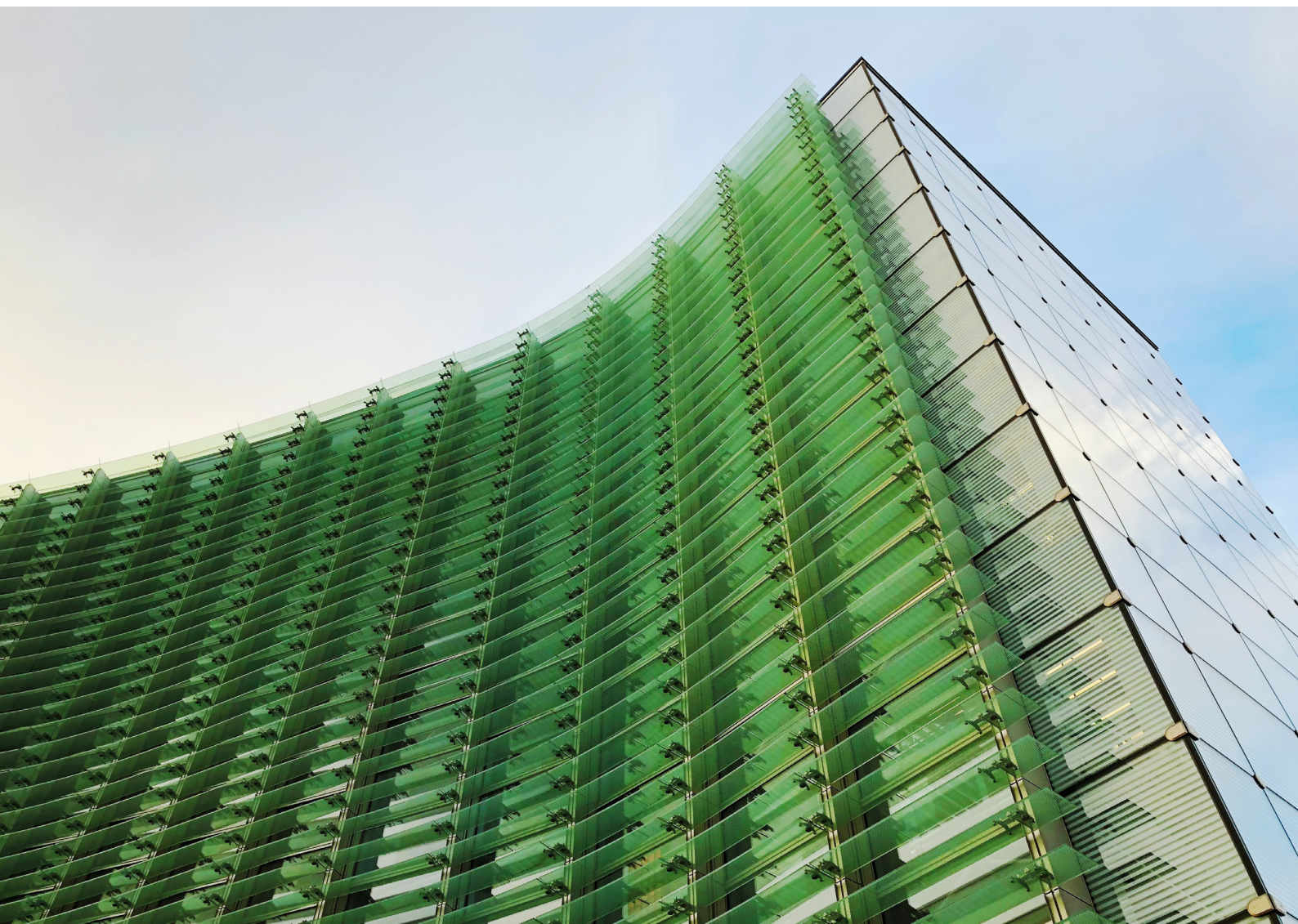




Waystone Financial Investments Limited

Remuneration Disclosures



Introduction

The purpose of this document is to satisfy the regulatory obligations on Waystone Financial Investments Limited to publicly disclose a summary of its remuneration arrangements.

Timing and Location

The disclosures will routinely be updated annually, in line with the finalisation of the Company's financial statements, and may be updated more frequently should circumstances warrant (e.g. on major regulatory or business change).

The disclosures will be placed on the Company's website.

Information disclosed is current as at the date of publication of this document.

Theme / Regulatory References	Regulatory Requirement	How Waystone Financial Investments Limited Satisfies Requirement
Remuneration governance and decision-making MIFIDPRU 8.6.2 R	<p>A firm to which MiFIDPRU applies is required to disclose a summary of:</p> <ol style="list-style-type: none"> its approach to <i>remuneration</i> for all staff; the objectives of its financial incentives; the decision-making procedures and governance surrounding the development of the <i>remuneration</i> policies and practices the <i>firm</i> is required to adopt in accordance with the <i>MIFIDPRU Remuneration Code</i>, to include, where applicable: <ol style="list-style-type: none"> the composition of and mandate given to the <i>remuneration</i> committee; and details of any external consultants used in the development of the <i>remuneration</i> policies and practices. <p>In complying with the above, a <i>firm</i> may consider it appropriate to disclose:</p> <ol style="list-style-type: none"> the principles or philosophy guiding the <i>firm's remuneration</i> policies and practices; how the <i>firm</i> links variable <i>remuneration</i> and performance; the <i>firm's</i> main performance objectives; and the categories of staff eligible to receive variable <i>remuneration</i>. 	<p>The Company has implemented a formal remuneration policy that applies to all remuneration and including additional requirements for "material risk takers".</p> <p>The policy is subject to oversight and periodic (at least annual) review by the Board and the Risk, Audit & Compliance Committee.</p> <p>The Company provides incentives which are designed to link reward with the long-term success of the business and recognise the responsibility that relevant staff have in ensuring the stability and future success of the business. Significant variable remuneration, however, is not a typical feature of Waystone Financial Investments Limited.</p> <p>Taking into account the nature, scale and complexity of Waystone Financial Investments Limited's business, applying proportionality, and recognising that at Waystone Group level a Remuneration Committee exists it has not been deemed necessary to establish a local Waystone Financial Investments Limited Remuneration Committee. Other Waystone Financial Investments Limited local governance forums exist, including the aforementioned Risk, Audit & Compliance Committee and remuneration is one of the terms of reference of that forum.</p> <p>The Company has not engaged consultants to assist in the development of its remuneration policies and practices, though such expertise may be used from time to time by Waystone Group.</p> <p>Performance related pay is set and awarded in a manner which promotes sound risk management and does not induce excessive risk taking, which is monitored both through the Risk, Audit & Compliance Committee and ICARA process. A "balanced scorecard" approach is used, and includes measures relating to adherence to relevant policies and procedures.</p>

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Key characteristics of remuneration policies and practices MIFIDPRU 8.6.5 R, 8.6.6 R	<p>A firm to which MIFIDPRU applies is required to disclose the key characteristics of its <i>remuneration</i> policies and practices in sufficient detail to provide the reader with:</p> <ol style="list-style-type: none"> 1. an understanding of the risk profile of the <i>firm</i> and/or the assets it manages; and 2. an overview of the incentives created by the <i>remuneration</i> policies and practices. <p>This should include at least the following information:</p> <ol style="list-style-type: none"> 1. the different components of <i>remuneration</i>, together with the categorisation of those <i>remuneration</i> components as fixed or variable; 2. a summary of the financial and non-financial performance criteria used across the <i>firm</i>, broken down into the criteria for the assessment of the performance of: <ol style="list-style-type: none"> a. the <i>firm</i>; b. business units; and c. individuals. 	<p>Subject to the achievement of targets as business unit and group level, a cash bonus scheme is available and aims to recognise and reward good performance. The scheme is discretionary and is based on assessment of the following criteria:</p> <ul style="list-style-type: none"> ▪ Group performance ▪ Business Unit performance ▪ Individual performance. <p>Following completion of the annual staff performance appraisal process to assess individual performance senior management submits bonus proposals to the Finance Director. The bonus proposals are reviewed by the Finance Director and Chief Executive Officer together with financial performance. Proposals are then submitted to the Group HR Director and Group CFO who confirm whether bonuses may be paid, subject also to business unit and group performance, or what adjustments need to be made. Variable remuneration is therefore self-financing and not guaranteed. Final approval for all bonus payments is given by the Waystone Group Remuneration Committee.</p> <p>No individuals within the Company are involved directly in decisions relating to their own remuneration.</p> <p>The Company acts as ISA manager for the Prudential ISA. In doing so it processes transaction between clients and relevant product providers and safeguards client monies and assets. It does not manage assets itself.</p> <p>Remuneration is made up of:</p> <ul style="list-style-type: none"> ▪ Fixed remuneration – i.e. basic salary. ▪ Variable remuneration: <ul style="list-style-type: none"> ▪ Discretionary bonus ▪ Long Terms Incentives may be available for the most senior Waystone Group staff. <p>Bonus pool availability is determined by reference to financial targets being achieved by the Company and its Group.</p> <p>At individual level, bonuses may be awarded where justified by performance, including in respect of non-financial criteria.</p>

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	<p>3. the framework and criteria used for ex-ante and ex-post risk adjustment of <i>remuneration</i>, including a summary of:</p> <ul style="list-style-type: none"> a. current and future risks identified by the <i>firm</i>; b. how the <i>firm</i> takes into account current and future risks when adjusting <i>remuneration</i>; and c. how malus (where relevant) and clawback are applied; <p>4. the policies and criteria applied for the award of guaranteed variable <i>remuneration</i>; and</p> <p>5. the policies and criteria applied for the award of severance pay.</p>	<p>The Company's activities are straightforward, and largely processing or administrative in nature. Should issues arise, they should become apparent quickly. The Company has access to both contractual protections and professional indemnity insurance to mitigate the impact should issues arise. The Company's approach to variable remuneration is that should be self-financing not depletive. That assessment would consider known risks to future as well as current profitability should they be relevant. The principal risk to the Company is that its revenue is driven by the value of assets under administration, though this is mitigated to an extent by the arrangements in place with its principal service provider being revenue-based.</p> <p>Malus and clawback provisions will be utilised where the Company has suffered detriment (including as a result of detriment to its clients), and where individuals' inappropriate acts or omissions are the cause of that detriment.</p> <p>The Company's remuneration policies allow for the possibility of guaranteed variable remuneration being paid where permitted by regulation, i.e. in circumstances where it is in the Company's interests to secure a key individual's services by "making good" what might otherwise be lost on any change of employment.</p> <p>The Company's remuneration policies allow for the possibility that severance payments may be made where permitted by regulation, including that such payments should not reward failure or misconduct. Any such payment will be determined by reference to relevant contractual obligations and in light of any amount available for use as variable remuneration at the time and be subject to any relevant individual satisfying relevant performance standards, be they qualitative or quantitative.</p>

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MIFIDPRU 8.6.4 R	A <i>non-SNI MIFIDPRU investment firm</i> must disclose the types of staff it has identified as <i>material risk takers</i> under SYSC 19G.5, including any criteria in addition to those in SYSC 19G.5.3R that the <i>firm</i> has used to identify <i>material risk takers</i> .	<p>The following groups have been identified as material risk takers:</p> <ol style="list-style-type: none"> 1. Members of the firm's board (statutory directors). 2. Other holders of Controlled Functions (SMF16 – Compliance Officer, SMF17 – Money Laundering Reporting Officer). 3. Other senior individuals who are considered by the Board to be Material Risk Takers having regard to the criteria in SYSC 19G.5.5 R. <p>The Company delegates most operational activities, which impacts the extent to which criteria in addition to those in SYSC 19G.5.3R could apply. However, it has considered the seniority of staff in its remaining functions (Human Resources, Finance, Risk & Compliance) and identified certain roles, not falling within 1 to 3 above which it believes appropriate to include, given the level of authority or influence possessed by such individuals.</p>
Quantitative disclosures MIFIDPRU 8.6.8 R	<p>A firm to which MIFIDPRU applies must disclose the following quantitative information required for the financial year to which the disclosure relates.</p> <ul style="list-style-type: none"> ▪ A <i>non-SNI MIFIDPRU investment firm</i> must disclose the total number of <i>material risk takers</i> identified by the <i>firm</i> under SYSC 19G.5. ▪ A <i>non-SNI MIFIDPRU investment firm</i> must disclose the following information, split into categories for <i>senior management</i>, other <i>material risk takers</i>, and other staff: <ul style="list-style-type: none"> a. the total amount of <i>remuneration</i> awarded; b. the fixed <i>remuneration</i> awarded; and c. the variable <i>remuneration</i> awarded. ▪ A <i>non-SNI MIFIDPRU investment firm</i> must disclose the following information, split into categories for <i>senior management</i> and other <i>material risk takers</i>: <ul style="list-style-type: none"> a. the total amount of guaranteed variable <i>remuneration</i> awards made during the financial year and the number of <i>material risk takers</i> receiving those awards; b. the total amount of the severance payments awarded during the financial year and the number of <i>material risk takers</i> receiving those payments; and c. the amount of the highest severance payment awarded to an individual <i>material risk taker</i>. 	See separate disclosure.

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MIFIDPRU 8.6.8 R (7), 8.6.9 R	<p>A <i>non-SNI MIFIDPRU investment firm</i> must aggregate the information to be disclosed for <i>senior management</i> and other <i>material risk takers</i>, where splitting the information between those two categories would lead to the disclosure of information about one or two people.</p> <p>Where aggregation would still lead to the disclosure of information about one or two people, a <i>non-SNI MIFIDPRU investment firm</i> is not required to comply with the obligation.</p> <p>A <i>non-SNI MIFIDPRU investment firm</i> that relies on MIFIDPRU 8.6.8R(7) must include a statement in the main body of its remuneration disclosure that:</p> <ol style="list-style-type: none"> 1. explains the obligations in relation to which it has relied on the exemption; and 2. confirms that the exemption is relied on to prevent individual identification of a <i>material risk taker</i>. 	See separate disclosure.