



# Remuneration Policy Disclosure

April 2017

## 1. Overview

Good governance structures, transparency and disclosure are essential for sound remuneration policies. This document provides a summary of the LLP's remuneration policies to facilitate constructive engagement by all stakeholders. It sets out details of the processes and design characteristics of the LLP's compensation structure for all staff.

## 2. Governance

The remuneration policy has been formulated by the Management Board, following the FCA Guidance and Principles applicable to a Tier 3 firm, which is in broad terms an investment firm that is not a bank and does not trade as a principal.

This policy is reviewed each year by the Remuneration Committee. The Remuneration Committee has a wide brief to ensure that our remuneration policy follows "best practice" and motivates staff, but discourages inappropriate behavior or excessive risk-taking. The Remuneration Committee takes external advice from Deloitte, a firm of independent remuneration consultants, in the formulation of the Remuneration Strategy and the provision of benchmark data.

## 3. Link between Pay and Performance

The remuneration policy is designed to reward the attainment of the LLP's business strategy, objectives, values and long-term interests.

## 4. Design and Structure of Remuneration

There is an appropriate balance between fixed pay (Partners' drawings or employees' salaries and benefits) and performance linked pay (delivered through the Discretionary Incentive Bonus Scheme).

Key Performance Indicators (KPIs) for new and retained business, short, medium and long-term investment performance, and operational efficiency are detailed for all identified staff. It is the attainment of these KPIs that are the main drivers of the Discretionary Incentive Bonus Scheme, which is subject to an overall cap on the level of profit that may be payable. Elements of deferral into shares or Sarasin Funds and a strong share ownership culture reinforce the longer-term alignment of interests between ourselves, our Clients and our Shareholders. There are claw-back provisions in the event of financial misstatement or error.



## 5. Partnership Shares

Partners are encouraged to build up shareholdings as a long term investment. Deferred amounts may be used to purchase shares or exercise share options. Substantial shareholdings by most Partners provide further alignment of interest with the sustainable long-term performance of the LLP and reduce risk.

## 6. 2016 Total Payments by Business Area

Figures are made up of Partners' Profit Share and Drawings and total Staff Remuneration for the relevant areas for 2016.

| Total Compensation by business area | # of staff | £'000         | fix        | Var        |
|-------------------------------------|------------|---------------|------------|------------|
| Asset Management                    | 41         | 6,704         | 64%        | 36%        |
| Client Affairs                      | 79         | 11,025        | 59%        | 41%        |
| Operations and Management           | 85         | 8,500         | 74%        | 26%        |
| <b>Total</b>                        | <b>205</b> | <b>26,229</b> | <b>65%</b> | <b>35%</b> |

## 7. 2016 Aggregate quantitative payments for senior management and other "Code Staff"

A breakdown of Partners Profit Share and Drawings and total Staff Remuneration paid to Senior Management, and members of Staff whose actions have a material impact on the risk profile of the firm is shown below: -

| Total Compensation by Staff | # of Staff* | £'000         |
|-----------------------------|-------------|---------------|
| Partner                     | 28          | 10,411        |
| Non-Partner SIF             | 16          | 3,250         |
| High Earner                 | 3           | 757           |
|                             | <b>47</b>   | <b>14,418</b> |

\*staff who received a salary and/or bonus; excludes staff that left the company during the year