



# STAFF REMUNERATION POLICY

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(EFFECTIVE JAN/2018)

## GENERAL PRINCIPLES

- a. Encourage responsible business conduct, fair treatment of clients as well as avoiding conflicts of interest in the relationships with clients.
- b. Ensure persons offering investment and ancillary services, as well as other Relevant Persons (as defined below) are not incentivised to act in ways which are detrimental to the best interests of clients.
- c. The Company will refrain from paying remuneration or provide incentives directly linked to sales, taking a strong approach with regards to investor protection and the protection of client interests. Incentives include non-financial remuneration such as benefits and career progression.
- d. The Company sets performance criteria to encourage Relevant Persons to act in the best interests of clients.
- e. Variable remuneration is assessed on qualitative criteria with to client satisfaction, while excluding purely quantitative criteria linked to sales volumes, assets under management and number of new clients introduced.

## RELEVANT PERSONS

- a. client-facing front-office staff, including advisors;
- b. sales staff;
- c. financial analysts (whose marketing material may be used by sales staff to induce clients to make investment decisions);
- d. persons involved with complaints handling, claims processing, client retention, product design and development;
- e. tied agents;

## OTHER EMPLOYEES

All other persons employed by the Company.

## FIXED/VARIABLE REMUNERATION

All relevant persons' remuneration is comprised of a Fixed and a Variable component. The Company determines the Fixed component in accordance with the requirements of the respective role and the relevant person's/ other employee's experience and expertise in undertaking the specific role. Fixed remuneration includes benefits, which are not under any circumstance linked to the individual employee's performance, as determined from time to time by the Board of Directors.

The total Variable Remuneration made available to the Company's employees is discretionary on the Board of Directors following a relevant recommendation by senior management.

- a. Individual relevant persons' Variable Remuneration is based on each relevant person's performance as assessed in accordance with qualitative performance criteria set and monitored by senior management.
- b. Individual other employees' Variable Remuneration is based on each employee's performance as assessed by senior management.

As such, a relevant person's/ other employee's total remuneration is equal to Fixed Remuneration plus Variable Remuneration.

## QUALITATIVE ASSESSMENT PROCESS

Relevant Persons' performance for the purposes of Variable Remuneration is determined based on client satisfaction

which is assessed by receiving client feedback, as well as feedback from other Company staff where applicable for a given Observation Period set by senior management, based on the four qualities listed below:

1. Perceived business ethics: Whether Relevant Persons are behaving in a manner that instills integrity and exhibits professional business conduct in the eyes of clients and other Company staff.
2. Enquiry responsiveness: The relative speed at which Relevant Persons respond to enquiries from clients and other Company staff.
3. Quality and effectiveness of communication: Whether communication by Relevant Persons is conducted via the appropriate channels and mediums, and in an appropriate form and format which enables clients to understand the intended content, and act where deemed by them necessary.
4. Perceived understanding of clients' needs and ability to make suitable recommendations: Whether Relevant Persons can demonstrate sound understanding of clients' needs in the context of investment and ancillary services offered by the Company, and make suitable recommendations addressing problems as intended by clients.

## CLIENT FEEDBACK

Client feedback is obtained on a regular basis at a frequency determined by senior management in consultation with compliance on qualities (1-4) set above. Client feedback is received for the relevant Observation Period via the [Client Feedback Questionnaire] prepared by senior management, oral and written communication between senior management and clients' principals. Records of such communications are maintained for at least [five] years post termination of relationship with a client, with access restricted to senior management and HR.

## FEEDBACK FROM OTHER COMPANY STAFF

Relevant Persons receive feedback from other Company staff on a regular basis at a frequency determined by senior management in consultation with compliance on qualities (1-4) as set above. Feedback is received from at least [two] permanent members of Company staff one of which is the relevant person's line manager. Relevant Persons nominate other members of staff to provide feedback concerning their performance during the relevant Observation Period using the [Feedback Nomination Form] which is submitted in a strictly confidential manner to senior management. Records of such communications are maintained for at least [three] years post termination of employment of a member of staff, with access restricted to senior management and HR.

## PROCEDURES AND CONTROLS

- a. The Company's remuneration policy is to be approved by the board of directors after taking advice from the compliance function.
- b. Implementation of the Company's remuneration policy and monitoring of the compliance risks involved falls under the responsibility of senior management.
- c. Relevant Persons' Variable Remuneration overall score is calculated as follows; "Variable Remuneration score = [70%] x Client Feedback score + [30%] x Feedback from other Company staff score".
- d. The Company receives Client Feedback at least once every two years for each relevant person.
- e. Feedback from other Company staff is received annually for each relevant person.
- f. Feedback Observation Period(s) shall not be less than one full calendar year.