

# **WESLEYAN UNIT TRUST MANAGERS SUMMARY UCITS REMUNERATION POLICY**

**VERSION 1.0**

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# DOCUMENT CONTROL SHEET

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## Document Tier

Tier	2
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## Document Review History

Version	Version Date	Revised By	Detail of amendment
1.0	July 2023	David Taylor	New policy: corporate template and Consumer Duty updated

## Document Reviewers (Wesleyan unless specified)

Name	Title	Comments
Lisa Perkins	HR Director	

## Document Sign Off - SMF

Name	Role	Signature	Date
Martin Lawrence	Director of Investments		

## Committee Noted

Version	Committee	Notes/Caveats	Date
1.0	Group Remuneration Committee and WUTM Board		

## Next review due

Frequency	Annual	Next review date	July 2024
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## 1. Introduction

Wesleyan Unit Trust Managers (WUTM), which is a directly owned subsidiary of Wesleyan Assurance Society, is subject to the UCITS Directive 2009/65/EC as amended by Directive 2014/91/EU ('the Directive') as well as the requirements of the FCA's Handbook SYSC 19E, the UCITS Remuneration Code and the Consumer Duty. The Directive requires firms to establish remuneration policies and practices that are consistent with and promote sound and effective risk management, do not encourage risk taking that is inconsistent with the risk profiles of the funds and the interest of investors, and include measures to avoid conflicts of interests.

In conjunction with the Wesleyan Assurance Society Remuneration Policy, the WUTM Remuneration Policy (the 'Policy') outlines the remuneration framework applicable to WUTM staff and those staff in its parent undertaking that undertake duties relating to WUTM, who are subject to the UCITS Remuneration Code. The Policy considers proportionality in the application of the UCITS Remuneration Code. Although not required to apply the pay-out process rules some elements are voluntarily adopted. The Policy also adheres to the principles of the Consumer Duty.

## 2. Identified Code Staff

Some parts of the policy apply to all staff, and some are only applicable to 'Identified Staff', as defined in the UCITS Directive and the ESMA's Guidelines on Sound Remuneration Policies under the UCITS Directive.

Individuals who have a material impact on the risk profiles of the firm and funds that it manages are classed as 'Identified Staff', including:

- Board members
- Senior management
- All staff taking decisions about risk positions and dealing
- Heads of control functions
- Members whose professional activity, individually or collectively can exert material influence on the risk profile of the firm and the funds it manages

The list of Identified Staff is compiled and maintained by Company Secretariat with input from risk, Human Resources and Compliance functions, as appropriate, and approved by the Remuneration Committee.

All 'Identified staff' will receive a copy of the approved Policy.

## 3. Governance

### 3.1 The Wesleyan Group Remuneration Committee

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The Wesleyan Group Remuneration Committee approves the Policy and ensures the ongoing appropriateness of the design and content of the Policy. The Committee agrees the payment of fixed and variable remuneration for Directors. The Wesleyan Board oversees the Committee.

- The Committee is comprised of no less than three non-Executive Directors
- The Committee Terms of Reference is available on the Society's website.

### 3.2 Executives

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Wesleyan Group Executives are responsible for agreeing the fixed and variable remuneration of staff below Director level.

### 3.3 Annual Review

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The Policy and Wesleyan Assurance Society Remuneration Policy is reviewed by the Remuneration Committee on an annual basis to assess if the remuneration system is operating as intended and is meeting the obligations set out in the Group Remuneration Policy. Oversight is provided by Risk and Regulatory Team using a risk-based approach. [An independent review is provided by the Internal Audit team.]

## **4. Remuneration framework**

### 4.1 Fixed and variable remuneration

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Remuneration is made up of fixed pay (i.e., base salary, pension, and benefits) and annual performance related pay (short and long-term incentives). In line with the UCITS Remuneration Code, WUTM ensures that the elements of fixed and variable pay are appropriately balanced to ensure there is no over-reliance on variable remuneration, WUTM is therefore able to operate a fully flexible approach to the award of variable remuneration. Decisions about remuneration are made taking into consideration the long-term interests and sustainability of the firm, the funds it manages and its investors. Measurement of performance includes mechanisms to consider all types of current and future risks, input from the Chief Risk Officer and risk underpins on elements of variable remuneration.

Methods of remuneration are designed to reward performance in line with strategic aims, desired behaviours, long-term interests of WUTM, the funds under management and its customers. The team of in-house fund managers are remunerated against their performance via a combination of team and individual scorecards, which includes target benchmarks for fund performance and consideration of financial and non-financial performance. Variable pay awards are independently checked prior to payment and 50% of such payments are deferred over a three-year period [and may be adjusted up or down to reflect the performance of the ISA With Profits Fund].

Pension benefits are aligned to the business strategy and are not discretionary.

The Long-Term Incentive Plan, for Executives critical to the delivery of the strategy, is dependent on the achievement of strategic measures over a three-year performance period and underpinned by a risk / behavioural measure and paid after a subsequent two-year holding period.

### 4.2 Guaranteed Variable Remuneration

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The Society does not normally provide guaranteed variable remuneration. If it does, this would be limited to the first year of hiring and subject to the requirements of the UCITS Remuneration Code.

### 4.3 Termination Payment

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Payments made on termination of employment will reflect the actual performance of the individual achieved during the period of employment and not reward failure.

### 4.4 Remuneration of control functions

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The remuneration of the senior officers in Risk and Regulatory is overseen by the Remuneration Committee and is determined based on the performance against the objectives of their function, independent of the performance of WUTM or its funds.

#### **4.5 Malus & Clawback**

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Malus and clawback provisions are applied to Identified Staff in appropriate circumstance and in line with the Wesleyan Assurance Society Remuneration Policy.

#### **4.6 Managing risk**

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Employees are required not to use personal hedging strategies or remuneration related liability-related insurance that may undermine the elements of risk management within the remuneration policy and framework.

Fixed or variable remuneration is not paid through any vehicles or financial instruments that could avoid the requirements of the Directive.

### **5. Further information**

Full details of the Wesleyan Assurance Society Remuneration Policy, which further details how remuneration benefits are calculated, and how the policies are governed, can be found in the Corporate Governance section of the Website.

### **6. Policy administration**

#### **6.1 Related policies**

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- ▶ Wesleyan Assurance Society Remuneration Policy

#### **6.2 Policy Stakeholders**

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Any material changes to this policy should be communicated to the following audiences. For any policy changes that require global distribution the support of the Internal Communications team should be sought.

- ▶ The Society Remuneration Committee
- ▶ The Wesleyan Board

#### **6.3 Overall compliance mechanism**

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Compliance with this Policy will be achieved through the monitoring of compliance with the principles and minimum standards set out in this document and the processes established to implement it.

Remuneration Policy monitoring and reporting is the responsibility of the Remuneration Committee. Breaches should be reported to your Department Leader in the first line of defence and Employee Relations in second line of defence.