LAWSONS EQUITY LTD

THE RENUMERATION POLICY

Version	Version Date	Notes
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1. Introduction

This policy details how Lawsons Equity Limited (The Firm) will manage remuneration in line with its business strategy and ensure a consistency of approach within the firm to attract, retain and reward employee's for contributing to the Firm's success, whilst maintaining financial stability and robust and effective risk management.

The Firm is authorised by the Malta Financial Services Authority (MFSA) and, as such, will act in accordance to the remuneration rules as defined by the regulator and the ESMA Guidelines on Sound Renumeration Policies and all applicable regulations.

The process is implemented by the Board of Directors who have the responsibility to ensure that the firm is acting in accordance to guidance provided by the Malta Financial Services Authority (MFSA) and that relevant regulations are adhered to.

2. The Scope of the Remuneration Code

The Remuneration Code principals apply to all Remuneration Code staff.

Remuneration Code staff, are all employees who have a material impact on the risk profile of the Firm which includes senior management, staff who hold significant influence functions, staff who would be considered to be risk takers, those engaged in control functions and those who receive remuneration packages that are aligned with those received by senior management.

The Firm maintains a record of all employees to whom the Remuneration Code applies, and it has taken steps to ensure that all employees to whom the Code applies understand the implications of their status and the potential for any remuneration that does not comply with the Code to be rendered void and recoverable by the Firm.

The Firm has taken the decision that the Remuneration Code will apply to all employees (contract of employment) and contractors (contract for services)

The remuneration of the risk management and compliance functions will be overseen by the Board of Directors. The Board of Directors will ensure that the method for calculating the remuneration of the compliance function will not or will not be likely to compromise their objectivity.

The Firm's risk management and compliance functions will have input into setting the remuneration for other business units and individuals, especially if there are concerns about behaviours or the riskiness of business undertaken.

The scale of the Firm means that employees who hold control functions are not always independent from the business units that they oversee, however they have the appropriate authority to take action where necessary.

The Firm ensures that remuneration packages for control function employees are adequate to ensure that the quality and experienced staff are attracted and that the package is dependent on the achievement of the Firm's objectives and the objectives linked to the business areas that they control.

3. Remuneration Structure

Employees' remuneration usually consists of a base salary (or fixed compensation) and, in some cases, performance related variable compensation.

Base salary compensation is predominantly based upon the employee's professional experience and organisational responsibility as set out by their job description and terms of employment

All base salaries are recommended and reviewed by the Board of Directors

4. Supporting business strategy, objectives, values & long-term interests of the Firm

In order to encourage behaviours in line with the business strategy, objectives, values and long-term interests of the Firm, the Firm will consider the following when awarding variable compensation:

- Performance against business objectives set
- Behaviours displaying the core values of the Firm
- Treating customers fairly

To avoid conflicts of interest, variable compensation is not linked solely to sales or volumes but determined by the employee's performance against set objectives which will take into account a number of different factors including a good standard of compliance, treating customers fairly and quality of services to clients. This will ensure that an employee does not have an incentive to favour their own interests, or that of the Firm to the detriment of a client.

The Firm recognises that conflicts can arise where employees are responsible for determining the remuneration of their own business areas, however the scale of the firm means that this may be unavoidable. The Remuneration Committee will be responsible for determining all remuneration packages across the company with approval for their own remuneration sought from others on the Management Body.

5. Remuneration Code Principles

The Firm will base the total amount of remuneration on an assessment of the performance of the employee, the business unit and the Firm's overall results.

When assessing individual performance, financial as well as non-financial criteria will be taken into account, including effective risk management, compliance with regulations and appropriate conduct in line with the Firm's values. Poor performance in non-financial criteria will override financial performance.

The criteria that will determine any variable remuneration will include:

- The Firm's performance
- Business unit performance
- Employee performance against objectives
- Effective risk management
- Compliance with regulations
- Adherence to the Firm's values
- Treating customers fairly
- Quality of service provided to clients

The Firm will base the assessment of performance on a multi-year framework to ensure that the assessment is based on a longer-term performance and that payment of the performance based variable components will be spread over a period taking into account the business cycle of the Firm and its business risks.

The Firm will ensure that the total variable compensation awarded does not limit its ability to strengthen its capital base by ensuring that the arrangements are sufficiently flexible and allowing resources to be directed towards the capital base if required.

6. Sales Staff Renumeration

As Independent Financial Advisers Lawsons Equity Limited have the ability to select products and funds from the whole of the market. Our staff do not receive any additional benefits from the recommendation of one product or fund over another.

The Firm provides investment services to clients, and as such, in addition to following the Remuneration Code principles, it will ensure that it does not remunerate its sales staff or assess their performance in a way that conflicts with its duty to act in the best interests of the client.

The Firm does not use sales targets or other arrangements that incentivise its employees to recommend a particular financial instrument when another would better suit the client's needs.

The Firm does not receive any incentive or commissions from its business relationships with Providers/third parties/Financial Instruments and as the Firm is able to select from the whole of market it is in the best possible position to provide its clients with impartial advice

The Firm will ensure, for all employees with a direct or indirect impact on investment or ancillary services:

- That clients are treated fairly, and their interests are not impaired by the remuneration practices
- That remuneration does not incentivise employees to favour their own or the Firm's interest over that of the client

- The Board of Directors take advice from compliance before approving any remuneration
- The Board of Directors are responsible for the implementation of the Remuneration Policy and monitoring of the related compliance risks
- Remuneration will be based on both qualitative and quantitative criteria, reflecting compliance with the regulations, fair treatment of clients and the quality of service provided to clients
- All Renumeration, in relation to investment or investment advice provided to clients of the Firm will be disclosed in the Suitability Report prior to the client agreement to proceed with the execution of the advice contained within the suitability report
- The Suitability Report will disclose to the client all costs, charges and renumeration receivable to the firm in a way that is clear and in no way misleading to include amounts in £ and % wherever possible

7. Sustainability Risk Inclusion (March 2020)

It is essential that employees working in the business areas, to which the company policies on sustainability risks relate, comply with the relevant policies. Under the Lawsons Equity Remuneration Policy, it is therefore a requirement that performance criteria are applied to the discretionary bonus scheme available to Investment Adviser & Insurance Brokers. The performance criteria are linked to the company´s compliance rules in regard to sustainability risk and all employees must ensure they comply with these rules.

Sustainability risk is integrated within the firm's remuneration policy and therefore, the firm expects all staff members to follow such practices as set by the ESG Committee of Lawsons. All Investment Advisers and Insurance Brokers are trained sufficiently to ensure appropriate awareness and they are monitored to ensure that they act in line with the mission, vision and strategy as set out in these internal policies.

8. Record Keeping

The Firm will keep records of its remuneration policy and procedures which will include performance appraisal processes and decisions

9. Breaches of Renumeration Policy

Any breaches of the Remuneration rules will be recorded on the Firm's breach log in conjunction with its Regulatory Breach policy.