



## REMUNERATION POLICY FOR CALLANISH CAPITAL LTD

### Overview

This policy outlines our firm's approach to remuneration. The objective of our remuneration policy is to ensure that our firm does not remunerate or assess the performance of any of our employees in a way that conflicts with our duty to act in the best interests of our clients.

We will not make any arrangement by way of remuneration, sales targets or otherwise that could provide an incentive to our employees to recommend a product or service to a client when our firm could offer a different solution, or none at all, where that would better meet the needs of that client.

Our firm maintains a separate conflicts of interest policy, which determines our overall approach to identifying, preventing and/or managing all types of conflicts including firm level arrangements and our firm's requirements in relation to gifts and hospitality payments.

### Scope of coverage

This policy applies to all staff and will mitigate the potential for any conflicts arising and will ensure we act in the best interests of a client. This will include all employees with an impact directly or indirectly on the services provided by our firm and will include both financial and non-financial criteria.

This policy applies to all staff who engage in the activities, or are responsible for any other person or business unit that engages in the activities, of MiFID business on behalf of our firm.

All our staff will be made aware of this policy to highlight and emphasise the importance of acting in accordance with our firm's policies and procedures.

### Oversight

Our firm's senior management will have the overall responsibility to ensure that our firm operates remuneration practices that aim to ensure that our firm acts in the best interests of our clients at all times and in line with the FCA's rules and guidance.

The senior management of our firm will be responsible for the day-to-day implementation of our remuneration policy and the monitoring of compliance risks related to this policy.

Our remuneration policy will be reviewed annually in accordance with SYSC 19G and this policy and its reviews will be conducted to ensure our firm's remuneration practices, of any kind, does not affect our ability to ensure a sound capital base at all times.

Where necessary, our firm will undertake ad hoc reviews. This may be required as a result of internal monitoring, a change to regulations, following an independent review of our firm's remuneration practices or any other relevant circumstances.

### REMUNERATION POLICY REVIEW

Name and title of person responsible	Period covered by the review
Oliver Murray (Director)	28/02/2022 to 28/02/2023

Details of variable remuneration schemes or long-term incentive plans
All staff members have basic salaries, plus discretionary, performance-based bonuses. Bonus payments are paid depending on, but not limited to, firm performance, quantitative individual performance based on KPIs and line manager qualitative line manager assessments.

Name and role of staff member	Remuneration type (y/n)		Performance assessment required (y/n)
	Fixed	Variable	
Oliver Murray (Director)	Y	Y	Y
Laura Kyle (Investment Director)	Y	Y	Y
Derek Rafferty (Investment Management Assistant)	Y	Y	Y

Types of remuneration paid	
Fixed	Variable
Salary	Bonus

Details of how performance assessment is carried out
<p>The firm emphasises the importance of long term returns and outcomes for clients as a number one priority. However, we recognise the importance of regular internal performance reviews of staff members. Therefore, we assess performance annually versus quantitative and qualitative items for each staff member.</p> <p>The process follows the following stages in turn:</p> <ol style="list-style-type: none"> <li>1. Firm performance: has the firm made sufficient profit (measured as profit before tax) to firstly, at least maintain its required capital position plus a buffer, and secondly make discretionary awards to staff in the form of bonuses.</li> </ol>

2. Individual quantitative assessment: how has the staff member performed. Areas for review include client feedback, client returns (if applicable), zero upheld complaints, model variances etc.
3. Individual qualitative assessment: line manager's assessment and scoring of areas such as attitude

#### **How has the firm maintained and how will it continue to maintain effective risk management plans**

The firm may adjust the level of the annual bonuses, including to zero if appropriate, to mitigate any of the following material events:

- underlying financial performance
- risk management or regulatory compliance issues
- personal performance

The firm reserves the right to hold back bonuses against the quantitative and qualitative assessment data should it foresee significant risks and challenges in the coming year that may incur losses and require further capital to maintain a strong capital position.

#### **Overview of how conflicts of interest are avoided and responsible business conduct is achieved**

The firm maintains a robust conflicts of interest policy which is reviewed annually and maintained by senior management. Any conflicts are registered against individuals and considered when relevant risks arise.

We make use of best-in-class external consultants who - at least annually - review these arrangements and advise us in such a way to mitigate risks as far as possible.

#### **Overview of how remuneration is linked to risk appetite, culture, values, ESG factors and longer-term investment decisions**

The objectives of the Policy are:

- To attract, retain and motivate talented employees of the quality required to manage the business successfully, whilst ensuring that remuneration is not excessive or detrimental to the health of the firm as a whole, including its clients.
- To motivate and reward good, long term performance.
- To meet relevant regulatory requirements, including the requirements of the FCA Remuneration Code

The principles of the Policy are:

- To ensure that total remuneration is set at a level that is competitive versus peers, taking account of size, complexity and sector, whilst taking into account market practice.
- To maintain appropriate proportions of fixed and performance-related pay, to help to drive performance over the short and longer term, maintain a flexible cost base, and avoid creating incentives for excessive risk taking.
- To align incentive plans with the business strategy, prudent risk management and client interests.
- To ensure that culture and values are prioritised when assessments are made.
- To consider ESG factors in assessments.

#### Details of the firm's remuneration disclosures made and any changes required

Staff member	Role	Salary	Bonus Awarded	Pay start date
Oliver Murray	Director	£70,000	£0	01/10/2022
Laura Kyle	Investment Director	£75,000	£0	06/09/2022
Derek Rafferty*	Inv. Mgmt. Assistant	£35,000	£0	07/11/2022

\* ceased being an employee on 14<sup>th</sup> June 2023

#### Other comments

Bonuses were not awarded in the first year of the firm's operation (after gaining FCA authorisation in April 2022) in order to satisfy required capital levels.

Review completed on and confirmed to satisfy the Equality Act 2010	Date of next review
14/06/2023	30/04/2024