RPS Annex 1 – Performance Adjustment

**Details to be sent separately as an annex to your Remuneration Policy Statement (RPS). This annex is intended to capture explanatory information of the approach you have taken alongside quantitative information requested as part of RPS Table 7.**

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| **Annex Section** | **Completion / submission requirements** |
| **Section 1** | To be completed and submitted with your RPS. For firms with an accounting reference date of 31 December, this should be by 31 August. For firms with an accounting reference date later than 31 December, Section 1 should be submitted no later than 8 months after the end of the preceding financial year. Refer to page 3 of the RPS for more details (Data Annexes – Stage 1 section) |
| **Sections 2 & 3** | Where investigations have concluded and decisions have been taken during the performance year, these sections should be completed and submitted with your RPS. An update of these sections should be submitted 3 months before you require sign-off of your awards alongside a draft of RPS Table 7.  For events where investigations are ongoing or where final information is not yet available, please provide as much information as possible 3 months before you require sign-off. Final information should be submitted to form part of the sign-off in line with RPS final stage (refer to of the Data Annexes section of the RPS for more details). |

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| **Section 1:**  **High level Event Specific Information,** If your firm has experienced any significant events within the last performance year or there have been further developments on existing cases which may lead you to consider whether ex-post risk adjustment should be applied, please provide further details below.  Events which should be included in this template include all those where there has been a material crystallised risk or adverse performance outcome including any of the following (even if the situation has not yet been resolved):   * experienced a significant failure of risk management; * had regulatory or other action taken against your firm or are the subject of an on-going investigation; * and any other major incident comparable with the above 2 bullet points.   This should include any cases where there has been a material impact on the firm’s customers, stakeholders, reputation or financial performance including as a result of fines or redress.  This should also include situations where the issue is under review and has not yet been resolved.  Historical cases should not be included if these have been previously concluded and no further action has been taken during the last performance year.  If in any doubt as to whether a case should be included, please speak to your usual supervisory contacts at the PRA and FCA.  In your response include separately for each incident in which your firm was involved, the following information (as a minimum) to the extent that is applicable to the specific event:   * Event details – high level; * Other regulators involved; * Divisions / business units involved directly and indirectly; * Timeframe during which the event occurred, specifying whether losses / costs are still accumulating; * Extent of customer detriment (eg number and value of mis-sold policies); * Redress costs – both current actual and current provisions; * Total Enforcement fines – split by relevant regulators, noting if the amount was discounted; * Impact on profitability from the event (eg Profit Before Tax)– actual/accounting and provisioned; and * Estimated reputational damage.   **Where this information is included as part of RPS Table 7, there is no need to repeat it here unless you belive it would be helpful to do so.** |
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| **Section 2:**  **Individuals - Details of individual involvement / responsibility**  Please detail below, separately, for each incident in which your firm was involved, all individuals whose variable remuneration (current year, unvested deferred awards and vested awards) will be specifically considered for the application of ex-post risk adjustments. This should also include employees whose roles and responsibilities include areas where failures or poor performacnce contributed to, or failed to prevent, the crystallisation of risk including cases of misconduct, but where it was determined that no action would be taken. As a minimum the following details, at the individual level, should be provided:   * Name of individual; Job title; and Division / Business Unit * Brief details of the individual’s involvement or responsibility for the event, specifying whether direct or indirect * Whether or not they are a Material Risk Taker (MRT) * Current employment status with firm (eg employee, retired, voluntary leaver, involuntary leaver) * Whether or not an adjustment has been made to in-year performance awards; unvested deferred awards or whether Clawback is being considered * Executive remuneration schemes – impact of the individual’s involvement in the event on specific performance metrics and the estimated pay-out level * The governing body responsible for the decision and its key reasons. |
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| **Section 3:**  **Department; Business Unit and Firm Wide levels – details of ex-post risk adjustment applied**  Outline separately, for each incident in which your firm was involved, the business units and departments within your firm where the misconduct, failings or poor performance which led to a relevant event occurred, specifying the following:   * Whether an adjustment has been made to the firm-wide bonus pool * The business unit and departments where an adjustment has been made, per event * The governing body responsible for the decision to apply ex-post risk adjustments. * The governing body’s key reasons for the decision. |
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