

PREMIER ASSET MANAGEMENT GROUP LIMITED

REMUNERATION POLICY



1. CONSTITUTION

- 1.1 The Committee consists of the Chairman, Mike Vogel, Luke Wiseman and Paul Tobias, Non-Executive Directors.
- 1.2 The Remuneration Committee shall act by majority decision. The quorum necessary for the transaction of business by the Remuneration Committee shall be two members.

2. ROLE

- 2.1 The role of the Remuneration Committee is to:
- 2.1.1 set up a transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of executive directors and senior employees of the Group whose professional activities have a material impact on the risks posed to the business and the risk profile of the funds under management.
 - 2.1.2 recommend the framework for the remuneration of each executive director of the Group and each senior employee;
 - 2.1.3 determine the targets for any performance related pay schemes operated by the Group;
 - 2.1.4 determine the policy for and scope of pension arrangements operated by the Group;
 - 2.1.5 determine, within the terms of such framework, the total remuneration package of each executive director of the Group and each senior employee. The total remuneration package for the purposes of this paragraph includes, without limitation, salary increases, eligibility for, and the setting of, bonus levels and other performance targets, incentive payments, share options, pension rights and any compensation payments;
 - 2.1.6 discuss and report to the Board on the appointment or dismissal (and the terms of appointment or dismissal) of any executive director of the Group and any senior employee;
 - 2.1.7 ensure that any contractual terms on termination and any payments made are fair to the individual and the Group, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
 - 2.1.8 ensure that the Group's remuneration policies comply with the FCA Remuneration Code and any associated reporting obligations. These require the policies and associated procedures and practices to be consistent with and promote sound and effective risk management in accordance with the Remuneration Principles;
 - 2.1.9 review its own terms of reference and effectiveness, on an annual basis.

3. INFORMATION

The Executive Managers shall procure that the Remuneration Committee is kept properly informed and receives all relevant information in a timely manner, to enable full and proper consideration of all matters within its remit. The Executive Managers will procure that all employees of and advisers to the Group will co operate with the Remuneration Committee and provide it with any information it requires for the purposes set out in paragraph 2.

4. MEETINGS

- 4.1** The chairman of the Remuneration Committee shall decide the frequency and timing of the meetings of the Remuneration Committee provided that each member of the Remuneration Committee shall be given not less than three Business Days' notice of a proposed meeting.
- 4.2** The Remuneration Committee shall meet as often as its role and responsibilities reasonably require and at least once per annum to correspond with the Group's annual salary review programme.
- 4.3** The Remuneration Committee may invite such officer, director, employee of, or adviser to, the Group to attend a meeting of the Remuneration Committee (or any part of it) as it may determine.
- 4.4** The Remuneration Committee may obtain independent legal or other professional advice on any matter within its terms of reference. The Group will make such reasonable funds available to enable the Remuneration Committee to take such legal or other advice which the Remuneration Committee reasonably believes it necessary to obtain.
- 4.5** Where executive directors or members of senior management are involved in advising or supporting the Remuneration Committee, care should be taken to recognise and avoid conflicts of interest. No member of the Remuneration Committee shall be entitled to attend that part of a meeting of the Remuneration Committee which relates to, or vote at a meeting of the Remuneration Committee in relation to, himself or his own emoluments and benefits.

5. POLICIES

- 5.1** All remuneration policies are agreed by the Remuneration Committee. Since the Group generates the vast majority of its revenues from fees on assets under management, the policies that it has put in place are designed to reward long term performance and long term profitability. Thus the Group scheme is based on an EBITDA target and individual fund managers rewards are based on the performance of their individual funds. In both cases, bonuses are based on a percentage of profitability rather than on a percentage of turnover to encourage long term thinking. In addition, senior management are equity owners in the business and therefore have a direct link to the long term future of the business.
- 5.2** The Group's policy is to employ staff on a salary commensurate to their individual roles and responsibilities, taking into account experience, qualification and local variations. Staff are also eligible for a package of benefits that include non-contributory pension scheme, death in service, medical insurance etc.

6. SCHEMES

The Group operates four bonus schemes:-

6.1 Group EBITDA Related Discretionary Bonus Scheme

(1) The Group operates an EBITDA related bonus scheme. The amount of the bonus is determined with reference to the EBITDA achieved during the financial year. The scheme provides for an annual pool equivalent to 17.5% of EBITDA (excluding exceptional items, EBITDA related bonus and associated NI).

(2) The scheme is designed to reward all staff except those that participate in the Fund Manager Revenue Share Bonus Scheme (6.2); the Sales Discretionary Bonus Scheme (6.3) or the Investment Trust Discretionary Bonus Scheme (6.4) for successfully achieving the budgeted outcome, achieving their personal objectives and taking into account their overall contribution during the year in question.

(3) The scheme is a fully discretionary scheme subject to the approval of the Remuneration Committee based on the recommendations of the CEO which in turn are based on the recommendations of the senior management team.

(4) The scheme does allow for bonus payments to be made in excess of the amount accrued within the EBITDA Bonus Pool where the Remuneration Committee decides that this would be appropriate in order to retain or reward particular staff for effort and/or performance.

(5) The scheme pays bonuses in cash in December each year following the confirmation of the auditors of the final EBITDA figure as part of the relevant annual statutory audit. The scheme also provides for a proportion of any bonus to be deferred for up to three years and invested in funds managed by the company.

6.2 Investment Manager Bonus Schemes

(1) These are designed to reward individual managers through a net revenue sharing scheme based on the assets that they manage within a particular fund or funds, and in some cases incorporates an element relating to performance. It is designed to encourage strong long term relative performance on the basis that funds that perform consistently well can expect to attract additional assets. As well as encouraging communication between the manager and his investors, the scheme also incentivises managers to assist in marketing the funds that they manage. The scheme also provides for a proportion of any bonus to be deferred for up to three years and invested in funds managed by the company.

6.3 Sales Discretionary Bonus Scheme

(1) The Group operates a sales bonus scheme for its Field Sales and Sales Support teams, the detailed terms of which are agreed on an annual basis as part of the annual budgeting process.

(2) The Scheme is designed to foster its key aim of encouraging employee loyalty and increasing length of service among the Groups Sales Team, and takes into account business volumes, a range of sales related activities and effective management reporting. The scheme also provides for a proportion of any bonus to be deferred for up to three years and invested in funds managed by the company.

6.4 Closed ended funds Discretionary Bonus Scheme

(1) The Closed ended funds discretionary bonus scheme is designed to reward individuals for successfully retaining and attracting new closed end fund and model portfolio service business to the group.

6.5 The Group does not currently operate any long term incentive schemes although the majority of senior staff are shareholders in Premier Asset Management Group Ltd.

6.6 Payment of bonuses will be in accordance with the FCA rules and will where appropriate include an element of deferral, and the Group has the ability to adjust, withhold, or cancel all or part of the deferred amount.

6.7 In addition, under certain circumstances, the Group has the ability to recalculate bonuses paid and require repayment.

6.8 No bonus, deferred bonus nor any pro rata bonus will be payable to any person who is no longer an employee of the Group or who has given or received notice to terminate his or her employment or who is suspended from duties.