Statement of compliance with the Dual-regulated firms Remuneration Code Rules

The table below sets out how our remuneration practice and governance framework complies with the requirements of the Prudential Regulation Authority’s Remuneration Code Rules

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| Remuneration principles | How we comply |
| Principle 1:  Remuneration policy promotes sound and effective risk management | * Risk and Compliance are a critical part of the assessment process in determining the performance of department and employees. |
| Principle 2:  Remuneration policy supports business strategy, objectives, values and long-term interests of the firm | * Remuneration decisions are based on a combination of performance against business objectives and general individual performance of the role. |
| Principle 3:  Remuneration policy includes measures to avoids conflicts of interest | * Variable pay is required to adhere to a set of policy principles and require contributions from Risk, Compliance and Human Resources. * No Executive Director or member of Management Board is involved in deciding their own remuneration * Each Line manager in the Bank can propose the remuneration for a direct report, but the Chief Executive Officer makes the final decision. Remuneration Code Staff require approval from CCBL’s Remuneration Committee. * The Remuneration Committee is responsible for reviewing and agreeing individual remuneration packages for Executive Directors and other senior employees, including the heads of Control Functions. |
| Principle 4:  Governance of remuneration policy | * Two members of the Remuneration Committee are Independent Non-Executive Directors and one member is Non-Executive Director. * The Remuneration Committee sets the principles, parameters and governance framework of the remuneration policy applicable to all employees. * The Remuneration Committee periodically reviews the adequacy and effectiveness of the remuneration policy. * The Chief Risk Officer updates and informs the Remuneration Committee of risk related incidents and performance against risk appetite, compliance relating to financial crime, compliance and business protection for the purpose of making remuneration decisions. * All members of the Remuneration Committee are also the members of the Audit and Risk Committee being updated on issues which may impact the variable pay recommendations for Senior Executives prior to the Remuneration Committee’s approval as part of the Bank’s governance. |
| Principle 5:  Employees in Control Functions are independent, have appropriate authority and are remunerated adequately and based on functional objectives | * Individuals in Control Functions have a direct reporting line through the functions rather than through the business to ensure that conflicts of interest are avoided. * Control Functions are represented at the most senior levels within the Bank including on the Management Board. * Senior individuals in Control Functions, including the Chief Risk Officer, provide inputs for remuneration decisions. * The performance and remuneration of Control Function staff is determined according to objectives specific to the functional role they undertake. * Remuneration for Control Function staff is carefully benchmarked with the market appropriate level. |
| Principle 6:  Variable remuneration is not paid through vehicles that facilitate non-compliance with the Remuneration Principle | * The PRA/FCA Remuneration Principles are applied on a Bank wide basis. * All variable pay awards are currently delivered in the form of cash in accordance with the requirements of Remuneration Principles. |
| Principle 7:  Remuneration structure is consistent with and promote effective risk management | * For all employees, remuneration decisions are based on a combination of business results, performance against objectives, individual performance. |

CCBL/CCBCB remuneration policies are reviewed regularly and kept in the Human Resources Department. As a Proportionality Level Three firm, CCBL/CCBCB has dis-applied SYSC 19D.3.48R governing the ratios between fixed and variable elements of remuneration.