

LIONTRUST ASSET MANAGEMENT PLC

# Remuneration Committee Terms of Reference

February 2024



## Table of Contents

1.	Introduction .....	2
2.	Membership and Attendance .....	2
3.	Secretary .....	2
4.	Quorum .....	2
5.	Meetings .....	2
6.	Notice of meetings .....	3
7.	Minutes of meetings .....	3
8.	Annual General Meeting and Engagement with Shareholders .....	3
9.	Duties of the Committee .....	3
10.	Reporting Responsibilities .....	4
11.	Other Matters .....	5
12.	Authority .....	5

## 1. Introduction

- 1.1 The Remuneration Committee (hereinafter the **"Committee"**) of Liontrust Asset Management Plc (the **"Company"**), is established by the board of directors of the Company (the **"Board"**) as a committee of the Board with the authority, powers and duties set out in these Terms of Reference. Amendment to these Terms of Reference requires the approval of the Board.
- 1.2 The Committee is responsible for establishing, monitoring and overseeing a transparent procedure for developing the Remuneration Policy & Directors' Remuneration Policy (the **"Policies"**) of the Company to determine director, senior management team (including LLP Partners) and the wider Company workforce's remuneration. The Committee is also responsible for the oversight of incentivisation or performance-related pay, including share schemes and pension payments, and for reviewing remuneration across the Company, ensuring adequate disclosure and compliance with the UK Corporate Governance Code and any other applicable regulations or guidelines.

## 2. Membership and Attendance

- 2.1 Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee in consultation with the Chair of the Committee. The Committee shall comprise of at least 3 members, all of whom are independent non-executive directors. Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three-year periods, provided the director remains independent.
- 2.2 Only members of the Committee have the right to attend Committee meetings. Other individuals such as the Chief Executive Officer, the Chief Operating Officer and/or Chief Financial Officer, other Directors, the Chief Risk Officer, the Chief Compliance Officer, the Head of Human Resources and external advisers may be invited to attend for all or part of any meeting as and when appropriate. The Committee shall ensure there is appropriate input from the Risk and Compliance departments in remuneration decision-making.
- 2.3 The Board shall appoint the Committee Chair who shall be an independent non-executive director and who has served on a remuneration committee for a minimum of 12 months prior to being appointed as Chair. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting. The Chair of the Board shall not be Chair of the Committee.
- 2.4 Meetings of the Committee may be conducted when the members are physically present or in the form of either video or audio conferences, provided that all members participating in the meeting are able to speak to and hear each other.

## 3. Secretary

- 3.1 The Company Secretary or their nominee shall act as the secretary of the Committee (the **"Secretary"**). The Secretary will ensure the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

## 4. Quorum

- 4.1 The quorum necessary for the transaction of business shall be 2 members. A duly convened meeting of the Committee at which a quorum is present has the authority to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

## 5. Meetings

- 5.1 The Committee shall meet at least four times a year and at such other times as the Chair of the Committee shall require.

## 6. Notice of meetings

- 6.1 Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of any of its members.
- 6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be sent to each member of the Committee, any other person required to attend and all other non-executive directors, no later than 5 working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time.

## 7. Minutes of meetings

- 7.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 7.2 The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 7.3 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once approved, shall be circulated to all other members of the Board and the Company Secretary, unless it would be inappropriate to do so.

## 8. Annual General Meeting and Engagement with Shareholders

- 8.1 The Chair of the Committee shall attend the Annual General Meeting to respond to any shareholder questions on the Committee's activities. In addition, where appropriate, the Chair should also seek engagement with shareholders on significant matters related to the Committee's areas of responsibility.

## 9. Duties of the Committee

- 9.1 The Committee should carry out the duties detailed below for the Company, major subsidiary undertakings and the group as a whole, as appropriate.

The Committee shall:

- i) have delegated responsibility for determining the Policies and setting of remuneration for the Company's Chair, executive directors, senior management team (including LLP partners) and wider Company workforce in accordance with the principles and provisions of the UK Corporate Governance Code and applicable regulations. Compliance with the Policies is designed to support consistent, sound and effective risk management adhering to any applicable remuneration guidelines, as amended from time to time. The objective of such Policies shall be to attract, retain and motivate the workforce of the quality required to run the Company successfully, without paying more than is necessary and having regard to the views of shareholders and other stakeholders. The Committee shall ensure that all Policies are gender neutral and are drafted to reflect the consideration of diversity and inclusion in the workplace. The Committee will review annually the ongoing appropriateness and relevance of the Policies, ensuring the Policies and remuneration continue to support the strategy and promote the long-term sustainable success of the Company;
- ii) the Committee will ensure any potential conflict of interest is avoided, with remuneration aligned to the Company's purpose and values. The Committee will ensure no vehicles or methods of remuneration that facilitate the avoidance of application of the Policies will be used. The remuneration of non-executive directors shall be a matter for the executive members of the Board. No director or manager shall be involved in any decisions as to their own remuneration;
- iii) establish remuneration schemes that promote long-term shareholding by executive directors, the senior management team (including LLP Partners) and the wider workforce that supports alignment with long-term shareholder interests, with share awards subject to an appropriate vesting and holding period for post-employment shareholding requirements, encompassing both unvested and vested shares;

- iv) within the terms of the agreed Policies and in consultation with the Chair and Chief Executive Officer, as appropriate, determine the total individual remuneration package of each executive director, the Company Chair, members of the senior management team (including LLP Partners) and wider workforce including payment of bonuses, incentive payments and share options or other share awards. The Committee shall consider and determine the financial, non-financial and strategic measures. The Committee shall exercise independent judgement and discretion when determining remuneration awards, taking account of the Company's and individual performance, and wider circumstances and overriding formulaic outcomes (where appropriate);
- v) In determining remuneration, the Committee will take into account all other factors which it deems necessary, including relevant legal and regulatory requirements, the provisions and recommendations of the UK Corporate Governance Code and associated guidance, including the requirements for clarity, simplicity, risk mitigation, predictability, proportionality and alignment to culture;
- vi) ensure that contractual terms on termination and any payments made are fair to the individual and the Company, ensuring that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- vii) approve the design of, and determine targets for, any performance-related pay schemes operated by the Company and approve the total annual payments made under such schemes in line with the Policies;
- viii) review the design and recommend share incentive plans, in line with the Policies for approval by the Board and where required, shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, including individual awards to executive directors, members of the senior management team (including LLP Partners) and the wider workforce. The Committee will review the performance targets to be used to determine the total individual remuneration package of each executive director and other members of the senior management team (including LLP Partners), including bonuses, incentive payments and share options or other share awards. The Committee shall ensure that the remuneration of the Chief Risk Officer and Chief Compliance Officer is directly overseen by the Committee. The Committee will also review the wider workforce remuneration and related incentive schemes, in line with the Policies;
- ix) ensure that the Company's risk management and compliance functions have appropriate input into reviewing the Policies and have input into the Committee on matters related to the setting of individual remuneration awards, including that of LLP Partners and the senior management team;
- x) oversee any major changes in workforce benefits structures throughout the Company and agree the Policies for authorising claims from expenses of the Chair (if executive) and Chief Executive Officer;
- xi) have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary at the expense of the Company;
- xii) ensure that the Company's Policies comply with the applicable Remuneration Code(s) as set out in SYSC 19 of the FCA Handbook and, consider relevant industry guidance (where appropriate);
- xiii) be responsible for all decision making around the application of malus and clawback to specific awards, where the Board has made a determination that a malus or clawback event has occurred; and
- xiv) ensure remuneration costs for the Company are within a target operating margin determined by the Board as part of the annual budget process.

## 10. Reporting Responsibilities

- i) The Committee Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed, in line with the requirements of the UK Corporate Governance Code.
- ii) The Committee shall make these Terms of Reference available to shareholders by placing them on the Company's website and provide a description of its work in the annual report in line with the requirements of the UK Corporate Governance Code.
- iii) The Committee shall ensure that provisions regarding disclosure of information as set out in The Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019 and the Code are fulfilled, and that a report on the directors' Remuneration practices is included in the Company's annual report and put to shareholders for approval at the AGM, if necessary.

- iv) If the Committee has appointed remuneration consultants, the consultant should be identified in the annual report alongside details of remuneration and a statement about any other connection it has with the Company or individual directors.

## 11. Other Matters

The Committee shall:

- i) have access to sufficient resources in order to carry out its duties, including access to the Company Secretariat for assistance as required;
- ii) be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- iii) give due consideration to all relevant laws and regulations, the provisions of the Code and published guidelines or recommendations regarding the remuneration of the Company directors and the formation and operation of share incentive plans, the requirements of the FCA's Listing Rules, Prospectus Rules, Disclosure Guidance and Transparency Rules sourcebook, and any other applicable rules, as appropriate;
- iv) oversee any investigation of activities which are within its terms of reference and act as a court of the last resort;
- v) at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval;
- vi) consider such other matters as the Board may from time-to-time refer to it; and
- vii) work and liaise as necessary with other Board committees, ensuring the interaction between committees and with the Board is reviewed regularly.

## 12. Authority

The Committee is authorised:

- i) to seek any information it requires from any employee of the Company or member of a Group LLP in order to perform its duties;
- ii) to obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference; and
- iii) to call any employee or LLP Partners to attend or be questioned at a meeting of the Committee as and when required.

---

Liontrust Asset Management Plc

Review Date: January 2024

Next review date: January 2025

Important information

**LIONTRUST ASSET MANAGEMENT PLC**

2 Savoy Court, London WC2R 0EZ Telephone: 020 7412 1700 Web: [www.liontrust.co.uk](http://www.liontrust.co.uk)

