

Wesleyan Unit Trust Managers Summary UCITS Remuneration Policy

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 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, this 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 Wesleyan Assurance Society Remuneration Policy will be reviewed and revised by 31 December 2016 to incorporate the requirements of the UCITS Code.

The requirements came into effect on 18 March 2016, and apply to the first full performance period after that date, which is 1 January 2017 to 31 December 2017.

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

All 'Identified staff' will receive a written communication informing them of their status under the Code and the implication of this. The list is subject to regular review by HR, Risk and Compliance.

Governance

Wesleyan Group Remuneration Committee

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, and is currently comprised of:

- Chris Brinsmead (Chair)
- Bryan Jackson
- Philip Green
- Tania Brisby

The Committee Terms of Reference is available [http://www.wesleyan.co.uk/pdf/62860/Wesleyan Assurance Society Terms of Reference Remuneration Committee](http://www.wesleyan.co.uk/pdf/62860/Wesleyan_Assurance_Society_Terms_of_Reference_Remuneration_Committee).

Executives

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

Annual review

The 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 Compliance annually.

Remuneration framework

Fixed and variable remuneration

Remuneration is made up of fixed pay (i.e. salary, pension and benefits) and annual performance related pay (short and long-term incentives).

Methods of remuneration are designed to reward performance in line with the business strategy, objectives, values and long term interests of WUTM, the funds under management and its customers. The annual incentive earned by an individual is dependent on the achievement of Society and individual objectives (both financial and non-financial), including adherence to effective risk management.

Decisions about remuneration are made taking into consideration the long-term interests and sustainability of the firm, the funds it manages and investors. Measurement of performance includes mechanisms to consider all types of current and future risks.

Proportionality threshold

WUTM applies the proportionality provisions threshold to Identified Code staff. This means that, with the exception of Executive members, only staff whose total annual remuneration exceeds £500,000 and includes variable remuneration of more than 30% of the total remuneration will be subject to deferral of variable remuneration, payment in retained units or performance adjustment.

Termination payments

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

Remuneration of control functions

The remuneration of the senior officers in Risk and Compliance is overseen by the Remuneration Committee and is not influenced by the performance of WUTM or its funds.

The remuneration of senior management in control functions is not influenced or controlled by WUTM.

Managing risk

Employees are required to undertake not to use personal hedging strategies or remuneration related liability-related insurance that may undermine the elements 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.

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 at <http://www.wesleyan.co.uk/about-us/corporategovernance>.