

Budget Allocation Parameters — February 2027 Compensation Review

From: Finance Partner, Corporate Finance **To:** HR Director, People & Culture; Compensation Analyst, Total Rewards **Date:** 28 January 2027 **Subject:** Approved Budget Envelope for Q1 2027 Compensation Review Cycle **Classification:** Internal — Confidential

Approved Budget

The approved total budget for the February 2027 compensation review cycle is **£48,000** across all departments included in this cycle. This figure covers base salary adjustments and equity corrections only. Variable compensation changes, spot bonuses, and off-cycle retention payments are funded from separate budget lines and are not included.

Allocation Rules

1. Priority funding order:

- Critical adjustments (employees with compa-ratio below 0.90 AND Strong or higher performance) must be funded first.
- High-priority equity corrections (peer equity gaps exceeding the 8% threshold) are funded second.
- Remaining budget may be allocated to Medium and Low priority adjustments at the Compensation Analyst's discretion, subject to HR Director approval.

2. **Per-employee cap:** No single adjustment may exceed **£12,000** without separate Finance Partner approval. Requests above this cap must include a business case and retention risk assessment.

3. **Phased implementation:** If total recommended adjustments exceed the budget envelope, the Compensation Analyst may propose a phased approach where Critical and High items are implemented in March 2027 and remaining items are deferred to the mid-year review (September 2027). Phased adjustments must be communicated to affected managers at the time of the initial review.

Departments in Scope

The following departments are included in this review cycle:

- Data & AI Advisory
- Management Consulting
- Risk & Compliance Advisory

Other departments (Operations, HR, Finance, IT) are reviewed in a separate cycle (April 2027).

Constraints

- Adjustments take effect 01 March 2027.
- The budget figure assumes current headcount as of 31 January 2027. New hires after this date are excluded from the February cycle.
- The Finance Partner requires a final cost summary and variance report within five business days of cycle completion.

Sign-Off

Role	Status
Finance Partner, Corporate Finance	Approved — 28 January 2027
HR Director, People & Culture	Acknowledged — 29 January 2027

