

Remuneration Committee Policy

1. Introduction & Constitution

- 1.1 Premier Miton Group plc and its subsidiaries (together the “Group”) recognises the need for remuneration structures that are appropriate to the nature, scale and complexity of the Group, and that are in line with the business strategy, objectives, values and long-term interests of the Group, including investors in the funds that are managed by the Group. The board of Premier Miton Group plc has appointed a Remuneration Committee, which consists of the Chairperson and other members, all of whom are Non-Executive Directors. The Remuneration Committee approves the remuneration policies that are applicable to the Group.
- 1.2 The remuneration policies apply to all staff within the Group and reflect specific arrangements that take into account the tasks and performance of persons who have a material impact on the Group’s risk profile (see section 3 below).
- 1.3 The remuneration policies are aligned to the Group’s risk management framework and in implementing the remuneration policies consideration has been given to the way that risk is managed across the Group, to ensure that executive directors and all employees are fairly and responsibly rewarded in return for high levels of individual and business performance.
- 1.4 The overall aim of the remuneration policies is to promote the long-term success of the Group, and to attract, motivate and retain qualified and experienced staff who can deliver sustained performance consistent with strategic goals, appropriate risk management in line with the Group’s core values, and to reward them for enhancing value for shareholders, investors and other stakeholders in the firm.
- 1.5 The remuneration policies take regard of the FCA Remuneration Codes which are applicable, as well as guidance on remuneration best practice.
- 1.6 The remuneration policies are designed to ensure consistency with and promote sound and effective risk management and not encourage risk-taking that exceeds the level of tolerated risk of the Group. To support this, the remuneration policies are based on the following key principles:
 - (a) Attract, retain and motivate staff – in setting remuneration policies and individual remuneration awards, the need to adequately and fairly reward staff is balanced with the long-term interests of the Group.
 - (b) Remuneration is aligned to the long term interest of the Group – the Remuneration Committee recognises that to ensure that the remuneration policies and awards are not detrimental to maintaining a sound capital base, performance related components of remuneration need to be aligned to measures which reflect achievement of the Group’s long term success and Group strategy and which ensure both the sustainability of performance and that performance is achieved within the tolerated risk appetite. Performance is assessed in a multi-year framework over a period which takes account of the underlying business cycle of the Group, the funds that are managed as well as its business risks.

- (c) Proportion of variable pay is appropriate as well as balanced – The Remuneration Committee recognises the importance of ensuring that levels of variable remuneration do not incentivise risk-taking that exceeds the tolerated level of risk of the Group. In setting the policies and levels of variable remuneration, the Group seeks to ensure that the fixed proportion is sufficient to allow variable remuneration to operate on a fully flexible basis, including the possibility of no payments of variable remuneration being made.
 - (d) Independence, authority and strong governance – the governance and decision-making processes in respect of remuneration ensure an appropriate level of independence and challenge to the policies and their application to ensure conflicts of interest are identified and avoided. This is achieved by (i) the members of the Remuneration Committee being exclusively comprised of non-executive directors who do not perform any executive function and who have expertise in risk management and remuneration, (ii) certain Control Functions (such as Risk and Compliance) being remunerated in accordance with the achievement of objectives linked to their functions, independent of the performance of the business areas they control, (iii) seeking input from HR when setting remuneration policies for other business areas and (iv) providing for significant input from Risk and Compliance when setting individual remuneration awards where those functions have concerns about the behaviour of the individuals concerned or the riskiness of the business undertaken. The Remuneration Committee directly oversees the remuneration of senior officers in Risk and Compliance.
- 1.7 The Remuneration Committee will liaise as appropriate with the Audit and Risk Committee to ensure compliance with the Group’s risk appetite. In addition, the Remuneration Committee works with the Audit and Risk Committee to ensure that any reward of variable remuneration is not simply reliant on a formula but is considered in the round against all relevant factors, including the management of risk.

2. Regulatory analysis

- 2.1 The remuneration policies have been prepared and approved by the Board based on the Remuneration Codes and guidelines which are applicable as at its current date. As a regulated business, the Group is subject to a number of FCA Remuneration Codes. Many of these regulations require the Group to identify employees who, due to their role and/or responsibilities and/or remuneration, are designated as ‘material risk takers’ (see section 3 below). These material risk takers are often subject to more prescriptive rules in respect of their remuneration. However, certain elements of the Remuneration Codes can be dis-applied based on the principle of proportionality.

3. Remuneration Code Staff

In accordance with the requirements of the regulations and guidance, the Group is required to identify certain staff including senior management, risk takers, staff engaged in control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the firm's risk profile and/or risk profile of the funds that are managed. The Board has carefully considered all staff, and whether they have a material impact on the risk profile of either the firm or the funds that are managed, using the two step process set out in the FCA guidance, namely to firstly apply the qualitative criteria to each member of staff, and thereafter to apply the quantitative criteria. Based on an assessment of these criteria, the Board has identified certain staff as Remuneration Code Staff, and applies the remuneration policies accordingly to those identified staff.

4. Remuneration of Non-Executive Directors

- 4.1 Fees paid to the Chairperson of the Board are determined by the Remuneration Committee. Fees paid to non-executive directors, other than the Chairperson, are determined by the unaffected members of the Board with no director involved in a decision about his/her remuneration.
- 4.2 Remuneration levels take account of market rates for similar positions, the time commitment required and any additional responsibilities undertaken. Consideration is given to the additional time associated with directorship of a regulated business. Non-executive directors do not participate in the Group's variable pay arrangements.

5. Remuneration of Executive Directors

The Remuneration Committee is responsible for determining appropriate pay levels for each executive director. Executive directors are encouraged to build up a high level of personal shareholding to ensure alignment of interests with shareholders. The Remuneration Committee will determine a minimum shareholding requirement that executive directors are expected to meet as well as the time period in which this is to be achieved.

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