

The predecessor to the Financial Conduct Authority (the FCA), the Financial Services Authority (FSA) implemented its new Code on Remuneration (the Code) with effect from 1 January 2011 as required by the Capital Requirements Directive and the Financial Services Act 2010.

Under the new Code, the Remuneration Committee must report annually on the remuneration policy and practice for employees termed Code Staff. Code Staff are *“employees who perform a significant influence function, senior management and risk takers whose professional activities could have a material impact on a firm’s risk profile”*. The Code requires that firms disclose the remuneration of Code Staff received in 2015, before 31 December 2016.

Code Staff are defined with reference to managerial responsibility to influence the firm’s overall risk profile. At the discretion of Remuneration Committee other employees may be included as Code Staff if they consider that their role has a material impact on the firm’s risk profile. An annual review of the firm’s risk profile is conducted in order to allow the Remuneration Committee to determine the **‘Code Staff’** population and a record is kept by Human Resources.

Premier’s Code Staff are defined as Executive Directors, Non-Executive Directors, Members of the Executive Committee and other employees performing FCA Significant Influence Functions (SIFs), totalling **37**.

The aggregate annual remuneration of the Code Staff in respect of 2015 was **£7.207m**. This is made up of fixed pay, variable pay, non-contributory pension and benefits in kind.

The structure of the remuneration packages for FCA Code Staff is approved by the Remuneration Committee and is designed to comply with the FCA requirements. In this context, fixed pay comprises annual basic salary and car allowance; variable pay comprises discretionary gross annual bonus, performance and sales bonuses; pension & benefits comprises company employer pension contribution and benefits in kind.

In 2015, **48.1%** of the total remuneration for Code Staff was fixed pay, **46.5%** was variable pay and the balance of **5.4%** was pension and benefits. Of the total variable pay, **15.9%** was deferred for between one and two years and **84.1%** was paid.



Michael Vogel

Chairman of the Remuneration Committee, March 2016