Directors’ remuneration policy

The directors’ remuneration policy (“Policy”) outlined below was approved at the AGM on 6 May 2021, it will apply for a period of three years from the date of the 2021 AGM unless a revised Policy is put to shareholders before then.

Fixed pay

Purpose and link to strategy	Operation	Opportunity	Applicable performance measures	Recovery
The core, fixed component of the package designed to enable the recruitment and retention of high-calibre individuals.	Fixed pay is reviewed annually on 1 April and is compared to fixed pay (consisting of base salary + pension) levels in other companies of similar size and complexity to ensure that a competitive rate is being paid. Adjustments may be made at other times to reflect a change of responsibility.	There is no maximum fixed pay, but percentage increases will normally be no higher than the general level of increase for the wider employee population, unless there are special circumstances such as a material change of responsibilities or where a salary is significantly below market median and is being brought into line.	Not applicable.	Not applicable.

Benefits

Purpose and link to strategy	Operation	Opportunity	Applicable performance measures	Recovery
Benefits are typically provided to directors to be generally consistent with other employees and to complement the remuneration package to ensure that it is sufficiently competitive.	Benefits are set by the committee and may include, for example: – private medical insurance for directors and their dependants – death in service cover – Share Incentive Plan free and matching shares – Save As You Earn scheme – annual medicals – limited legal and professional advice on company-related matters – relocation costs.	Benefits make up a small percentage of total remuneration costs.	Not applicable.	Not applicable.

Annual Bonus

Purpose and link to strategy	Operation	Opportunity	Applicable performance measures	Recovery
The Annual Bonus rewards short term performance through the achievement of corporate and individual goals and aligns the interests of shareholders and directors through the use of deferral. The performance measures as described have been selected to support the controlled delivery of our business strategy as set out in the strategic report.	Up to 50% of the Annual Bonus is paid in cash and the remainder (at least 50%) is deferred into Rathbones shares, which vest over a three year period in equal tranches of 1/3 per annum. The committee may award dividend equivalents on deferred shares in respect of dividends declared during the deferral period. If dividend equivalents cannot be awarded due to regulations, the number of deferred bonus shares to be awarded may be based on a share price discounted by reference to an expected dividend yield over the vesting period. The committee retains discretion to make changes to the Annual Bonus if required by regulations including but not limited to the amount deferred, length of the deferral period, proportion paid in instruments such as shares or funds and introduction of holding periods.	The maximum Annual Bonus award is 135% of fixed pay. Target performance is 60% of maximum. Threshold performance is 25% of maximum.	The Annual Bonus is based on the remuneration committee's assessment of financial and non-financial performance against a balanced scorecard of measures, which are aligned to the company's strategy. No less than 60% of the Annual Bonus will be based on financial measures. The remainder will be based on non-financial performance measured against strategic objectives. The performance metrics and range of outcomes for each financial measure are set by the committee and reviewed annually. **Additional considerations** The remuneration committee may make an adjustment when determining the level of the Annual Bonus, including to zero if appropriate, to take account of any of the following material events: – underlying financial performance – risk management or regulatory compliance issues – personal performance The remuneration committee may also make an adjustment when determining the level of vesting of deferred shares if there is a material downturn in financial performance. This ability to override formulaic outcomes when determining bonus outcomes is in addition to the malus and/or clawback provisions to adjust awards.	All unvested awards will normally lapse on termination of office unless the termination was as a "good leaver". A 'good' leaver is a director who leaves on retirement, due to ill-health or disability, on the sale of the business or in any other circumstances where the committee determines good leaver treatment is appropriate. Treatment for a good leaver is defined below Malus and/or clawback can be applied at any time up to 7 years from the date of grant in the case of share awards and 7 years from the payment of cash on cash awards. The vesting schedule for the share awards is 1/3 per annum over 3 years. Malus and/or clawback can be applied in certain specified circumstances including: gross misconduct, material misstatement of results, where there has been an error relating to the determination of variable pay, material adverse event as determined by the committee, material failure of risk management, reputational damage, or corporate failure.

Restricted Stock Plan (RSP)

Purpose and link to strategy	Operation	Opportunity	Applicable performance measures	Recovery
The RSP provides a simple structure to align the interests of shareholders and directors in creating longterm shareholder value.	An annual award of Rathbones shares, which vest after three years subject to achievement of an underpin. An additional holding period of at least two years will apply following vesting. Notional dividends accrued on RSP awards to the extent that the underpin is met, may be delivered as shares or cash at the discretion of the committee at the same time as the delivery of vested shares. If dividend equivalents with respect to the vesting period cannot be awarded due to regulations, the number of shares to be awarded may be based on a share price discounted by reference to an expected dividend yield over the vesting period. The committee has the discretion to make changes to its RSP policy where required under regulations including but not limited to the length of the vesting period and retention period.	The maximum RSP award is 65% of fixed pay. The committee will review performance prior to grant, taking individual and overall business performance into account. Subject to satisfactory individual and business performance the typical grant will be 65% of fixed pay. Awards are granted based on satisfactory personal and group financial performance in the year prior to grant. The committee has the discretion to adjust the number of shares vesting taking into account business, individual and wider company performance.	The RSP is not subject to any performance measures but based on the remuneration committee's assessment of performance relative to an underpin. The committee will take into account the following factors (amongst others) when determining whether to exercise its discretion to adjust the number of shares vesting: – total dividends paid relative to our generally progressive dividend policy; – return on Capital Employed (ROCE) achieved relative to Weighted Average Cost of Capital (WACC) over the performance period; and/or – maintenance of satisfactory operational performance and risk compliance and internal control environments over the performance period. **Additional considerations** The remuneration committee may make an adjustment when determining the level of vesting of the award, including to zero if appropriate, to take account of any material downturn in financial performance. This ability to override formulaic outcomes when determining RSP outcomes is in addition to the malus and/or clawback provisions to adjust awards.	All unvested awards will normally lapse on termination of office unless the termination was as a "good leaver". A 'good' leaver is a director who leaves on retirement, due to ill-health or disability, on the sale of the business or in any other circumstances where the committee determines good leaver treatment is appropriate. Treatment for a good leaver is defined below Malus and/or clawback can be applied at any time up to 7 years from the date of grant. Malus and/or clawback can be applied in certain specified circumstances including: gross misconduct, material misstatement of results, where there has been an error relating to the determination of variable pay, material adverse event as determined by the committee, material failure of risk management, or corporate failure.

Shareholding requirements

In order to align the interests of executive directors and shareholders, the executive directors are required to acquire and retain a holding in shares or rights to shares equivalent to the value of 250% of fixed pay for the CEO and 200% of fixed pay for the CFO within five years of the date of appointment. Shares that count towards these guidelines include shares that are owned outright, vested and not exercised EIP, SIP and RSP awards and unvested deferred bonus awards. Awards count towards the shareholding requirement on a notional net of tax basis if relevant.

In addition a post-cessation shareholding requirement applies. Executive directors are required to hold 100% of the in employment requirement (or the executive's actual shareholding on cessation if lower) for two years following cessation. This requirement can bedisapplied in certain exceptional personal circumstances (e.g. death or disability).

Chairman and other non-executive directors

Base fee

Purpose and link to strategy	Operation	Opportunity	Applicable performance measures	Recovery
To enable the recruitment of high-calibre non-executive directors with the appropriate skills and experience.	Base fees are reviewed annually by the board on1 April and are comparedto fees in other companies of similar size and complexity to ensure that the market rate is being paid. Adjustments may be made at other times to reflect a change of responsibility. Fees are paid in cash.	The base fee for the chairman in 2020 was £180,000. This was increased to £195,000 on1 January 2021. The base fee for the other non- executive directors in 2020 was £60,000. This was retained at £60,000 on 1 January 2021.	Not applicable.	Not applicable.

Additional responsibility fee

Purpose and link to strategy	Operation	Opportunity	Applicable performance measures	Recovery
To recognise the additional responsibility involved in chairing a committee (audit, grouprisk and remuneration) or being the senior independent director.	Additional responsibility fees are reviewed annually by the board on 1 January.	The additional responsibility fee remained unchanged and payable at £15,000 per annum.	Not applicable.	Not applicable.

Key changes to the remuneration policy

A summary of the proposed changes to our policy is provided below:

Fixed remuneration

	Current policy	Proposed policy	Rationale
Salary	Reviewed annually on 1 January. % increases are normally in line with wider workforce.	Previous pension allowance (of 12% of salary) is consolidated with base salary into a single fixed pay figure.	To simplify the operation of our remuneration structure, given pensions are awarded as a cash allowance and the current rate of 12% is already aligned with the wider workforce. This also allows us to demonstrate compliance with the 2:1 cap on variable.
Pension	Maximum 12% of base salary	No separate pension allowance is provided.	
Benefits	Additional benefits set by the committee and make up a small percentage of total remuneration costs.	No change.	Not applicable.

Variable remuneration

	Current policy	Proposed policy	Rationale
Maximum opportunity	Maximum opportunity of 300% of base salary (equivalent to 268% of fixed pay).	Annual bonus – Maximum opportunity of 135% of fixed pay RSP – Maximum opportunity of 65% of fixed pay.	Separating our current incentive into two distinct elements is more in line with market practice. The Annual bonus replaces the short term element of our previous EIP structure and the RSP replaces the long term element. This approach allows the committee to respond to variable pay cap under CRD V (UK banking regulations) through deleveraging the current package rather than increasing fixed pay. The same short-term quantum of our previous EIP structure is maintained and the long-term quantum of our previous EIP structure is reduced by 50%.
Deferral	60% of the EIP award deferred over a five-year period, vesting in equal tranches per annum.	Annual bonus – At least 50% of the annual bonus is deferred over a three-year period, vesting in equal tranches per annum. RSP – Award vests after three years and subject to an additional two-year holding period.	Under our previous EIP structure, deferring a significant portion into shares is a key element of the current package that should be maintained. The committee believes the RSP provides a simpler and strategically aligned approach to the Rathbones business model. Bonus deferral in combination with a significantly reduced long term award of restricted shares provided direct alignment to shareholders returns over the longer term. In all performance scenarios a greater proportion of variable pay is delivered in shares than under our current structure.

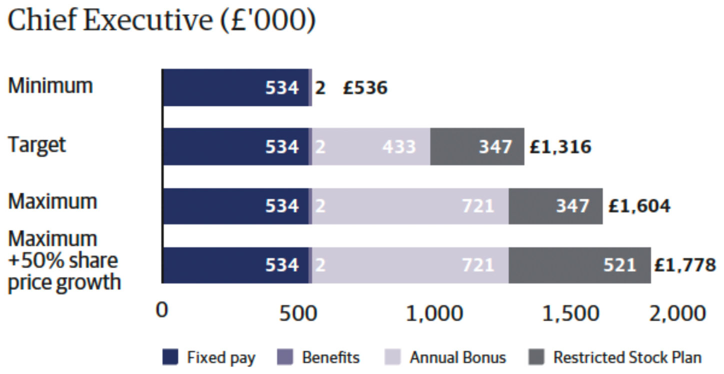
Performance measures	No less than 70% of the EIP will be based on financial measures. The remainder will be based on non-financial performance measures against strategic objectives. Target pay-out is 60%of maximum.	Annual bonus – No less than 60% of the Annual Bonus will be based on financial measures. The remainder will be based on non-financial performance measured against strategic objectives. Target pay-out is 60%of maximum. RSP – Vesting of the award is subject to achievement of an underpin.	This maintains the same short-term element of our previous EIP structure as a standalone incentive whilst assessing performance against stretching one-year targets. As an Investment and Wealth Management company the very nature of our business model requires us to deliver returns to our clients. At the same time our performance as a business is heavily influenced by the markets with challenges in forecasting over a longer period. We believe robust one year measures are the best way to assess managements performance. Our growth strategy is based on growing both organically and inorganically through acquisitions. This provides significant complexity to both our long term targeting setting and assessment of outcomes, as seen most recently with S&J. Moving to an RSP structure ensures that management are accountable for the success an failure of any M&A through the absolute returns to shareholders ratherthan based on adjustments to incentive targets. The comprehensive underpin allows the committee to assess performance and reduce the vesting (including to nil) for material adverse outcomes, taking into account returns to shareholder via dividends, core financial performance (through ROCE), any operational factors (which could include any aspect of overall profitability) as well as any risk/compliance factors.
Leaver provisions	Default approach is that all unvested awards are forfeited for a bad leaver,and vest in full at the normal time for a good leaver.	Bad leaver provisions remain unchanged. Good leavers will receive a pro rata award	To align with best practice
Malus/ clawback	Applies at any time up toseven years from grant of shares.	Applies at any time up to seven years from grant of shares with enhanced malus/clawback trigger events.	To align with emerging best practice.

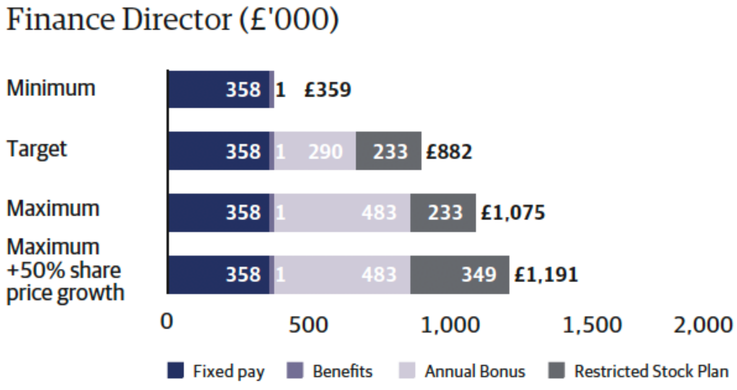
Other

	Current policy	Proposed policy	Rationale
Shareholding requirements	200% of base salary within five years of appointment. Retain 200% of base salaryin the first year post- cessation and 100% of base salary in the second year post-cessation.	Increased shareholding from 200% of base salary to 200% of fixed pay (250% of fixed pay forthe CEO) to be maintained for two years post cessation.	To align with emerging best practice and to increasealignment with shareholder interests.

Potential remuneration received under theproposed remuneration policy

- Fixed Pay levels are £534,000 for CEO and £358,000 for the Finance Director. Benefits are included at the same value as paid in 2020.
- Target opportunity includes fixed pay, 60% of maximum bonus (81% of fixed pay) and 100% vesting of RSP (65% of fixed pay).
- Maximum opportunity includes fixed pay, 100% of maximum bonus (135% of fixed pay) and 100% vesting of RSP (65% of fixed pay).
- Maximum opportunity with 50% share price growth includes maximum pay and 50% share increase on RSP shares over the vesting period.





Definition of performance metrics

The Annual Bonus performance metrics chosen by the committee are key indicators of performance used by the business and shareholders. Financial measures incentivise the delivery of strong financial performance for our shareholders in the relevant financial year, whilst non-financial measures link executive performance to the delivery of key strategic initiativesand projects that support the firm's business plan. For the 2021 Annual Bonus, performance metrics will be profit before tax, FUMA growth and strategic measures which are the three core KPIs. The committee reviews the specific choice of performance metrics for the Annual Bonus on an annual basis at the beginning of each financial year to ensure that the nature and weighting of these remain appropriate to ensure alignment between the interests of our executive directors, our business strategy and the interests of our clients and shareholders. Further details on how the specific choice of measures for the 2021 Annual Bonus links to our strategic goals is provided in the At a Glance section above.

The targets for these measures are considered annually by the committee and are set to encourage stretching levels of performance without inadvertently motivating inappropriatebehaviour. Rathbones will prospectively disclose the targets on a retrospective basis as these are considered commercially sensitive.

The use of discretion

The committee may make minor amendments to the policy set out above (for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation) without obtaining shareholder approval for that amendment. In relation to the new plan, the committee retains discretion when selecting participants, determining the treatment of leavers, agreeing the timing of awards and reviewing the balanced scorecard of performance measures, targets and weightings. The committee reserves the right to retrospectively adjust performance measures and targets if events (for example, a major acquisition) make them inappropriate. Adjustments will not be made to make the conditions materially easier to satisfy.

The committee reserves the right to make any remuneration payments, and payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the policy set out above, where the terms of the payment were agreed (i) before the policy came into effect or (ii) at a time when the relevant individual was not a director of the company and, in the opinion of the committee, the payment was not in consideration for the individual becoming a director of the company. For these price growth purposes 'payments' include awards of variable remuneration and, in relation to an award over shares, the associated terms 'agreed' at the time the award is granted.

Consultation

The company consulted extensively with major shareholders and their representative bodies on remuneration issues, including in the development of this new directors' remuneration Policy. While we did not consult explicitly with employees on this new Policy, the committee took account of remuneration policies elsewhere in the group.

Appointment of new directors

For new executive and non-executive directors, the structure of the package offered will mirror that provided to current directors under the new directors' remuneration policy. The package quantum will depend on the role and the experience and background of the new director. Advice from our remuneration consultants will be taken to ensure that the package is in line with median market levels for companies of similar size and complexity. Any future variable award will be made within the 135% maximum for Annual Bonus and 65% maximum for RSP (subject to shareholder approval).

The company may pay compensation to new directors for remuneration the individual has forfeited in order to take up the role with Rathbones. Rathbones will ensure that these awards are no more generous in either amount or terms than the awards they replace. These awards may be structured differently from awards made under our standard directors' remuneration policyin order to best reflect the remuneration being forfeited.

Service contracts and letter of appointment

It is company policy that service contracts should not normally contain notice periods of more than 12 months. Details of the notice periods in the contracts of employment of executive directors serving during the year are as shown below.

Executive director	Date of contract	Notice period
R P Stockton	01 May 2019	12 months
J E Mathias	27 Sept 2018	6 months

There are no provisions within the contracts to provide automatic payments in excess of payment in lieu of notice upon termination by the company and no predetermined compensation package exists in the event of termination of employment. Payment in lieu of notice would include fixed pay and benefits. There are no provisions for the payment of liquidated damages or any statements in respect of the duty of mitigation. In the event of entering into a termination agreement, the board will take steps to impose a legal obligation on the director to mitigate any loss incurred. There are no clauses in contracts amending employment terms and conditions on a change of control. Executive directors' contracts of service, which include details of remuneration, are available for inspection at the company's registered office and will be available for inspection at the AGM.

Non-executive directors have a letter of appointment rather than a contract of employment and these are available for inspection at the AGM. As with all other directors, they are required to stand for re-election annually in accordance with the UK Corporate Governance Code. The effectiveness of the non-executive directors is subject to an annual assessment. Any term beyond six years is subject to particularly rigorous review and takes into account the need for progressive refreshing of the board. The executive directors are responsible for determining the fees of the non-executive directors.

Non-executive director	Date of appointment	Notice period	Length of service at 31 December 2020
M P Nicholls	01 Dec 2010	1 month	10 years
C M Clark	24 Oct 2018	1 month	2 years
J W Dean	01 Nov 2013	1 month	7 years
T L Duhon	02 Jul 2018	1 month	2 years
S F Gentleman	21 Jan 2015	1 month	5 years
J N Pettigrew	06 Mar 2017	1 month	3 years

Payments for loss of office

Compensation payments will be determined on a case-by-case basis in the light of current market practice. Compensation will include loss of salary and other contractual benefits (as stated above), but mitigation will be applied where appropriate.

Any entitlement to Annual Bonus, deferred shares and RSP awards will depend on whether the individual is treated as a good or bad leaver, in line with the table opposite.

Status	Definition	Treatment
Good leaver	Leave for reasons including retirement, ill health, sale of the business and any other reason as the committee determines.	Annual Bonus will be awarded pro-rata in the year of departure, subject to performance. All unvested deferred shares will be delivered in line with the existing vesting schedule. The committee has the ability to accelerate vesting to the date of departure in certain exceptional circumstances (e.g. death or disability) The default approach is that all unvested RSP awards will vest at their normal vesting date, subject to the assessment of the underpin and pro-rated for time served. Under the rules of the plan the committee has the ability to accelerate vesting and/or disapply pro-rating in exceptional circumstances. No RSP awards will be made in the year of departure, unless the committee decides otherwise at its absolute discretion.
Bad leaver	Leave for other reasons unless the committee determines otherwise.	Annual Bonus will not be awarded in the year of departure. All unvested awards will normally lapse.

Other directorships

The board believes that the firm can benefit from experience gained when executive directors hold non-executive directorships. Executive directors are permitted to hold external appointments and to receive payments provided such appointments are agreed by the board in advance, there are no conflicts of interests and the appointment does not lead to deterioration in the executive's performance.

Consideration of remuneration across the firm

The committee provides oversight of remuneration structures across the firm, including members of the group executive committee, material risk takers and the risk and compliance teams. In addition, the committee reviews on an annual basis total remuneration costs across the firm in light of its short and longer term financial targets and ongoing sustainability.

The committee is well aware of the remuneration structures across the firm and takes these into consideration when taking decisions on remuneration for executive directors.

Consideration of shareholders' views

The remuneration committee has consulted extensively with shareholders and proxy advisors during 2020, in developing this Remuneration Policy. The committee greatly values engagement with our shareholders and their views have been taken into account in finalising the design of the Policy presented here.

Legacy arrangements

Authority is given to the committee to honour previous remuneration awards or arrangements entered into with current or former directors (such as the payment of a pension or the unwinding of legacy share schemes). Details of any payments will be set out in the annual report on remuneration as they arise.

Difference between directors' remuneration policy and other employees

All employees, including executive directors, benefit from fixed and variable pay, pension and non-cash benefits. The company operates a number of variable remuneration schemes within the group, some fully discretionary, others with mechanistic elements in addition to a discretionary element. Membership of such schemes is defined by status and job type. Only executive committee members are eligible to benefit from the RSP awards.