St. James`s Place Investment Administration Limited

Investment Firms Prudential Regime Regulatory Disclosures 2025

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1 Introduction

This regulatory disclosure report for St. James's Place Investment Administration Limited ("SJPIA" or the "Company") has been prepared in line with the requirements of the Investment Firms Prudential Regime (IFPR), which came into force on 1 January 2022. These requirements are set out in chapter 8 of the MIFIDPRU section of the Financial Conduct Authority's handbook, and require us to report annually on our:

- risk management objectives and policies
- governance arrangements
- own funds and capital requirements
- remuneration policy and practices

This report has been prepared on a solo-entity basis for SJPIA, based on information as at 31 December 2025, and supplements information provided in the Company's Annual Report and Accounts for the year (the "Company Report & Accounts"), a copy of which can be found at https://find-and-update.company-information.service.gov.uk/company/08764231/filing-history.

SJPIA is part of the wider St. James's Place group of companies, headed up by St. James's Place plc (the "Group"), and relevant information about the Company's business is also provided in the St. James's Place Plc Annual Report and Accounts for the year ended 31 December 2025 (the "Group Report & Accounts"), a copy of which can be found at https://www.sjp.co.uk/shareholders/reports-presentation-and-webcasts.

Where appropriate we will refer readers to these additional documents.

This disclosure report has been reviewed internally and approved by the Board of SJPIA. It has not been externally audited, except to the extent that it reproduces information also included within the Company Report & Accounts or the Group Annual Report & Accounts.

These disclosures do not constitute financial statements and should not be relied upon in making judgements about SJPIA, or for any other purpose other than that for which they are intended.

2 Background

St. James's Place plc

St. James's Place plc is a financial advice business. We provide holistic financial planning and wealth management services, working in partnership to plan, grow and protect clients' financial futures. Our services are delivered exclusively by a team of highly skilled advisers within the St. James's Place Partnership. We want our clients to feel confident about their finances, so we provide a broad range of products and services to meet their needs, both for today and for the future.

To complement the provision of sound, long-term financial advice we have a distinctive investment management approach, where we design and build our own range of investment funds and portfolios, but contract some of the world's best external managers to manage them.

We aim to give all of our stakeholders the confidence to create the future they want.

St. James's Place Investment Administration Limited

SJPIA is an investment firm which administers investments in the Group's range of unit trusts, both UK UCITS funds and Non – UCIT retail schemes ("NURS"), funds, and acts as an ISA manager.

SJPIA is a wholly owned subsidiary of St. James's Place plc (SJP), the ultimate parent company of the Group. An overview of the Group structure, and SJPIA's role within this, is included in the Strategic Report within the Company Report & Accounts.

SJPIA is domiciled in England and Wales (Company Registration No. 08764231) and its registered address is St. James's Place House, 1 Tetbury Road, Cirencester, Gloucestershire GL7 1FP.

SJPIA is authorised in the UK by the Financial Conduct Authority (FCA). Under the rules set out in the MIFIDPRU section of the FCA rulebook, SJPIA is classed as a "non-SNI MIFIDPRU investment firm" (i.e. it is not considered to be small and non-interconnected).

3 Governance arrangements

3.1 Group governance

The business performance of each of the regulated entities within the Group, including SJPIA, is ultimately linked with that of the Group as a whole and the majority of risks impact more than one of the regulated entities. The governance structure is designed to reflect this high level of integration and interconnectedness, with the business of the Group being governed by a unified Group board committee structure at holding company level (SJP plc).

The Board of Directors of SJP plc (the Group Board) sets the strategic direction for, and the risk appetite of, the Group. The Group Board reserves a number of matters to itself but delegates certain responsibilities to board committees, whose members are non-executive directors. The Group Board delegates the day-to-day running of the Group, and the development of strategy for the Board's approval, to the Chief Executive Officer (CEO). Whilst the CEO remains accountable for those matters delegated to him, he has appointed a Group executive committee (the GEC) to support him in fulfilling his responsibilities. The GEC comprises the Executive Directors of the Group Board and other members of senior management. The CEO has delegated to the members of the GEC individual responsibility for the principal divisions and functions within the Group, providing clear and effective delegations of authority and reporting structures.

In line with the centralised governance structure, the key functions are organised as Group functions, ensuring consistent implementation of systems and procedures across the Group.

Further information on the Group Board and the Group's System of Governance is provided in the Corporate Governance Report within the Group Report & Accounts.

3.2 SJPIA entity-level governance

SJP's key governance, strategy, planning and risk management processes, and, to a large extent, senior operational management, operate at a Group level rather than at the level of the individual subsidiaries. However, the Group Board is cognisant of the fact that the subsidiary entities are subject to differing regulatory requirements reflecting the nature of their activities and domiciles, and that the boards of subsidiary entities have their own legal and regulatory obligations and fiduciary duties to comply with. To ensure that the subsidiary entities follow the strategy set by SJP plc and are subject to appropriate control and oversight by SJP plc, they are required to operate in line with a set of subsidiary governance standards that have been set by the Group Board.

Certain decisions and key matters must be considered directly by the Board of SJPIA including:

- those required by law (e.g. matters under the Companies Act 2006 (such as dividend payments) and accounting and auditing legislation (such as approving annual accounts));

- those required by regulators (e.g. approval of relevant internal capital assessments and regulatory disclosures); and

- other commercial matters the directors of SJPIA deem, in view of their fiduciary duties, they should consider directly (e.g. entering into key agreements).

SJPIA is not required to maintain its own entity level Audit, Nomination, Risk and Remuneration Committees; these committees operate at a Group level.

The members of the SJPIA Board are shown in the following table, which also contains details relating to the number of directorships they hold outside of the SJP group:

Table 1: Number of external directorships held			
	Executive Directorships	Non-Executive Directorships	Total
Anthony O'Riordan	0	4	4
John Hitchins	0	2	2
Edward Knapp	1	5	6
Ian MacKenzie	0	4	4
Charles Woodd	0	4	4

The SJPIA Board has in place procedures for the management of conflicts of interest. In the event a Director becomes aware of an actual or potential conflict of interest, they must disclose this to the SJPIA Board immediately. The SJPIA Board then considers the potential conflict of interest based on its particular facts and decides whether to authorise the existence of the potential conflict and/or impose conditions on such authorisation if it believes this to be in the best interests of the Company. Internal controls also exist to conduct regular checks to ensure that the SJPIA Directors have disclosed material interests appropriately.

SJPIA is subject to the UK's Senior Managers and Certification Regime and has allocated Senior Management Functions and Prescribed Responsibilities to its senior managers. The segregation of their duties and responsibilities are reflected in the Management Responsibilities Map for relevant staff (as well as in Statements of Responsibility and job descriptions).

In line with the centralised governance structure, key policies are set at Group level ensuring a consistent approach across the Group.

3.3 Inclusion and diversity policies

SJP believes in the value of difference and as such it views inclusion and diversity as central to its approach and to the future success of the business. The benefit of diversity of thought is not achieved simply by meeting targets, however, and the Group Board and Group Nomination and Governance Committee are cognisant that the underlying committees and subsidiary boards will broadly be reflective of the overall diversity across the Group. Each of those committees and boards such as SJPIA, will have smaller memberships (where individual changes could have material impacts on diversity ratios) and could require specific skills or experience which are vested in a smaller subset of existing Directors and managers.

The Group's approach to inclusion and diversity, including objectives and targets is set out in the Group's Inclusion and Diversity Policy which is available to view at https://www.sjp.co.uk/about-us/inclusion-diversity.

4 Risk management

4.1 Overview

The Risk Management Framework, which is supported by a Risk Management Policy, applies consistently across the Group including to SJPIA as an individual entity. Overarching information about this is included within the *Risk and Control Management section* of the Group Report & Accounts. The ultimate objective is to ensure that all potentially material risks of harm – to clients, the wider market, and the Company itself – are identified, assessed, managed, and monitored. Where action (such as the implementation of operational controls) may be insufficient to manage a particular risk, the Company holds appropriate financial resources to mitigate the risk which remains.

4.2 Risk management structure and operations

SJPIA's risk management structure is set up as a 'three lines' model. Business units forming the 'first line' are responsible and accountable for risk management. Risk and compliance functions make up the 'second line' to provide oversight and challenge, with independent assurance from the 'third line' internal audit function.

The Group Board and the Boards of the subsidiary entities, including the SJPIA Board, have responsibility for the risks relating to their respective entities. These risks are monitored on a regular basis by the Group Board's Risk Committee, which also serves as the Risk Committee for SJPIA and by the SJPIA Board. Additional information on the activity of the Group Risk Committee can be found within the *Report of the Group Risk Committee* section of the Group Report & Accounts.

The Risk Management function is led by the Group Chief Risk Officer ('CRO') at Group level and the SJPIA CRO is responsible for over-seeing the Risk Management Framework, as applied by SJPIA. Across the risk management structure explicit consideration is given to SJPIA and risk reporting is provided on both a Group and entity-level basis. This includes the completion of the ICARA for SJPIA, which is discussed later in this section.

4.3 Risk appetite

Risk appetite is an expression of how much risk the Board is willing to take in pursuit of its strategic objectives. Detail on how risk appetite is set is provided in the *Risk and Control Management* section of the SJP Annual Report & Accounts under 'Our risk appetite'. The Group statement is adapted for the various subsidiaries, including SJPIA, based on their individual risk profile and responsibilities in the context of the wider Group.

SJPIA considers its risk appetite for each principal risk area, as outlined within the 'Principal Risks and Uncertainties' section of the Company Report & Accounts. SJPIA seeks to minimise risks through the implementation of a robust control framework and, where necessary, through holding additional own funds or liquid assets to mitigate residual risk to an appropriate level.

4.4 Individual Capital and Risk Assessment ('ICARA')

The ICARA process is directed by the SJPIA Board and is a key part of the Risk Management Framework for SJPIA. It comprises an ongoing assessment of SJPIA's risk exposures and corresponding financial resource requirements, and supports risk mitigation, strategic planning, and capital and liquidity management activities. The annual summary ICARA document brings together outputs from risk management activity to inform and agree financial resource requirements (covering both capital and liquidity).

In summary, the ICARA framework consists of the following risk management objectives:

- Identifying the risk profile of SJPIA in the context of its business model and strategy, and its ability to cause harm to its clients, the wider market, and the firm itself;
- Assessing risks of harm in accordance with the Risk Management Framework, incorporating consideration of the firm's risk appetite;
- Reviewing the efficacy of mitigations in place to prevent potential harm, and assessing if further controls are required or if additional financial resources are necessary to mitigate residual risk;
- Assessing the adequacy of SJPIA's financial resources to ensure they enable the firm to minimise the risk of harm and remain solvent and liquid under severe but plausible conditions;
- Undertaking recovery and resolution planning, including assessment of financial resources required to conduct an orderly wind-down of the firm if required;
- Projecting the resulting financial resource requirements alongside expected resources based on strategic business plans and risk profile;
- Monitoring compliance with the financial resource requirements; and
- Reporting conclusions and findings from ICARA processes to the Board (and on request to the regulator).

SJPIA holds sufficient capital and liquidity to ensure that it can continue to provide services to clients and mitigate risk of harm even under severe but plausible conditions. SJPIA's financial position is monitored against the regulatory financial resource requirements on an ongoing basis. Stress and scenario testing of key financial drivers and reverse stress testing is carried out to understand and manage any business model weaknesses.

In line with regulatory requirements, SJPIA's own funds requirement is also considered in the unlikely event that the Company had to be wound down. This assessment focusses on the potential risk of harm to clients and the wider market during, and as a result of, the wind-down process. To ensure that the Company could be wound down in an orderly fashion, additional own funds and liquid assets are held on top of minimum regulatory requirements.

4.5 Risk profile

Information gained through the ICARA process about the risk profile of the business, and the principal risks and uncertainties that are inherent within both the Company's business model and the market in which it operates, is summarised within the 'Principal Risks and Uncertainties' section of the Company Report & Accounts. These are the risks which could have a material impact on the key strategic outcomes and therefore have the potential to cause harm to the Company's clients, the wider market, or the Company itself.

In summary, the most important risks of harm arising from the business strategy are those which could impact client outcomes. However, SJPIA performs a relatively limited range of activities, which limits the potential for risk of harm. Its core business model is to make available and administer unit trusts and ISAs for retail clients. Therefore, principal risks relate to the potential for any operational failure by SJPIA or one of its material third parties causing financial loss, service disruption, or distress to clients.

Operational risk

Operational risk considers the failure of people, processes, systems, or losses due to external events. Given that the principal risks for the Company are operational in nature, this is the only category of risk for which SJPIA has material own funds requirements for its ongoing operations. This is as required under the regulatory-prescribed K-Factor assessment and enhanced by an internal risk assessment, to meet the objective of ensuring key stakeholders are sufficiently protected from potential risks of this nature.

Operational risk is also considered in the assessment of own funds needed for an orderly wind down, should that ever be required.

SJPIA implements the Group's operational risk policy, which outlines how the first line (business areas) should identify, assess, manage, and monitor their operational risks. The strategies and processes used to manage the risks and reduce the potential for harm include the recording of risks on divisional risk registers with an impact and likelihood assessment, the implementation of controls and regular assessment of the effectiveness of these controls, and ongoing monitoring through Key Risk Indicators. Examples of high-level controls which aim to mitigate these risks are included in the table within the 'Principal Risks and Uncertainties' section of the Company Report & Accounts.

Significant operational risks are also assessed via the development of scenarios in workshops involving subject matter specialists from across the business. The output of the scenario workshops is used to inform the internal assessment of own funds and liquid assets requirements and any necessary control improvements. In addition, given that some key aspects of SJPIA's operations are outsourced, a robust governance framework for oversight of material outsourcing arrangements (implemented in accordance with relevant Group-wide policies) is key to reducing the potential for harm.

Liquidity risk

Liquidity risk arises when a firm is unable to realise investments and other assets in order to settle its financial obligations when they fall due, including incurring unacceptable losses in order to realise these investments.

In accordance with regulation, liquidity requirements are assessed to ensure the adequacy of liquidity to support ongoing operations and at the point of initiating wind down. The risk management objective is to manage liquidity risk to be within SJPIA's risk appetite, in line with the Liquidity Risk Policy and to minimise potential risk of harm from failing to meet labilities as they fall due.

The key risk areas for consideration of liquidity requirements are:

- counterparty risk,
- operational risk, and
- cashflow timing mismatches.

Shareholder funds (including working capital) are held in line with the Group Credit Policy. SJPIA's cash current account is held primarily with a highly rated UK banks and excess balances are invested in AAA-rated money market funds (MMFs) managed by more than one provider. The number of counterparties is designed to reduce counterparty risk, and the nature of the MMFs means the risk of loss on the assets is very low.

Residual operational risk in respect of liquidity is managed under the same operational risk policy as noted above, and with a management liquidity buffer held on top of the regulatory requirement to further reduce the risk of harm.

Client unit sale and repurchase processes have been designed to ensure that SJPIA receives cleared funds before having to settle with fund managers and before making payments to clients. Any residual cashflow timing mis-match risk is considered when determining the liquidity requirements.

When considering these liquidity requirements, a forward-looking assessment is undertaken and haircuts to key inflows incorporated, as well as stresses to significant outflows, for prudence. To gain further comfort stress and scenario testing is performed on both the capital and cash positions which demonstrates that the Company is expected to be able to maintain adequate financial resources under severe but plausible scenarios. Since all of SJPIA's capital is highly liquid, it is not considered that there would be any liquidity constraints under severe but plausible scenarios.

Market risk

Market risk arises from fluctuations in values of, or income from, assets, interest rates, exchange rates or market prices of commodities.

The investment policy substantially mitigates market risk, by requiring us to invest shareholder assets in highly rated and highly liquid cash-type investments to minimise risk. Investments are typically made in secure sterling denominated cash-type investment assets, such as money market funds and bank deposits. The Company does not therefore have any significant exposure to changes in interest rates.

The Company has no exposure to market risk through a trading book or foreign currency exposure.

Whilst SJPIA's balance sheet is not impacted in the short term through market risks, the profits emerging over time depend on the value of the net assets on the Bluedoor administration platform. This business risk is considered via stress and scenario testing, for example through modelling the impact of a severe market downturn on SJPIA profit.

Credit risk

Credit risk is defined as the risk of financial loss resulting from default or movements in the credit rating assignment of issuers of securities, debtors, or counterparties and intermediaries, to whom a firm has an exposure. Credit risk includes default risk, downgrade or migration risk, indirect credit or spread risk, concentration risk and correlation risk.

As noted above, the investment policy requires us to invest shareholder assets in highly rated and highly liquid cash-type investments – typically secure sterling denominated assets, such as money market funds and bank deposits. Minimum credit ratings and diversification requirements are managed through the Group Credit Risk Policy. We have assessed a very low residual credit risk for SJPIA and based on the very low probability of loss due to counterparty default; it may be reasonable to hold no capital for this risk. However, as a prudent measure and to establish a methodology which would see capital increase if counterparty default became more likely, we opt to hold some counterparty risk capital based on the likelihood of counterparty default.

Group risk

Group risk is the risk that the financial position of a firm may be adversely affected by its relationships (financial or non-financial) with other entities in the same group or by risks which may affect the financial position of the whole group (e.g. reputational damage or contagion). Therefore, group risk is considered in the context of the risk of harm to SJPIA, noting there is the knock-on risk of harm to clients if the firm falls into financial difficulty or is unable to provide services due to failure of/by another entity.

The Group's governance structure is designed to manage and mitigate risks at a group level and is supported by second line risk oversight at the entity level. SJPIA's resilience to financial impacts which could arise through its membership of the Group is assessed annually via stress & scenario testing and in an extreme group-wide event the wind down capital is considered adequate to mitigate risk of harm to clients.

Concentration risk

SJPIA has a diversified retail client population supported through c2,500 Partner practices which limits investor concentration risk. Clients are invested in diverse mix of global assets which reduces concentration risk arising through charges on funds under management. Multiple bank accounts are used for diversifying credit and liquidity risk exposures. SJPIA has a concentration risk in the use of third parties, particularly with SS&C, which makes the governance framework for oversight of material outsourcing arrangements, as noted in the operational risk section, particularly important.

Other risks

SJPIA's ICARA process also assesses other risks as part of its risk profile which could arise due to: greater than expected client withdrawals resulting in loss of income (persistency risk); a significant increase in expenses over a short time, or gradually over a longer period (expense risk); or due to a material decline in new business. SJPIA's stress and scenario testing considers the sensitivity of the company's financial position due to these risks to provide assurance over SJPIA's financial resilience.

4.6 Assessing the effectiveness of the risk management process

The Group Audit Committee takes responsibility for assessing the effectiveness of the Group's risk management and internal control systems. It does this via an annual review of risk and control self-assessments and monitoring of the effectiveness of the internal control model throughout the year. Further detail on the role of the Group Audit Committee is provided in the *Report of the Group Audit Committee* section of the Group Report & Accounts.

In addition, the Risk & Compliance function assesses the effectiveness of its risk management processes. In this assessment, the following is considered:

- The level of business engagement with risk management activities and systems;
- The timeliness of risk identification, assessment and risk-based decision-making;
- The output of risk and control self-assessments (providing a view on the control environment); and
- Any trends depicted by Key Risk Indicators and other risk-based reporting which considers performance against risk appetite.

5 Own Funds

SJPIA holds only Common Equity Tier 1 capital ('CET 1'); this is the highest quality form of capital, comprising accumulated reserves and qualifying instruments. None of the Company's assets are encumbered and there are no restrictions on the availability or fungibility of the own funds to meet liabilities.

Table 2: Composition of regulatory own funds			
	Item	Amount (£ thousands)	Source (references to Company Report & Accounts)
1	OWN FUNDS	44,238	Statement of Changes in Equity
2	TIER 1 CAPITAL	44,238	
3	COMMON EQUITY TIER 1 CAPITAL	44,238	
4	Fully paid up capital instruments	12,000	Note 11
5	Share premium	n/a	
6	Retained earnings*	32,238	Statement of Changes in Equity
7	Accumulated other comprehensive income	n/a	
8	Other reserves	n/a	
9	Adjustments to CET1 due to prudential filters	n/a	
10	Other funds	n/a	
11	(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	n/a	
19	CET1: Other capital elements, deductions and adjustments	n/a	
20	ADDITIONAL TIER 1 CAPITAL	n/a	
21	Fully paid up, directly issued capital instruments	n/a	
22	Share premium	n/a	
23	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1	n/a	
24	Additional Tier 1: Other capital elements, deductions and adjustments	n/a	
25	TIER 2 CAPITAL	n/a	
26	Fully paid up, directly issued capital instruments	n/a	
27	Share premium	n/a	
28	(-) TOTAL DEDUCTIONS FROM TIER 2	n/a	
29	Tier 2: Other capital elements, deductions and adjustments	n/a	

* Retained earnings are inclusive of audited profits for the period

SJPIA has no financial reliance on related undertakings.

The Total Own Funds of £44.2 million at 31 December 2025 (2024: £42.6 million) are in line with the Total Shareholder Funds shown in the Statement of Financial Position on page 26 of the Company Report & Accounts. The following table reconciles own funds to the balance sheet in the audited financial statements at 31 December 2025:

Table 3: Reconciliation of regulatory own funds to balance sheet in the audited financial statements				
Amount (£ thousands)		Balance sheet (audited financial statements)	Under regulatory scope of consolidation	Cross reference to Table 2
Assets				
1	Debtors	3,635		
2	Other investments	42,211		
3	Cash at bank and in hand	25,522		
4	**Total Assets**	**71,368**		
Liabilities				
1	Creditors	(27,130)		
2	**Total Liabilities**	**(27,130)**		
Shareholder's Equity				
1	Share capital	12,000		Item 4
2	Retained earnings	32,238		Item 6
3	**Total Shareholders' equity**	**44,238**		

The following table below provides information on the CET 1 instruments used by the Company.

Table 4: Main features of the components of own funds	
Issuer	St. James's Place Investment Administration Limited
Public or private placement	Private
Instrument type	Ordinary Shares / Common Equity Shares
Amount recognised in regulatory capital (as of most recent reporting date)	£12 million 12,000,100 ordinary shares of £1.00 each
Nominal amount of instrument	£1.00 per share
Issue price	£1.00 per share
Redemption price	£1.00 per share
Accounting classification	Shareholder's equity
Original date of issuance	06/11/2013 - £100 06/10/2014- £12,000,000
Perpetual or dated	Perpetual
Maturity date	Not applicable
Issuer call subject to prior supervisory approval	No
Optional call date, contingent call dates and redemption amount	No
Subsequent call dates, if applicable	Not applicable
Coupons/dividends:	
Fixed of floating dividend/coupon	Floating dividend
Coupon rate and any related index	Not applicable
Existence of a dividend stopper	No
Convertible or non-convertible	Non-convertible
Write-down features	No
Link to the terms and conditions of the instrument	Not applicable

6 Own Funds Requirements

The Own Funds Threshold Requirement is the amount of regulatory capital required by the Company, calculated in accordance with the rules set out in the IFPR as the highest of:

- Fixed Overhead Requirement (FOR): defined as 25% of fixed overheads relating to the previous year.
- K-Factor Requirement (KFR): The KFR introduced by the IFPR regime is intended to be a more risk-based capital assessment, based on consideration of the types of activity being performed by a company. For each type of activity an amount of capital is determined using the relevant "K-Factor" set out in the regulations.
- Permanent minimum capital requirement: £0.15 million

The following table below shows the FOR and KFR for SJPIA as at 31 December 2025:

Table 5: Own funds requirements at 31 December 2025

Item	Basis of assessment	Amount (£ thousands)
Fixed Overheads Requirement	25% of fixed overheads relating to the previous year	15,093
K-Factor Requirement	Sum of: • K-AUM (K factor based on assets under management) • K-CMH (K factor based on client money held) • K-ASA (k factor based on assets held and safeguarded)	19,141
	Sum of: • K-DTF (K factor based on daily trading flow) • K-COH (K factor based on client orders handled)	73
	Sum of: • K-CMG (K factor based on clearing margin given) • K-TCD (K factor based on trading counterparty default) • K-CON (k factor based on concentration risk)	-
	Total K Factor Requirement	19,214
Own Funds threshold		**19,214**

The IFPR also sets out an Overall Financial Adequacy Rule (OFAR), which requires firms to ensure that they hold own funds and liquid assets which are adequate, both as to their amount and quality, to ensure that the business can:

- remain viable throughout the economic cycle, with the ability to address any material potential harm from its ongoing activities; and
- be wound down in an orderly manner, minimising harm to consumers and other market participants

The overall adequacy of SJPIA's regulatory own funds and liquid asset requirements is considered as part of the ICARA process. The Company has concluded that additional own funds and liquid assets are required to mitigate certain residual risks which remain after consideration of the control environment.

7 Remuneration

SJPIA is a group subsidiary company with no direct employees. However, the interpretation of 'employee' under the MIFIDPRU Remuneration Code is broad, capturing employees of St. James's Place Management Services ("SJPMS") and those other entities in the Group who provide services to SJPIA. The following information therefore outlines those group arrangements, with financial data based on the subset of group employees who either support the activity of SJPIA directly, or provide a shared service to the firm, such as HR, Finance or other similar functions.

As SJPIA is classified as a non-SNI firm, it is subject to the 'standard' remuneration rules set out in the MIFIDPRU Remuneration Code (SYSC19G). This means that SJPIA is not subject to the rules on shares, instruments and alternative arrangements, retention policy, deferral and discretionary pension benefits (known as the 'pay-out process' rules).

Approach to remuneration

SJPIA employees, including Material Risk Takers ('MRT') (see section 7.1 for definition), are subject to the group Employee and/or Director remuneration policies and practices. These are designed to be appropriate and proportionate to the nature, scale and complexity of the risks and activities of the group.

The reward strategy is gender neutral and meets the requirements of the Equality Act 2010.

SJP ensures its remuneration policies and practices are consistent with, and promote, sound and effective risk management. Policies and practices are also in line with the business strategy, objectives and long-term interests of the Group. They also consider the Group's risk appetite, culture and values and long-term effects of investment decisions taken.

The remuneration strategy is designed according to the following principles:

a) Market-competitive base pay: We offer fixed pay around the market median, with flexibility to reflect role requirements, ensuring roles are aligned to appropriate grades and pay levels.
b) Performance-driven variable pay: Bonus and incentive opportunities vary by role and reward personal and Group performance, reinforcing desired behaviours, sound risk management, and align with business strategy and regulatory obligations, including the FCA Consumer Duty.
c) Attractive benefits: Employees have access to comprehensive lifestyle, healthcare, protection, and retirement benefits.
d) Equity opportunities: Employees are provided with equity opportunities and may also receive discretionary equity awards, aligned to their role and contribution.
e) Fair and equitable reward practices: We ensure non-discriminatory reward practices, actively monitor equal pay for equal work, and take action to maintain fairness and consistency across the group.
f) Reward communications; should be clear, straightforward, and timely.

Principles guiding the remuneration approach for Directors

The Directors' Remuneration Policy, reviewed in 2024 and approved at the AGM on 13 May 2025, is designed to retain key talent, ensure transparent pay reflecting both short- and long-term Group performance, align remuneration with the Company's strategic objectives and shareholder interests, and maintain a consistent approach across Executive Directors and other executives. The overall policy for Director pay is that a substantial proportion of total remuneration should be in the form of variable pay, linked to the achievement of demanding performance targets.

The Directors' Remuneration Policy applies to the SJP PLC Board. The Group CEO and CFO are subject to the policy and have been identified as MRTs for SJPIA.

7.1 Eligibility

The interpretation of 'employee' under the MIFIDPRU remuneration code is broad, capturing employees of SJPMS or those other entities in the group who provide services to SJPIA. Where employees are caught under multiple remuneration codes, the most stringent aspects will be applied.

Employees, including MRTs, may be eligible to participate in a discretionary bonus scheme, subject to performance and eligibility criteria. Non-Executive Directors are not eligible for the scheme.

Material Risk Takers ('MRTs')

SJP has identified employees whose professional activities may have a material impact on the Group and/or its risk profile, in accordance with the FCA Remuneration rules and guidance set out in SYSC19G. This includes:

a. Board members
b. Members of the SJPIA Executive Committee
c. Senior Management
d. Employees in control functions who have oversight of SJPIA
e. Other employees who can have a material impact on the risk profile of SJPIA.

RemCo reviews the MRT population at least annually (or where significant changes are made). All impacted individuals are notified of their status. RemCo also reviews each MRT's performance objectives to ensure alignment with the promotion of effective risk management and corporate strategy.

7.2 Key characteristics of SJP remuneration policies and practices

Fixed remuneration

Fixed remuneration provides the core reward for the role and reflects the employee's professional experience, organisational responsibility as outlined in their job description and terms of employment. Fixed pay is set at a sufficiently high proportion of total remuneration to ensure that employees are not reliant on variable pay. Standard benefits are also provided for the wellbeing of our employees, including family friendly benefits that help our employees to stay resilient at work and support work-life balance.

Variable remuneration

All permanent employees are eligible to be considered for an annual bonus. Fixed Term Contractors are eligible to be considered for a bonus for the period of their contract.

Variable remuneration is based on individual performance against personal objectives and a balanced scorecard reflecting overall Company performance across controllable expenses, cost saving, net inflow and underlying cash result.

Senior Control Function employees are subject to a different weighting between personal and company performance metrics to ensure independence from collective corporate outcomes.

Schemes for senior employees include 50% deferral into SJP shares to encourage retention, discourage excessive risk taking and ensure activity is closely aligned with shareholder interests. Lower grade MRTs will have 40% of their bonus deferred into SJP shares.

Variable pay for MRTs is also subject to malus and clawback. Clawback covers deferral and retention periods (a minimum of 3 years). MRTs are not permitted to undertake personal hedging strategies in respect of any variable remuneration.

When specific financial objectives are met, MRTs and other senior employees may also be eligible for the award of discretionary stock grants.

Performance Share Plan ('PSP') with linked Company Share Option Plan ('CSOP')

All senior employees (including MRTs), depending on level, are eligible to participate in;

a. a PSP Award only by receiving an annual award,

b. a PSP Award and a Restricted Share Plan ('RSP') Award by receiving an annual award, or

c. a RSP Award only by receiving an annual award.

Awards are granted annually with vesting on the third anniversary of the date of grant, dependent on the achievement of (i) a minimum performance level of a range of performance conditions including financial, reputational and other relevant conditions (for RSP) or a more limited number of stretching performance conditions (for PSP). Both are measured over a period of three financial years. At or about the same time as the PSP and/or RSP Awards, a CSOP option can be granted subject to the same performance conditions and exercise period. If a CSOP option is granted, then the linked PSP/RSP Award will automatically lapse in respect of a number of Vested Award Shares equal in value to the gain realised upon exercise of the CSOP share option. The balance of the PSP/RSP Award will continue to be exercisable. If the PSP/RSP Award should be exercised first, before exercising the CSOP, the CSOP must be surrendered.

A maximum value of £60,000 can be allocated in the form of an Approved Option under the CSOP, as governed by HMRC, therefore, should this limit be reached the award, is granted as a standalone PSP or RSP Award.

The PSP/RSP Awards for members of the Group Executive Committee are subject to a two-year post-vesting holding period during which shares cannot be sold except to meet any income tax and National Insurance contributions liability arising from the exercise of options.

Dividend equivalents accrue on PSP awards and are paid to MRTs following the exercise of vested PSP options. Dividend equivalents are awarded as shares to Executive Directors of St. James's Place plc and paid in cash to award holders who are not Executive Directors.

Deferred Bonus Scheme ('DBS')

After annual bonuses are announced, variable remuneration may be awarded to Directors, MRTs and other senior individuals with 50% deferred into shares in St. James's Place plc. The shares are held in Trust for the duration of the restricted period(s) and will then either: vest in one tranche at the end of a three-year restricted period; or vest in three equal tranches on the first, second and third anniversaries of the award date, subject to the employee remaining employed within the Group. There is a right of recoupment (malus) in the event of a material misstatement, error, or misconduct.

Dividends accrue on the deferred shares and are paid in cash to MRTs (including Executive Directors) during the three-year deferral period.

7.3 Governance and oversight

SJP has a Group Remuneration Committee ('RemCo') which oversees remuneration arrangements for firms within the Group, including SJPIA. Authority is delegated by the Group PLC Board, and, where appropriate, its subsidiary companies.

RemCo's delegated responsibilities include:

- Reviewing Director, Material Risk Taker ('MRT') and workforce remuneration and related policies and practices to ensure remuneration is consistent with the Group's culture and strategy.
- Determining and approving the total individual remuneration package for each MRT.
- Seeking assurance that remuneration processes and principles are implemented in line with remuneration policies and continue to support alignment with long term stakeholder interests and the achievement of good customer outcomes.
- Approving the identification and personal objectives of all MRTs.

RemCo is also responsible for ensuring that remuneration policies and practices are designed in a way so as not to create a conflict of interest or incentive that may lead employees to favour their own interests or those of SJP over the achievement of good outcomes for SJP clients.

The remuneration policies are reviewed annually and then submitted to RemCo for approval.

RemCo's membership as at 31 December 2025 comprised three NEDs (which included a change of Chair with an Interim Chair from May to July) and held five scheduled and two ad-hoc meetings during the year. In addition to the NEDs, the Group CEO, Deputy Company Secretary and Director of Reward are attendees. Other senior staff may attend from time to time to report on specific topics or areas of concern. The Incentives Committee also met three times during 2025.

Alvarez & Marsal provided expert and technical advice on executive remuneration and other RemCo matters during the period to 10 November 2025. Following a robust selection process, Deloitte LLP was appointed as the new external remuneration consultant, effective 11 November 2025.

SJP's Internal Audit function also conducts an annual review of the implementation of the remuneration policies and practices to ensure they meet the requirements of the relevant remuneration codes.

Staff within Control Functions are independent from the business units they oversee, with the Group CRO reporting directly to the Group CEO. Senior Control Function employees are identified as MRTs and therefore their remuneration is directly overseen by RemCo.

Risk adjustment

Each year, the RemCo will review and approve the bonus schemes and award levels by grade applicable to MRTs (including Executive Directors) and employees in control function roles.

All bonus awards are subject to the discretion of RemCo, which may, at its absolute discretion:

- reduce or eliminate awards under the strategic component of the annual bonus where it considers such awards to be inappropriate considering the Group's overall financial performance and financial strength;
- adjust bonus outcomes upward or downward, including to zero (subject to the maximum bonus payable under the scheme), to reflect exceptional positive or negative events; and
- override formulaic bonus outcomes under both financial and non-financial performance measures where necessary to ensure that outcomes appropriately reflect overall performance.

The Group Executive Committee will consider and agree any risk adjustment required for bonus schemes for all MRT employees. This, along with the ability to recoup payments (through clawback or malus) ensures the bonus schemes only vest where company and individual performance allows.

All variable awards are subject to recoupment (malus or clawback) in the event of a material misstatement, error or misconduct, and in relation to the annual bonuses and PSP/RSP Awards granted from March 2019, material failure of risk management, failure to meet fitness and propriety standards or material breach of contract or such other triggers outlined in the Malus and Clawback policy and updated from time to time. RemCo determines whether malus and/or clawback of an award will be made for all MRTs, acting fairly and reasonably, and will determine the amount of cash, shares or other non-cash instruments applicable.

Guarantees

SJP does not normally award, pay or provide guaranteed variable remuneration to MRTs or any other employees. Where agreed, it will be limited to the first year of service and will only be payable if SJP assesses it has a sufficiently sound and strong capital base to grant the award.

Severance

SJP has a set formula for determining an employee's severance payment based on their salary, length of service and age.

Termination payments are only paid in exceptional circumstances. Where a termination payment is due to redundancy, the People Division will calculate the appropriate payment by reference to our terms and conditions and redundancy terms, as appropriate. SJP's redundancy terms are aligned to the statutory terms, but at an enhanced rate. People Division are responsible for reviewing and agreeing the redundancy approach, including the termination payment methodology and will set this at the start of any redundancy exercise. Any enhanced termination payment is subject to a settlement agreement and subject to the agreement terms.

Non-redundancy termination payments are made via settlement agreements and subject to the agreement terms.

In both cases, any payment will reflect the employee's performance over time and adhere to our principles of not rewarding failure, inappropriate behaviours or risk taking. Any termination payments made to MRTs are subject to the approval of RemCo.

7.4 Quantitative information

Total number of material risk takers for 2025 performance year:

Number of individuals
38

Total remuneration awarded by employee category for 2025 performance year[1]:

Category of employee	Fixed (£ million)	Variable (£ million)	Total remuneration awarded (£ million)
Senior management	5.6	22.6	28.2
Other material risk takers	4.7	5.7	10.4
Other staff	64.4	25.7	90.1

Total guaranteed variable remuneration and severance payments for 2024 performance year:

Category of employee	Material Risk Takers (inc. Senior Management & other MRTs	Total MRTs who received award
Guaranteed variable remuneration awards	£638,421	7
Severance pay	£363,653	4

Please note that figures for GVR and severance have been aggregated, as splitting the information between Senior Management and other MRTs would lead to the disclosure of information about one or two people.

[1] As a standard remuneration firm, a proportionate approach was taken to the assessment of employees disclosed under this calculation to exclude those individuals who moved between teams during the period. All employees are employed by St James's Place Management Services ("SJPMS") and will provide services for other St. James's Place entities.