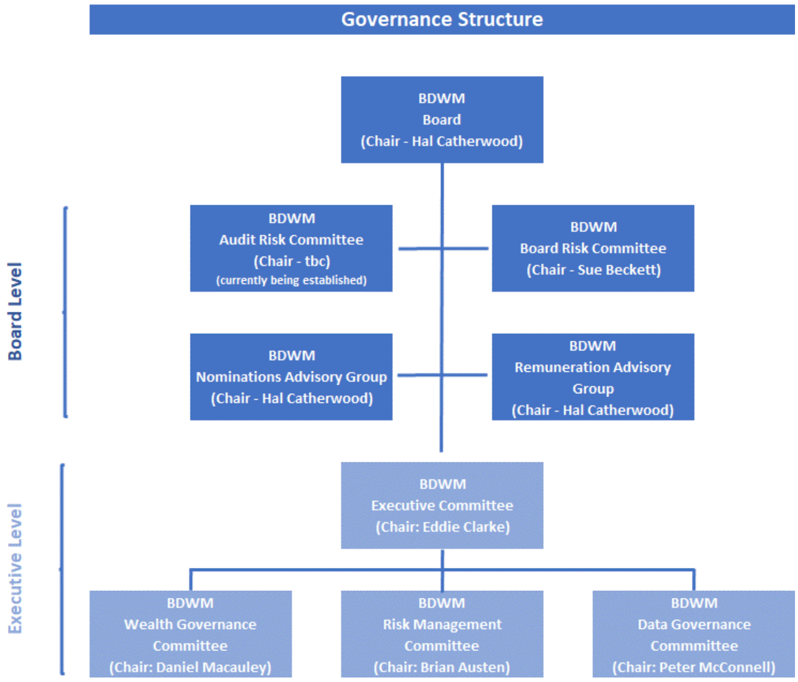
Accountability Structure

The Firm is equipped with a clear and robust risk governance framework to ensure the management and mitigation of risk in addition to providing stakeholder assurance with regards to the risk landscape for the Firm. The framework sets out the responsible parties tasked with the oversight and management of risk on behalf of the Firm including any risk-related responsibilities delegated to management committees or otherwise.

In line with the Firm's structure, the BDWM Board directs and oversees the commercial and risk management activities of BDWM. The Board comprises independent non-executive, non-executive and executive directors and sets the risk management and internal control policies for the Firm. It is responsible for reviewing the adequacy and effectiveness of the internal controls and the risk management process. In addition, to assist in these responsibilities, the Board agrees an internal audit programme with the RBC Internal Audit department to review the processes and controls in place.

BDWM has a Board and Committee structure in place for risk governance as shown in the table below.

Table 1: BDWM Committee Structure



Board Level Committees

BDWM Board

Ultimate responsibility for managing risk within the business resides with the Board. It is tasked with ensuring that an effective systems and controls framework is in place. The Board is responsible for setting risk appetite and approving the Internal Capital Adequacy Assessment Process (ICAAP).

BDWM Board Risk Committee

The Board Risk Committee's primary responsibility is to focus on the strategy, management and oversight of risk for BDWM.

The Board Risk Committee has approval responsibilities for:

- Applicable Risk Management Frameworks and Risk Policies, and any specific addendums and policies that may be required to articulate the significant risks to which BDWM is exposed.
- The risk methodologies, input parameters and stress scenario definitions for the ICAAP.

The Board Risk Committee has responsibility for reviewing the ICAAP and Risk Appetite Statements, and their approval on behalf of the Board.

The Risk Committee has oversight responsibilities for Risk, Compliance and Regulatory Change.

BDWM Audit Committee

The Firm is in the process of establishing an Audit Committee, which will meet twice yearly. This Audit Committee will have approval responsibility for the Annual Internal and External Audit Plans. The Audit Committee will also have oversight responsibilities for the framework and effectiveness of the Firm's system of internal financial controls, for financial reporting, including monitoring the integrity of the Firm's annual financial statements as well as for Internal and External Audit. Until the Audit Committee is fully established the Board Risk Committee will undertake these responsibilities.

BDWM Remuneration and Nominations Advisory Groups

The Remuneration and Nominations Advisory Groups advise the Board on matters relating to remuneration and nominations.

Executive Level Committees

BDWM Executive Committee

The BDWM Executive Committee manages the day to day running of the Firm, including the development and implementation of the strategy, operational plans, policies, procedures and budgets, the monitoring of operating and financial performance, the prioritisation and allocation of resources and the assessment and control of risk.

BDWM Risk Management Committee

The BDWM Risk Management Committee reviews and approves risk-specific frameworks, policies, mandates, and limits relating to BDWM as appropriate.

BDWM Wealth Governance Committee

The BDWM Wealth Governance Committee monitors and oversees the conduct and culture risk that BDWM faces.

BDWM Data Management Committee

The BDWM Data Management Committee monitors and oversees the data management and privacy risk that BDWM faces.

Risk Management

Overview

Risk Management is defined as all frameworks, processes, and controls enabling the management, monitoring, and safeguarding of the Firm's assets within its defined risk appetite.

The risk of financial and non-financial loss through business activities is inherent in all of the businesses conducted by the Firm. For this reason, risk management is considered to be an intrinsic part of the strategy and capital planning processes.

Risk Management Framework

The RBC Enterprise Risk Management Framework (ERMF) sets out the overarching arrangements for risk management, control, and assurance within the Firm. The ERMF is designed to provide a consistent and structured approach to identify, assess, measure, control, monitor and report on significant risks. The Firm has adopted the ERMF and an addendum catering for its own local specificities.

The ERMF helps to ensure that risk is managed and controlled on behalf of internal and external stakeholders, including shareholders, clients, employees, and regulators. Effective and efficient risk governance and oversight provide Management with assurance that the Firm's business activities will not be excessively impacted by risks that could have been reasonably foreseen. This, in turn, reduces the uncertainty of achieving the Firm's strategic objectives.

The Firm complies with the laws and regulations that govern its businesses in the jurisdictions in which it operates. The ERMF recognises that the Firm is required to comply with those regulatory requirements.

Risk Principles

The Firm, its Management and Staff apply the following general principles for its management of risk:

Principle	**Description**
Effectively balance risk and reward to enable sustainable growth.	The Firm balances risk and reward to capitalise on opportunities within our business strategy and risk appetite, avoid excessive concentrations of risk through diversification and risk transfer, manage earnings volatility, and ensure the long-term viability and profitability of the organisation.
Collectively share the responsibility for risk management.	Following the three lines of defence risk governance model, employees at all levels of the organisation, as one RBC, are responsible for managing the day-to-day risks that arise in the context of their roles. Decision-makers must understand the risks, determine appropriate actions to mitigate these risks, and be able to explain the risk considerations and rationale for their decisions.
Undertake only risks we understand. Make thoughtful and future-focused risk decisions.	To create long term value for our shareholders, clients, employees, and communities, we exercise rigour in our risk assessments, analyse emerging risk factors and trends, ensure transparency in risk discussions, and improve processes and tools for simpler, better, faster decision-making without exposing us to undue risks.
Always uphold our Purpose and Vision, and consistently abide by our Values and Code of Conduct to maintain our	Guided by our Collective Ambition, we champion good conduct and do business openly and fairly. We never compromise quality or integrity for growth. We adhere to the "Know Your Client" standards and ensure transparency and suitability of the products and services offered. We continue to educate ourselves and our clients on the risks and opportunities posed by

reputation and the trust of our clients, colleagues, and communities.	evolving risk trends (e.g. climate change) in support of our Purpose that is to help our clients thrive and communities prosper in a more socially inclusive and sustainable environment. We also comply with all laws and regulatory requirements, and support transactions and relationships with proper and complete documentation.
Maintain a healthy and robust control environment to protect our stakeholders.	To achieve our operational and financial performance goals while maintaining our reputation and integrity and operating within the parameters of applicable laws and established risk appetite, we employ effective processes and controls and resiliency practices to minimise harm from internal and external threats, avoid business interruptions, and ensure timely resolution of control issues.
Use judgment and common sense.	Policies and procedures cannot cover all circumstances. Employees should apply judgment and common sense, and when in doubt, escalate. Management should hire the right people for the right jobs and provide proper training and support.
Always be operationally prepared and financially resilient for a potential crisis.	The Firm strives to maintain effective protocols and escalation strategies to respond to all risks that we face, including regulatory, macroeconomic, market and other stakeholder developments. This includes maintaining operational readiness and financial resilience to effectively operate during and following a financial crisis. It is also critical to maintain agility and readiness to respond to potential disruptors to the financial industry.

Three Lines of Defence Model

The Firm has implemented a robust system of monitoring, reporting and control based on the Three Lines of Defence model. This model details responsibility for risk management, control, and assurance, and clarifies the segregation of duties between those who take on risk, those who control risk and those who provide assurance.

First Line of Defence – This is provided by the business and support functions embedded in the business. The First Line of Defence has the ownership and accountability for:

- Risk identification, assessment, mitigation, monitoring and reporting in accordance with the established Firm's risk policies and Risk Appetite;
- Ensuring appropriate and adequate capabilities to manage risks relevant to the business; and
- Alignment of business and operational strategies with risk conduct and culture and risk appetite.

Second Line of Defence – This is provided by areas with independent oversight accountabilities residing in functions such as Risk, Compliance, and other areas RBC Group Functions. The Second Line of Defence is accountable for:

- Establishing the Firm level risk management frameworks and providing risk guidance;
- Providing oversight for the effectiveness of First Line risk management practices; and

Monitoring and independently reporting on the level of risk against the established appetite measures and associated constraints.

Third Line of Defence –The Third Line provides independent objective assurance on the effectiveness of risk management policies, processes, and practices in all areas of the Firm to the Board. Further assurance is provided by the Firm's external auditor, PricewaterhouseCoopers (Ireland firm).

Risk Identification

The process of Risk Identification and assessment is intrinsic within the Firm's pursuit of approved business strategies. Risk Identification is embedded within a wide range of activities, including but not limited to:

- The Firm's Risk and Control Self Assessment process;
- The approval of new products, projects or initiatives;
- Business strategy development;
- ICAAP, Stress Testing and Recovery Planning;
- Monitoring and Reporting; and
- Ongoing assessment of Industry and Regulatory Developments.

The Firm's assessment, identification, monitoring, and escalation processes are continuously advancing in response to the environment in which it operates and the risks it is exposed to.

Risk Policy Management

The Firm has implemented policies and processes in the context of the Firm's risk policy management requirements to support the assessment and management of risks. The Firm's policies and controls review process is continuous to ensure continued effectiveness and alignment with relevant laws and regulations as they are issued. To ensure operation with integrity, the Firm adheres to a number of other principles, codes and policies, including the Firm's Code of Conduct which governs the behaviour of the Firm's employees and informs how the Firm conducts its business operations.

Where necessary, the Firm adapts Enterprise policies to ensure compliance with local legal and regulatory requirements and expectations.

The Firm's Frameworks and policies (including the Risk Management Framework) are reviewed and refreshed annually and approved by an appropriate governance committee.

Risk Appetite

The Firm's Risk Appetite is defined as the amount and type of risk that the Firm is able and willing to accept in the pursuit of its business objectives.

The overall objective of the Firm's risk appetite framework is to protect the Firm from unacceptable levels of risk while supporting and enabling the Firm's overall business strategy and goals. The Firm has adopted the RBC Enterprise Risk Appetite Framework (ERAF) and an addendum catering for its own local specificities. These provide details on the Firm's risk appetite principles, constraints and metrics and are reviewed and approved at least annually by the Board Risk Committee on behalf of the Board.

A comprehensive risk appetite scorecard is presented to the Risk Management Committee monthly and the Board Risk Committee quarterly which shows the trend against the approved Risk Appetite.

The Firm's Risk Profile considers several internal and external risk and performance indicators including but not limited to Capital, Liquidity and Operational Risk, Profitability and Market Based Indicators. This enables the Board Risk Committee to assess whether the entity Risk Profile remains within its risk tolerance.

Capital Planning

Capital Planning

The Firm undertakes a regular ICAAP to ensure that the business strategy and planning translate into adequate capital levels over internal and external minimum capital requirements and identifies any periods where capital buffers could become tight so that corrective action can be undertaken in advance. This also includes reviewing the capital levels against risk appetite to ensure that the business strategy and planned capital levels remain in line with the Firm's risk appetite. The ICAAP includes both the Normative and Economic perspective, as required by regulation.

The capital plan is derived from the Firm's base case business plan and takes into account changes to business forecasts, market conditions and other developments, such as accounting or regulatory changes that may impact capital requirements.

The base case capital plan also forms the basis for stress testing analysis. Stressing the capital plans, enables the Firm to test the strength of its capital base and also to consider mitigating actions in advance in order to maintain overall financial adequacy in periods of stress.

The capital plan is updated on a periodic basis to reflect actual operating results, updated Profit and Loss forecasts and any changes in business strategies.

The ICAAP is a collaborative exercise, with involvement within BDWM of the Risk and Finance teams, Management and Risk Owners, and with input from RBC's Enterprise Risk Management and Finance teams.

Ultimate responsibility for the ICAAP resides with the Board who is tasked with ensuring that effective systems and a control framework are in place for business, risk and capital management enabling these to be adequately overseen, assessed and managed. Following the review of the ICAAP, the ICAAP report is submitted to the Board Risk Committee for review, challenge and approval on behalf of the Board.

The Firm's approach to the identification, monitoring, reporting, and control of the risks that it faces (Risk Management) and the underlying systems put in place as defined within this disclosure, the RBC Enterprise Frameworks, policies and standards and where relevant, the Firm's specific addendums are deemed sufficient by the Board for its Risk Profile and Overall Strategy. The financial year ICAAP 2023 considered Operational, Market, Counterparty and Credit Risk. The ICAAP concluded that the Firm was sufficiently capitalised in both normal and adverse market conditions, as approved by the Board Risk Committee, on behalf of the Board.

Own Funds

EU IF CC1.01 – Composition of Own Funds

As at 31 October 2023, the Firm had total own funds of €16.03 million, which comprises of solely Common Equity Tier 1 Capital.

		Amounts (€ 000's)	Source based on reference numbers/letters of the balance sheet in the audited financial statements
	Common Equity Tier 1 (CET1) Capital: Instruments and Reserves		
1	**OWN FUNDS**	**16.03**	Sum of rows 2 and 40
2	**TIER 1 CAPITAL**	**16.03**	Sum of rows 3 and 28
3	**COMMON EQUITY TIER 1 CAPITAL**	**16.03**	Sum of rows 4,5,6,12
4	Fully paid-up capital instruments	35.79	Template EU IF CC1.02 Equity Row 6 and Row 8 Column a
5	Share premium	0.06	Template EU IF CC1.02 Equity Row 7 Column a
6	Retained earnings	4.58	Template EU IF CC1.02 Equity Row 9 Column a
7	Accumulated other comprehensive income	-	
8	Other reserves		
9	Minority interest given recognition in CET1 capital	-	
10	Adjustments to CET1 due to prudential filters		
11	Other funds	-	
12	(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	(24.40)	Sum of rows 18,19 and 20
13	(-) Own CET1 instruments	-	
14	(-) Direct holdings of CET1 instruments	-	
15	(-) Indirect holdings of CET1 instruments	-	
16	(-) Synthetic holdings of CET1 instruments	-	
17	(-) Losses for the current financial year	-	
18	(-) Goodwill	(1.70)	Template EU IF CC1.02 Assets Row 3 Column a
19	(-) Other intangible assets	(22.30)	Template EU IF CC1.02 Assets Row 3 Column a
20	(-) Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities	(0.04)	Template EU IF CC1.02 Assets Row 3 Column a
21	(-) Qualifying holding outside the financial sector which exceeds 15% of own funds	-	
22	(-) Total qualifying holdings in undertaking other than financial sector entities which exceeds 60% of its own funds	-	
23	(-) CET1 instruments of financial sector entites where the institution does not have a significant investment	-	
24	(-) CET1 instruments of financial sector entities where the institution has a significant investment	-	
25	(-)Defined benefit pension fund assets	-	
26	(-) Other deductions	-	
27	CET1: Other capital elements, deductions and adjustments	-	
28	**ADDITIONAL TIER 1 CAPITAL**	-	
29	Fully paid up, directly issued capital instruments	-	
30	Share premium	-	
31	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1	-	
32	(-) Own AT1 instruments	-	
33	(-) Direct holdings of AT1 instruments	-	
34	(-) Indirect holdings of AT1 instruments	-	
35	(-) Synthetic holdings of AT1 instruments	-	
36	(-) AT1 instruments of financial sector entities where the institution does not have a significant investment	-	
37	(-) AT1 instruments of financial sector entities where the institution has a significant investment	-	
38	(-) Other deductions	-	
39	Additional Tier 1: Other capital elements, deductions and adjustments	-	

40	**TIER 2 CAPITAL**	-	
41	Fully paid up, directly issued capital instruments	-	
42	Share premium	-	
43	(-) TOTAL DEDUCTIONS FROM TIER 2	-	
44	(-) Own T2 instruments	-	
45	(-) Direct holdings of T2 instruments	-	
46	(-) Indirect holdings of T2 instruments	-	
47	(-) Synthetic holdings of T2 instruments	-	
48	(-) T2 instruments of financial sector entities where the institution does not have a significant investment	-	
49	(-) T2 instruments of financial sector entities where the institution has a significant investment	-	
50	Tier 2: Other capital elements, deductions and adjustments	-	

EU IF CC1.02 – Reconciliation of Regulatory Own Funds to Balance Sheet In Audited Financial Statements

As at 31 October 2023, a full reconciliation of own funds items to audited consolidated financial statements is shown in the table below.

€ 000's		**Balance sheet as in published/audited financial statements**	**Under regulatory scope of consolidation**	**Cross reference to EU IF CC1**
		As at period end (€)	**As at period end (€)**	
Assets - *Breakdown by asset classes according to the balance sheet in the published/audited financial statements*				
1.	Tangible Fixed Assets	0.56		
2.	Leased Assets	4.14		
3.	Intangible Assets	26.77		EU IF CC1.01 Row 18,19,20
4.	Current Assets	31.85		
	Total Assets	**63.32**		
Liabilities - *Breakdown by liability classes according to the balance sheet in the published/audited financial statements*				
5.	Creditors	(22.89)		
	Total Liabilities			
Shareholders' Equity				
6.	Called up Share Capital Presented as Equity	0.17		EU IF CC1.01 Row 4
7.	Share Premium Account	0.06		EU IF CC1.01 Row 5
8.	Capital Contribution	35.62		EU IF CC1.01 Row 4
9.	Profit & Loss	4.58		EU IF CC1.01 Row 6
	Total Shareholders' equity	**40.43**		

EU IF CCA – Own Funds: Main Features of Own Instruments Issues by the Firm

As at 31 October 2023 a description of the main features of the Common Equity Tier 1 is shown in the table below:

		Common Equity Tier 1 instruments
1	Issuer	Brewin Dolphin Wealth Management
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	N/A
3	Public or private placement	Private
4	Governing law(s) of the instrument	Ireland
5	Instrument type (types to be specified by each jurisdiction)	Common Equity Tier 1 as published in Regulation (EU) No 575/2013 Article 28
6	Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	EUR 166,676
7	Nominal amount of instrument	EUR 166,676
8	Issue price	111,111 shares @€1.5 + 1,000 A-shares @€0.01
9	Redemption price	N/A
10	Accounting classification	Called up Share Capital presented as Equity
11	Original date of issuance	29 August 1995
12	Perpetual or dated	Perpetual
13	Original maturity date	No Maturity Date
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	N/A
16	Subsequent call dates, if applicable	N/A
	Coupons / dividends	
17	Fixed or floating dividend/coupon	N/A
18	Coupon rate and any related index	N/A
19	Existence of a dividend stopper	N/A
20	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary
21	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary
22	Existence of step up or other incentive to redeem	No
23	Noncumulative or cumulative	Non-cumulative
24	Convertible or non-convertible	Non-convertible
25	If convertible, conversion trigger(s)	N/A
26	If convertible, fully or partially	N/A
27	If convertible, conversion rate	N/A
28	If convertible, mandatory or optional conversion	N/A
29	If convertible, specify instrument type convertible into	N/A
30	If convertible, specify issuer of instrument it converts into	N/A
31	Write-down features	No
32	If write-down, write-down trigger(s)	N/A
33	If write-down, full or partial	N/A
34	If write-down, permanent or temporary	N/A
35	If temporary write-down, description of write-up mechanism	N/A
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	N/A
38	Link to the full term and conditions of the instrument (signposting)	

Capital Requirements

K-Factor Requirements

As at 31 October 2023 the K-Factor requirement was €1.0m. The Firm's K-Factor requirement is based solely on Risk to Client K-Factors. Due to the nature of the Firm's business model the Firm is not required to calculate K-Factors for Risk to Market or Risk to Firm.

Risk to Client

Risk to Client (RtC) covers business areas of investment firms from which harm to clients can conceivably be generated in case of any unintended issues. The underlying k-factor requirements for RtC are stipulated as:

- Assets under Management (K-AUM);
- Client money held (K-CMH);
- Assets under safeguarding and administration (K-ASA); and
- Client Orders Handles (K-COH).

Fixed Overhead Requirements

As at 31 October 2023 the Fixed Overhead requirement is €6.3m

Liquidity Risk

Definition

Liquidity risk is the risk that the Firm is unable to generate or obtain sufficient liquidity in a cost-effective manner to meet contractual and contingent commitments as they fall due.

Liquidity Risk Profile

The Firm's procedures ensure it can generate or obtain sufficient liquidity in a cost-effective manner to meet contractual and contingent commitments as they fall due under normal and extreme-but-plausible stressed conditions, as well as meeting regulatory expectations. This risk tolerance is articulated through a series of limits covering regulatory metrics.

The Firm receives cash inflows in the form of Portfolio Management and Trading Fees as well as Interest related income.

The Firm is comfortable with the level of liquidity risk within the entity and throughout the financial year the entity remained within regulatory limits.

Governance and Framework

Responsibility for managing liquidity risk resides with the Board Risk Committee on behalf of the Board. This ensures that effective governance arrangement and control frameworks are in place for liquidity risk, enabling it to be adequately overseen, assessed and managed.

On a monthly basis an overview of liquidity related management information is presented to the Risk Management Committee.

Remuneration

Remuneration Policy

As a MIFID firm, the Firm must comply with the remuneration related principles set down in the IFD/IFR and establish remuneration policies in accordance with these regulations that are proportionate to the size, internal organisation, and the nature, as well as to the scope and complexity of the investment firm. Specific requirements apply to the following categories of staff:

- senior management;
- risk takers;
- staff engaged in control functions; and
- any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers,

whose professional activities have a material impact on the risk profile of the investment firm or of the assets that it manages. These staff are referred to as “Identified Staff”.

The Firm must also take account of the principles set down the European Banking Authority’s Guidelines on Sound Remuneration Policies under Articles 34(3) of the IFD, disclosures under Article 34(4) of the IFD, disclosures under Paragraph 31 of S.I. No. 355/2021, the Central Bank Guidelines on Variable Remuneration Arrangements for Sales Staff (CBI Guidelines) for other categories of staff, primarily those in client facing roles, the ESMA Guidelines on certain aspects of the MIFID II remuneration requirements” (April 2023); and the ESMA Guidelines on certain aspects of the MIFID II suitability requirements (April 2023).

Remuneration Governance Structure

The Firm has a Remuneration Advisory Group whose activities include reviewing the remuneration of those staff whose professional activities may have a material impact on the Firm’s risk profile as specified above and to ensure that any remuneration paid to such staff is in compliance with the Firm’s statutory obligations.

The Remuneration Advisory Group is an advisory group of the Firm’s Board. This Advisory Group is chaired by the Board Chairman and also comprises the Independent Non-Executive Directors.

The Firm has a specific Remuneration policy which seeks to provide guidance for the Remuneration Advisory Group in the implementation of the Firm’s remuneration decisions. The remuneration policy is reviewed by the Board.
The Remuneration Advisory Group also has the following specific roles and responsibilities in relation to this Policy, namely:

- to recommend to the Board appropriate changes to remuneration policies for the Firm;
- to determine which roles and individuals should be categorised as Identified Staff in accordance with regulatory requirements, and approve their individual remuneration;
- to approve the design of and determine targets for any performance related pay schemes;
- to oversee any major changes in employee benefit structures;
- to assess whether the remuneration policy operated as intended (that pay-outs and deferrals were appropriate and the risk profile, long term objectives and goals were adequately reflected); and
- to ensure that the Firm is compliant with CBI requirements and the legal and regulatory framework.

Policy on Remuneration of all staff

In designing its Remuneration policy, the Firm has sought to establish remuneration arrangements which:

- are clearly documented and proportionate to the size, internal organisation and nature, as well as to the scope and complexity of the activities of the investment firm;
- are gender-neutral;
- are consistent with, and promote, sound and effective risk management;
- are in line with the business strategy and objectives, and also take into account long-term effects of the investment decisions taken;
- contain measures to avoid conflicts of interest, encourage responsible business conduct and promotes risk awareness and prudent risk-taking;

- are adopted and periodically reviewed by its Board and Remuneration Advisory Group, which have responsibility for overseeing their implementation;
- are subject to a central and independent internal review by control functions at least annually;
- ensure that staff engaged in control functions are independent from the business units they oversee, have appropriate authority, and are remunerated in accordance with the achievement of the objectives linked to their functions, regardless of the performance of the business areas they control;
- ensure the remuneration of senior officers in the risk management and compliance functions is directly overseen by the Board and its Remuneration Advisory Group;
- take into account any national rules on wage setting, make a clear distinction between the criteria applied to determine the following: (1) basic fixed remuneration, which primarily reflects relevant professional experience and organisational responsibility as set out in an employee's job description as part of his or her terms of employment; (2) variable remuneration, which reflects a sustainable and risk adjusted performance of the employee, as well as performance in excess of the employee's job description;
- ensure the fixed component represents a sufficiently high proportion of the total remuneration so as to enable the operation of a fully flexible policy on variable remuneration components, including the possibility of paying no variable remuneration component.

In addition, the remuneration arrangements are intended to:

- ensure that sales and suitability-related risks are considered and mitigated;
- encourage compliance with the Firm's internal procedures and conduct of business rules;
- provide market competitive remuneration to the Firm's staff, reflecting each individual's overall contribution to the success of the Firm;
- align staff remuneration with the interests of clients and shareholders so as to avoid potential conflicts of interest;
- seek to safeguard the Firm's financial position through the preservation of a strong capital base; and
- are consistent with the "good practice" examples of the ESMA and CBI Guidelines.

Policy on Remuneration of Identified Staff

Qualitative and quantitative criteria (as provided for in the EBA's regulatory technical standards) are used when defining the Identified Staff.

The "qualitative criteria" to be taken into consideration relate to the role, decision-making power and management responsibilities of staff members, while the "quantitative criteria" to be taken into consideration include criteria such as the thresholds for the level of total gross remuneration awarded to a staff member in absolute or in relative terms. If a staff member meets any of the qualitative criteria or any of the quantitative criteria then he/she will be subject to consideration on whether they should be Identified Staff.

Variable remuneration arrangements for Identified Staff are also subject to the additional principles set down in S.I. No. 355/2021 and the EBA guidelines on sound remuneration policies and are subject to the proportionality principles. In summary, those additional principles provide that:

- where remuneration is performance related, the total amount of remuneration is based on a combination of the assessment of:
    - the performance of the individual, taking into account financial and non-financial criteria,
    - the performance of the business unit concerned, and
    - of the overall results of the Firm;
- the assessment of the performance is based on a multi-year period, taking into account the business cycle of the investment firm and its business risks;
- the total variable remuneration does not limit the ability of the Firm to strengthen its capital base;
- payments relating to the early termination of an employment contract reflect performance achieved over time by the individual and shall not reward failure or misconduct;
- remuneration packages relating to compensation or buy out from contracts in previous employment are aligned with the long-term interests of the Firm;
- guaranteed variable remuneration is exceptional, occurs only when hiring new staff and where the Firm has a sound and strong capital base and is limited to the first year of employment;
- the measurement of performance used as a basis to calculate pools of variable remuneration takes into account all types of current and future risks and the cost of the capital and liquidity required in accordance with S.I. No. 355/2021 giving effect to Regulation (EU) 2019/2033; and the allocation of the variable remuneration components within the investment firm takes into account all types of current and future risks;

- fixed and variable components of total remuneration are appropriately balanced and the fixed component represent a sufficiently high proportion of the total remuneration to allow the operation of a flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component;
- up to 100 % of the variable remuneration is contracted where the financial performance of the Firm is subdued or negative, including through malus or clawback arrangements subject to criteria set by the Firm which in particular cover situations where the individual in question: (1) participated in or was responsible for conduct which resulted in significant losses for the investment firm; (2) is no longer considered fit and proper;
- any discretionary pension benefits are in line with the business strategy, objectives, values and long-term interests of the investment firm, and where an employee leaves the investment firm before retirement age, any such discretionary pension benefits are held by the investment firm for a period of five years in the form of instruments. Where an employee reaches retirement age and retires, any discretionary pension benefits shall be paid to the employee in the form of instruments, subject to a five-year retention period.

Types of Remuneration

All remuneration can be divided into either fixed remuneration (payments or benefits without consideration of any performance criteria) or variable remuneration (additional payments or benefits depending on performance or, in certain cases, other contractual criteria).

The specific components of the Firm's Remuneration are as follows:

- basic fixed remuneration: which should primarily reflect relevant professional experience and organisational responsibility as set out in an employee's job description as part of the terms of employment;
- discretionary variable remuneration: which should reflect a sustainable and risk adjusted performance as well as performance in excess of that required to fulfil the employee's job description as part of the terms of employment; and
- other additional benefits: which may include the pension plan, life assurance, permanent health insurance (PHI), and company car.

The various remuneration components are combined to ensure an appropriate and balanced remuneration package that reflects the business unit, the individual staff member's status and professional activity of the Firm as well as market practice, is in place.

Variable Remuneration is payable from the Firm's annual bonus pool. The aggregate bonus pool will be based on the results of the Firm as a whole rather than by the performance of individuals. The aggregate bonus pool will then be distributed among staff based upon an assessment of each individual's performance using a 'balanced scorecard' approach.

The Firm has decided to disapply the following requirements under the IFD/IFR:

- variable remuneration in instruments;
- retention of these instruments; and
- deferral of variable pay.

The Firm has however decided to apply certain limitations which are similar in effect including certain deferral arrangements set out below.

In order to reduce the risk of a short-term mind-set in Staff and to help align the interests of Staff to the longer term interests of the Firm, the variable component of the total remuneration shall be subject to a 'deferral mechanism', as set out in the Remuneration Policy.

In the event that the Staff member has not received satisfactory performance appraisals in accordance with this Policy over the Deferral Period (or there is relevant information that might suggest poor client outcomes) then the amount deferred, or a portion thereof, shall be forfeited.

Independence of Risk and Compliance Employees

Control functions within Risk and Compliance report to Senior Management in the RBC Risk and Compliance Functions. This gives them the appropriate authority to conduct their role. The department is independent from the business that it oversees and its staff are remunerated in accordance with the achievement of the objectives linked to their functions.

Ratio between fixed and variable remuneration

Fixed and variable components of total remuneration shall be balanced, and the fixed component form a sufficiently high proportion of the total remuneration to ensure that Staff retention is not adversely affected, and to support a prudent approach to risk management. The variable component of the total remuneration shall not normally exceed 200% of the fixed component, excluding any replacement awards that are required for new appointments.

Quantitative Disclosures

As specified in the IFD/IFR, the quantitative disclosures outlined below for the Firm's financial year ending 31st October 2023, detail aggregated quantitative information on remuneration, broken down by senior management and members of staff whose actions have a material impact on the risk profile of the investment firm.

The amounts of remuneration awarded in the financial year, split into fixed remuneration, and variable remuneration, and the number of beneficiaries:

EUR '000,000

Remuneration	Fixed Remuneration		Variable Remuneration	
	Number of Recipients	Total Amount	Number of Recipients	Total Amount
Senior Management	7	0.82	3	0.68
Other Material Risk Takers	6	1.03	6	0.77

The amounts and forms of awarded variable remuneration, split into cash, shares, share-linked instruments and other types separately for the part paid upfront and for the deferred part:

EUR '000,000

Variable Remuneration	Non-Deferred Variable		Deferred Variable	
	Non-Deferred Cash	Non-Deferred Equity Linked Instruments	Deferred Cash	Deferred Equity-Linked Instruments
Senior Management	0.43	0.00	0.00	0.25
Other Material Risk Takers	0.57	0.00	0.00	0.20

The amounts of deferred remuneration awarded for previous performance periods, split into the amount due to vest in the financial year and the amount due to vest in subsequent years:

The amount of deferred remuneration due to vest in the financial year that is paid out during the financial year, and that is reduced through performance adjustments:

EUR '000,000

Deferred Remuneration	Due to vest in FY22/23	Due to invest in future years	Deferred reduced through Performance adj.
Senior Management	0.15	0.78	0.00
Other Material Risk Takers	0.27	0.74	0.00

The guaranteed variable remuneration awards during the financial year and the number of beneficiaries of those awards

The severance payments awarded in previous periods, that have been paid out during the financial year:

The amounts of severance payments awarded during the financial year, split into paid upfront and deferred, the number of beneficiaries of those payments:

The highest severance payment that has been awarded to a single person:

Special Payments

EUR '000,000

Special Payments	Guaranteed Variable Remuneration		Sign-on Awards		Severance Payments	
	Number of Recipients	Total Amount	Number of Recipients	Total Amount	Number of Recipients	Total Amount
Senior Management	0	0.00	0	0.00	0	0.00
Other Material Risk Takers	0	0.00	0	0.00	0	0.00

The Firm does not benefit from a derogation laid down in Article 32(4) of Directive (EU) 2019/2034.

Diversity and Inclusion

The Firm believes that prioritising diversity and inclusion is essential for its employees, its clients and for the future of its business. The Firm stands to benefit when the Firm values the diversity of ideas and ways of working that people from different backgrounds, experiences and identities bring to the Firm. It fosters a culture of growth and learning, enables people to reach their full potential, improves decision-making, boosts engagement and innovation, and puts the Firm in a better position to meet the needs of a diverse client base. The Board and its Nomination Advisory Group is fully cognisant of the diversity of the Board when making Board appointments.