

## **Remuneration Policy**

### **1. Introduction**

UAM falls under the scope of the Remuneration Code set out in SYSC 19A of the FCA Handbook, the aim of which is to ensure that UAM has a risk-focused remuneration policies, which are consistent with and promote effective risk management and do not expose UAM to excessive risk. SYSC 19A expands on the general organisational requirements set out in SYSC 4.

Therefore, UAM has embedded a remuneration policy that promotes sound and effective risk management. UAM being a smaller firm does not have a separate remuneration committee and therefore this role is undertaken by the UAM Board.

UAM's policy on remuneration is designed to keep fixed costs low by the emphasis being on a higher proportion of variable remuneration which is dependent upon the profitability of the firm. In conjunction with the requirements set out in SYSC 19A, UAM also prohibits any employee from using a personal hedging strategy or remuneration or contracts of insurance to undermine the risk alignment effects of UAM's remuneration arrangements.

### **2. What UAM employees are in scope?**

As per the guidance set out in SYSC 19A.3.4R those employees subject to the remuneration code are those categories of 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.

Remuneration code staff should be aware that remuneration which does not comply with certain requirements of the remuneration code has the potential to be rendered void and can be recovered by UAM. Therefore, all UAM employees have to annually attest that they that they are in Compliance with the UAM Remuneration Policy and the FCA's Remuneration Code, including that they do not use any personal hedging strategies.

UAM keeps a separate record of all remuneration code staff.

### **3. What does the policy mean for individual's remuneration?**

All full-time UAM employees are paid a fixed salary and twice a year a variable payment, which takes the form of a share of profits. The variable element is calculated in two parts; firstly, the overall pool is determined by pre-tax profitability, whereby one third of pre-tax profits are allocated to the profit-share pool; and secondly, each individual's payment out of the overall pool is determined by their own individual performance measured against their objectives.

Each employee's objectives include non-financial criteria and the performance against these objectives will directly impact on the assessment of the individual's performance and therefore, their share of the profit pool.

Each employee will be assessed against their objectives twice a year; before the interim profit-share payment made at half-year end and the final payment made at financial year end.

All employees are also required to annually attest that they are in Compliance with the UAM Remuneration Policy and the FCA's Remuneration Code, including that they do not use any personal hedging strategies.

In keeping with the UK Corporate Governance Code on Remuneration, Non-Executive Directors are not entitled to receive bonuses, nor are they eligible to participate in the profit-share pool.

#### **4. Proportionality of the Remuneration Code**

Following review of the FCA's "General Guidance on Proportionality: The Remuneration Code (SYSC 19A)", UAM has determined it is a "Proportionality Level 3 firm" for the application of the Code. This means that the application of certain principles can be disapplied. Therefore, the following rules are appropriately disapplied:

- a) SYSC 19A.3.47R – Retained Shares or other instruments
- b) SYSC 19A.3.49R – Deferral
- c) SYSC 19A.3.51R – SYSC 19A.3.51A – Performance adjustment
- d) SYSC 19A.3.44R – The ratios between fixed and variable income

#### **5. Application: Remuneration Code Policy Statement and Register of Code Staff**

UAM has drafted a **Remuneration Code Policy Statement** using the template that was provided by the FCA and holds a register of all code staff. This detailed policy is approved by the UAM Board.