



In order to further align remuneration arrangements of BlueBay Asset Management LLP (BBAM) with those of the wider RBC Global Asset Management group (GAM), BBAM's 2022 performance year ended on 31 October 2022. This Remuneration Policy Statement therefore relates to the 10-month performance period to 31 October 2022. BlueBay's 2023 performance year shall be the 12-month period commencing 1 November 2022.

a) Decision-making process for remuneration policy

BBAM has formed a Remuneration Committee (“the Committee”) which meets regularly to consider human resource issues relating to BBAM, terms and conditions of employment, remuneration and retirement benefits. Within the authority delegated by the Board, the Committee is responsible for approving remuneration policy and in doing so considers the pay and conditions across our Group. This includes the terms of bonus plans and the individual remuneration packages of the Management Committee and other senior employees, including all Material Risk Takers.

There were two meetings of the Committee in the 10 months to 31 October 2022. The terms of reference of the Committee are available at:

[Microsoft Word - BlueBay Remuneration Committee Terms of Reference 2021 09 28 v01.docx](#)

The members of the Committee during 2022 were M. Bentley (Chair), D. Guzman, D. Chornous and D. Williams. All members are non-executive Board Members and the Chair is an independent non-executive Board Member.

b) External consultants

The Committee received legal and regulatory advice on executive remuneration issues from Herbert Smith Freehills LLP. Other advisers/consultants are used from time to time to advise on specific issues.

During the year, the Chief Executive provided regular briefings to the Committee and the Committee received advice from the Head of Human Resources, Head of Risk and Performance, Head of ESG and the Head of Compliance, who provided advice to the Committee on the implications of the remuneration policy on risk and risk management.

No individual is involved in decisions relating to his or her own remuneration.

c) Role of the relevant stakeholders

The Committee takes full account of BBAM’s strategic objectives in setting remuneration policy and is mindful of its duties to relevant stakeholders. The Committee seeks to preserve stakeholder value by ensuring the successful retention, recruitment and motivation of its employees.

d) Material Risk Taker criteria

All employees who are “senior management” (that is members of the Board or Management Committee, all Senior Managers under SMCR, and others who are responsible for the management of the risks of the business), heads of control functions and other “risk takers” (those who have, or could have, a material impact on the risk profile of the firm) have been classified as “Material Risk Takers”



("MRTs"). Although the list of MRTs includes non-executive and independent non-executive Directors, such individuals either do not receive any remuneration from BBAM or receive only a fixed fee and no variable remuneration. They carry out a supervisory oversight role and do not carry out day-to-day management of the business. Sales Professionals are not included as MRTs because the control framework is such that these individuals work within specified risk tolerances and do not have a material impact on the risk profile of the business.

e) The link between pay and performance

Remuneration is made up of fixed pay (salary and benefits) and performance-related variable pay. Performance related variable pay in 2022 comprised awards under the BBAM Annual Discretionary Bonus Scheme, which were paid partly as annual cash amounts and partly as deferred awards into (or linked to) BlueBay funds and/or a combination of BlueBay funds and an index representing the performance of GAM (of which BBAM forms part). For 2023, performance related variable pay will be awarded under one or more of the following arrangements (1) individual discretionary bonuses, which will be paid partly as an annual cash amount and partly as a deferred award into (or linked to) RBC shares, fund units or a performance index, as may be determined by the Committee; (2) the RBC Profit Sharing Program, which provides quarterly bonus amounts (a proportion of which is held back until the end of the financial year and is subject to deferral arrangements as outline above); and/or (3) the RBC Mid-term Incentive, under which participants receive an award of notional units which track the value of RBC shares.

Annual discretionary bonuses are considered by the Committee on an annual basis. During 2022, BBAM operated a deferral ratio of between 40% and 60% for all employees who were awarded discretionary bonuses over £100,000. For the 2023 performance year, deferral rates will be between 25% and 45% for employees awarded discretionary bonuses of £150,000 or higher. MRTs with AIF-related variable remuneration will continue to be subject to deferral of 40% (or 60% where remuneration is at a level of £500,000 or above) of such AIF-related variable remuneration. BlueBay operates a three-year cliff vesting period for all deferrals. This aligns the interests of relevant employees to that of clients and investors and obviates any advantage an employee may have in seeking to maximise short term profits to enhance a bonus payment.

Pay is designed to reflect success or failure against a range of competencies which are assessed annually. Competencies for staff cover both financial and non-financial metrics, including specific behavioural competencies and compliance matters. When determining compensation, including any variable compensation, managers and the Committee will give consideration to:

- overall firm performance;
- collective performance of the relevant team;
- individual performance relative to role requirements (including performance against agreed financial and non-financial objectives where relevant) and with specific attention to stand-out performance;
- any current and future risks, including sustainability risks; and
- competitive market benchmarking data.

Variable remuneration will only be paid, and deferred variable remuneration will only vest, if it is sustainable according to BBAM's financial situation, and is justified by reference to performance. Forfeiture (malus adjustments) of deferred variable remuneration may occur in circumstances of



misbehaviour (including identified compliance and conduct issues), a material downturn in financial performance or a material failure of risk management.

All variable remuneration paid to MRTs is subject to a risk of clawback for a period of three years following award which would apply in circumstances of misconduct (whether with intent or through severe negligence) resulting in significant losses for BBAM or where the individual has failed to meet appropriate standards of fitness and propriety (including, but not limited to, cases of fraud).

Guaranteed variable compensation is only awarded in exceptional circumstances and severance payments are only provided where there is a statutory obligation or where payment reflects performance achieved over, ensuring that payments do not reward failure.

f) Aggregate remuneration costs

Given the nature of BBAM's activities, BBAM considers that it does not operate with distinct business areas/units and so it is more appropriate to provide aggregate information across the firm.

All figures are for the 10-month period 1 January 2022 to 31 October 2022:

Number of MRTs (as at 31 October 2022)	23
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	Aggregate fixed remuneration	Aggregate variable remuneration	Total remuneration
Senior Management	£1.4m	£6.6m	£8.0m
Other MRTs	£3.2m	£10.1m	£13.3m
Other staff	£44.6m	£31.6m	£76.2m



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