Remuneration Disclosure for the year ended 31 December 2017

William Blair International, Limited
Registration No: 03619027

Overview

The following disclosures are made in accordance with Article 450 of the Capital Requirements Regulation, SYSC19A Remuneration Code of the FCA’s handbook for banks, building societies and investment firms and taking into account the FCA’s General Guidance on Proportionality: The Remuneration Code (SYSC 19A).

The requirements recognise that not all Remuneration Code principles apply to firms equally. The concept of proportionality exists in order to take account of a firm’s individual size, internal organisation and the nature, scope and complexity of its activities. Currently there is a 3 tier level of proportionality defined by the FCA which sets out their expectations on the level of application of the Remuneration Code requirements. William Blair International, Limited (WBIL) has been classified as a Tier 3 Firm for the purpose of the Remuneration Code.

Decision-Making Process for Remuneration Policy

William Blair International, Limited is a wholly-owned subsidiary of William Blair & Company LLC, a much larger US firm, and the businesses of the two organizations have significant overlap. WBIL performed a detailed review of its various business lines, including reporting lines, and determined that members of the Board of Directors, the Heads of Business segments and key control functions are regularly responsible for assessing and managing the Firm’s risk.

Accordingly, WBIL determined that it would not have a separate Remuneration Committee. Nevertheless, WBIL still maintains an established Remuneration process. The Board of Directors of WBIL, together with the Executive Committee of William Blair & Company LLC, the parent company, and the HR Department are responsible for the implementation and maintenance of various aspects of the Remuneration Policy for the Firm and ensuring that the policy is consistent with and promotes effective risk management.

WBIL’s Remuneration Policy is designed to promote sound and effective risk management by setting out clear and explicit guidelines, together with consequences for breaches of internal standards of behaviour and legal or other regulatory requirements. No individual is included in decisions regarding his remuneration. WBIL Board reviews the adequacy and effectiveness of the Policy with the aim of monitoring the impact of the Policy on the financial position of the Firm, its business strategy and long-term corporate objectives.

Link between Pay and Performance

An integral aspect of the Group’s business model is its approach to remuneration of employees. WBIL believes strongly that total remuneration should take into account the competition for talent in an industry where successful people are rewarded and mobile. Remuneration at William Blair International consists of fixed and variable performance-related pay. The performance-related pay is directly related to the success or failure of the Firm’s targets and objectives, which in turn are related to the financial performance of William Blair International.

WBIL has a policy to attract and retain individuals of the highest calibre and reward them so that they are motivated to grow the value of the business, thereby maximizing shareholder return. This Policy is applied Firm-wide to all employees. The Policy for variable compensation is to recognise corporate
performance, individual achievement of objectives and individual conduct via means of a discretionary bonus scheme. The Firm operates in a sector where it is market practice to pay variable remuneration. It is Firm Policy that performance payments are made at times and in amounts that are supported by the increased profitability of the business and return to owners.

**Identification of Code Staff**

WBIL has given careful consideration to the identification of individuals whose professional activities have a material impact on the firm’s risk profile. In addition, the firm identifies individuals as Code Staff having regard both to individual regulatory WBIL Pillar 3 Disclosures 2017 status and seniority of position. The assessment of Code Staff includes any employee who is deemed to have a material impact on the firm’s risk profile in accordance with Regulation (EU) 604/2014 of 4 March 2014 (Regulatory technical standards to identify staff who are material risk takers).

William Blair International has three revenue streams: Investment Banking, Equity Sales and Investment Management. Due both to the size of the firm and complexity of the business, senior management is aligned to the FCA Control Functions of the firm; namely heads of business streams and those designated as Directors. These individuals are considered WBIL’s key risk takers.

**Aggregate Remuneration Cost for Senior Management**

The firm is required to disclose aggregate quantitative remuneration for its Code Staff for the year ending 31 December 2017 split between fixed and variable compensation paid or payable to Code Staff. At the end of 31 December 2017 four individuals were categorised as Code Staff. The aggregate remuneration expenditure in respect of Code Staff in 2017 was £5,246,008.

**Fixed/Variable Remuneration**

<table>
<thead>
<tr>
<th>Number of Code Staff</th>
<th>For the year end 2016</th>
<th>For the year end 2017</th>
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<tbody>
<tr>
<td>Fixed Remuneration</td>
<td>£785,000</td>
<td>£1,045,840</td>
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<tr>
<td>Variable Remuneration</td>
<td>£3,257,997</td>
<td>£4,200,168</td>
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* Please note that the figures above include partnership proceeds received by code staff as partners of William Blair & Company, the 100% owner of William Blair International, Limited which are received in USD and have been converted to GBP based on the annual average exchange rate for 2017.