

A&J Remuneration Policy

Introduction

This policy is designed to meet the requirements of the MFIDPRU remuneration code.

- Part 1 explains the structure of fixed remuneration.
- Part 2 outlines the variable remuneration methods available.

There is no discrimination in eligibility for any of our fixed or bonus schemes by reason of Gender, Race or any other protected characteristics under the Equality Act.

Our intention is to provide a basis for remuneration which supports our business strategy, objectives and long-term interests, is aligned with our culture and values and reflects the long-term effects of the investment decisions taken. The basis of remuneration is that it rewards good performance and responsible business conduct and does not encourage inappropriate activity.

Potential Conflicts of Interest relating to remuneration are recorded on our register and regularly reviewed by the Board. We maintain a risk register which includes risks associated with remuneration. These risks are subject to regular review by the Board and management committee.

Our Remuneration Committee (RemCo) oversees the policy and its application to ensure fairness.

Version No	Date RemCo Approved	Notes
2.3	21/02/2022	New format to meet requirements of MIFIDPRU
3.0	30/06/2022	Amendments to reflect comments form Threesixty
4.0	N/A	Addition of Compliance to list of support staff and changing of Red to Grade 3 file reviews

Part 1 – Fixed remuneration

All employed staff receive a basic salary as the main part of their remuneration. This forms the major proportion of their overall package and is permanent, pre-determined, non-discretionary, non-revocable and not dependent on sales performance.

The remuneration year runs as follows:

Advisers	to 31 st December
Other Staff	to 31 st March

Changes in fixed remuneration are normally notified to staff during May and June and normally become effective from 1st July, subject to company performance.

An Annual Appraisal is conducted for all staff to assess their performance during the year. This is then used to inform the discretionary decision about salary changes.

As explained in our Staff Handbook, passing of certain exams can result in an increase in basic salary.

Part 2 – Variable remuneration

A Advisers New Business Scheme

All advisers receive a basic salary for the performance of their role including the service provided to existing clients. However, to encourage new business, advisers are able to earn additional income as shown below:

Scheme	Advisers New Business Scheme
the scheme's purpose;	To encourage Advisers to generate new business.
eligible participants;	All Advisers
number of expected participants for the performance period;	9
the structure of each scheme's awards, including:	25% of initial fee (1%) payment to advisers for new business performance quarterly
the deferred proportion;	All new business
the length of the deferral period;	Paid quarterly
the vesting schedule including the frequency of the vesting i.e. annually or more frequently, whether vesting is on a pro-rata basis; or if there is cliff vesting at the end of the deferral period; or any other combination;	None
award composition i.e. proportion in shares or instruments /cash etc;	Cash
retention policies applied to any part of the awards; and	See Performance Matrix
the length of the retention policy.	Immediate
the ratio of the maximum pay-out of the variable remuneration when compared to fixed remuneration;	None
the performance criteria including both financial and non-financial criteria and the weight applied to each;	See Performance Matrix below
the risk adjustment techniques and measures considered, including both financial and non-financial risks, when calculating the variable remuneration pool;	See Performance Matrix below
whether variable remuneration is subject to performance adjustment; and	See Performance Matrix below

any other information related to the scheme that you believe is relevant.	Should the payments under the variable scheme exceed 50% of an adviser's basic salary, management reserve the right to limit the payments at their discretion.
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Performance Matrix

The Discretionary factors considered are set out below. Failure to achieve one or more indicators may lead to a reduction in some or all of the bonus percentage payment. In each case, the relevant indicator considers only cases where the adviser is deemed to have caused the issue.

Indicator	Assessment	Approximate Percentage	Result
No relevant upheld Complaints in period	Fewer than one	16.67%	
No relevant Breaches or Errors in Period	Fewer than three	16.67%	
File Review results	No Grade 3 cases No outstanding Remedial Actions	16.67%	
Conduct Rules	No Breaches (Reportable or unreportable)	16.67%	
T&C	Supervisor confirms adherence to TC requirements	16.67%	
General Compliance Behaviour	No OCBs, Annual Questionnaires, Credit/DBS Check forms not returned	16.65%	

In the event of any dispute as the results of the performance matrix then the assessment may be submitted to the Head of Financial Planning for review and may be escalated to the Managing Director whose decision will be final.

B Adviser Client Retention Bonus

Externally appointed new advisors may be offered a client retention bonus which will be individually assessed based on the number of clients for whom they are responsible.

Scheme	B Adviser Client Retention Bonus
the scheme's purpose;	To encourage Advisers to retain existing clients where the A&J Service is suitable for them.
eligible participants;	All Advisers
number of expected participants for the performance period;	2
the structure of each scheme's awards, including:	Typically £10,000 but depends on individual circumstances
the deferred proportion;	All
the length of the deferral period;	One Year
the vesting schedule including the frequency of the vesting i.e. annually or more frequently, whether vesting is on a pro-rata basis; or if there is cliff vesting at the end of the deferral period; or any other combination;	None
award composition i.e. proportion in shares or instruments /cash etc;	Cash
retention policies applied to any part of the awards; and	Payment based on % of clients retained
the length of the retention policy.	Immediate
the ratio of the maximum pay-out of the variable remuneration when compared to fixed remuneration;	None
the performance criteria including both financial and non-financial criteria and the weight applied to each;	Payment based on % of clients retained
the risk adjustment techniques and measures considered, including both financial and non-financial risks, when calculating the variable remuneration pool;	Payment based on % of clients retained
whether variable remuneration is subject to performance adjustment; and	Payment based on % of clients retained
any other information related to the scheme that you believe is relevant.	In the event of unsuitable clients being retained, as evidenced by file reviews, at the discretion of management some or all of the retention bonus may be withheld.

C Support Staff Bonus Scheme

Support staff in Paraplanning, Client Services, Operations, Finance, Compliance and HR are on a purely discretionary bonus scheme where payments are based on the results of individual performance appraisals and the overall performance of the company

Scheme	C Support Staff Bonus Scheme
the scheme's purpose;	To reward staff for their contribution to company profits.
eligible participants;	All Support Staff
number of expected participants for the performance period;	25
the structure of each scheme's awards, including:	Discretionary
the deferred proportion;	Paid Annually
the length of the deferral period;	n/a
the vesting schedule including the frequency of the vesting i.e. annually or more frequently, whether vesting is on a pro-rata basis; or if there is cliff vesting at the end of the deferral period; or any other combination;	None
award composition i.e. proportion in shares or instruments /cash etc;	Cash
retention policies applied to any part of the awards; and	None
the length of the retention policy.	N/a
the ratio of the maximum pay-out of the variable remuneration when compared to fixed remuneration;	None
the performance criteria including both financial and non-financial criteria and the weight applied to each;	None
the risk adjustment techniques and measures considered, including both financial and non-financial risks, when calculating the variable remuneration pool;	Bonus Pool is assessed based on the overall profitability of the company.
whether variable remuneration is subject to performance adjustment; and	Individual eligibility is dependent on the result of annual appraisal
any other information related to the scheme that you believe is relevant.	None

D All Staff Exam Bonus Scheme

As set out in the Employee Handbook, having first received approval, staff can be awarded permanent pay rises for passing any RO or equivalent exam. In addition, a one off-bonus may be payable for passing the AF exams

Scheme	D All Staff Exam Bonus Scheme
the scheme's purpose;	To reward staff for obtaining professional qualifications.
eligible participants;	Staff
number of expected participants for the performance period;	45
the structure of each scheme's awards, including:	Fixed amount for AF Exams - see Employee Handbook
the deferred proportion;	Paid on passing the exam
the length of the deferral period;	n/a
the vesting schedule including the frequency of the vesting i.e. annually or more frequently, whether vesting is on a pro-rata basis; or if there is cliff vesting at the end of the deferral period; or any other combination;	None
award composition i.e. proportion in shares or instruments /cash etc;	Cash
retention policies applied to any part of the awards; and	None
the length of the retention policy.	N/a
the ratio of the maximum pay-out of the variable remuneration when compared to fixed remuneration;	Low
the performance criteria including both financial and non-financial criteria and the weight applied to each;	Based on exam results
the risk adjustment techniques and measures considered, including both financial and non-financial risks, when calculating the variable remuneration pool;	None
whether variable remuneration is subject to performance adjustment; and	Exam must be passed to be eligible
any other information related to the scheme that you believe is relevant.	None

E Other Discretionary Bonuses

The Managing Director may approve a variation on standard employment relating to a signup bonus, profit share or annual bonus reviews. As at February 2021, Gareth Jones holds that role. Any change must be approved by the Remuneration Committee.

Scheme	E Other Discretionary Bonuses
the scheme's purpose;	To meet recruitment needs where the level of bonuses may affect a potential employee's willingness to join (or an existing employee to stay)
eligible participants;	Selected staff
number of expected participants for the performance period;	Unknown
the structure of each scheme's awards, including:	Various methods depending on circumstances
the deferred proportion;	Case-dependent
the length of the deferral period;	n/a
the vesting schedule including the frequency of the vesting i.e. annually or more frequently, whether vesting is on a pro-rata basis; or if there is cliff vesting at the end of the deferral period; or any other combination;	None
award composition i.e. proportion in shares or instruments /cash etc;	Cash
retention policies applied to any part of the awards; and	Case-dependent
the length of the retention policy.	Case-dependent
the ratio of the maximum pay-out of the variable remuneration when compared to fixed remuneration;	None
the performance criteria including both financial and non-financial criteria and the weight applied to each;	Case-dependent
the risk adjustment techniques and measures considered, including both financial and non-financial risks, when calculating the variable remuneration pool;	Case-dependent
whether variable remuneration is subject to performance adjustment; and	Case-dependent
any other information related to the scheme that you believe is relevant.	None