

**Parmenion**

# Remuneration Policy

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## Purpose

Parmenion Capital Partners LLP (“Parmenion”) provides platform, technology, custody and discretionary managed solutions to clients and financial advisers in order for them to access a range of investments and tax wrappers. Parmenion is keen to attract and retain the right staff in order to maintain our high standards of service, and remuneration is a key part of the way in which we aim to achieve this. Parmenion is committed to ensuring that its remuneration arrangements for its staff are fair and promote good customer outcomes, effective risk management, support positive behaviours and promote a strong and appropriate culture. This policy sets out the principles which Parmenion has adopted to meet these commitments and the arrangements which are in place to achieve these.

## Governance and Oversight

The Board of Parmenion is responsible for overseeing the implementation of this policy and must review and approve its contents on at least an annual basis. Prior to submission to the Board, the policy will be reviewed by the Finance, HR and Risk & Compliance Teams to ensure the policy continues to meet regulatory expectations and is in line with the approach taken by the business. Periodic external review of this policy will also be arranged as required.

## Remuneration Approach

The annual review of base salaries will consider budgeted expenses for the upcoming year and where the current role holder sits in terms of the experience and level of capability they bring to their role.

The bonus pot will be determined by the performance of the business and is fully discretionary. Any discretionary bonus awarded will be determined by the staff member’s individual performance, conduct and assessment against their agreed goals. As such, variable remuneration is determined by a combination of both individual performance and overall results of the firm.

All members of the Executive Committee are also remunerated by base salary and discretionary bonus as set out in this policy.

## Performance Framework

Although staff and their line managers have a constant dialogue regarding their performance in the role, all staff undergo a formal performance review on a biannual basis. All staff agree a number of goals which align to the overall Parmenion strategy and objectives. Performance is measured not only by achievement against these goals but also against a number of non-financial criteria, such as demonstrating appropriate behaviour to both clients and colleagues and adhering to company policies and procedures. This promotes a culture of good conduct and delivering appropriate client outcomes.

Although personal goals may be focussed on delivering specific pieces of work or shorter-term targets these will always be aligned to the longer-term vision and plans for Parmenion to ensure that excessive risk-taking is not promoted above the longer-term strategy for managing risk within Parmenion to create a sustainable business and appropriate culture.

## Fixed Remuneration

All staff are paid a base salary which is generally reviewed on an annual basis. Base salaries are based on the size and complexity of the individual role, the individual's skillset and experience and the comparative market rate. Base salaries may be amended outside the usual annual review on an exceptional basis (e.g. where this is determined to be out of line with the equivalent market rate or when an individual changes role).

## Variable Remuneration

As part of the annual performance review Parmenion staff may be awarded a discretionary bonus. The amount of the total payable bonus will be determined by Parmenion's financial performance. The bonus amount allocated to individuals is based on a combination of factors including the level of their role and their performance during the year as per the Performance Framework. Aside from the specific Sales Team Incentives listed below, the scale of Parmenion means that the performance of individual business units is not generally considered when calculating bonuses. This approach also promotes collaboration across the company rather than focussing on local interests.

## Ratio of Fixed to Variable Pay

Fixed and variable pay should be appropriately balanced, with a sufficiently high proportion of fixed pay to avoid dependence on variable pay to meet day-to-day expenses. The proportion of variable pay generally increases with seniority in the organisation. The maximum bonus opportunity as a percentage of fixed remuneration is reviewed by the Board on an annual basis.

## Non-standard Variable Remuneration

Non-standard variable remuneration may include, but is not limited to, the following:

- Golden Handshakes
- Retention Awards
- Severance Payments

Such payments are not typically adopted by Parmenion and will only be made in exceptional circumstances, with appropriate consideration of the rules and guidance set out within the MIFIDPRU Remuneration Code, in particular regarding application to any staff who hold Senior Management Functions or whom have been identified as a Material Risk Taker and any requirements in relation to application of malus and clawback.

## Sales Team Incentives

Parmenion shall ensure that it does not remunerate or assess the performance of its staff engaged in investment and ancillary services in a way that conflicts with its duty to act in the best interests of its clients, encourages short termism or excessive risk taking. Remuneration and other incentives shall not be solely or predominately based on quantitative commercial

criteria and will take fully into account appropriate qualitative criteria reflecting compliance with applicable regulations, conduct, the fair treatment of clients and the quality of services provided to clients. The qualitative criteria may be used as qualification criteria for participation in quantitative commercial incentives.

The Field Sales Incentive Scheme applies to field staff only. It is a discretionary in nature and non-contractual. The scheme is split into 2 components, incorporating:

1. Performance based on individual revenue generation.
2. Performance based on individual quarterly goals.

## Other Benefits

As part of their overall remuneration package Parmenion staff are offered additional discretionary benefits such as pension contributions above statutory minimums, private medical insurance and life insurance, plus optional benefits such as subsidised gym membership. These discretionary benefits are reviewed annually in line with budget approval processes adopted by the Board. These benefits are not dependent on individual performance as they are designed to promote staff wellbeing. Parmenion may also provide discretionary benefits to staff which promote their professional standing, such as funding for training events and membership of professional bodies.

## Proportionality

Parmenion is a non-SNI firm but the value of its on- and off-balance sheet assets are such that it is not required to establish a Remuneration Committee. Parmenion has a limited range of activities as listed below, and for these reasons Parmenion does not believe that its activities and remuneration arrangements present enough complexity or risk to warrant an independent committee.

- Parmenion does not provide any corporate financial advice nor supply finance to other companies.
- Parmenion executes trades primarily in collective investments and does not purchase, research or otherwise investigate the shares of quoted companies.
- Parmenion does not act as market maker in any investment.
- Parmenion does not undertake proprietary investment research into any quoted securities.
- Parmenion does not undertake any proprietary trading.
- Parmenion's primary sales channels are via financial advisors and as such our products are usually subject to independent suitability assessment.

The relatively simple remuneration arrangements for Parmenion mean that in the ordinary course of business, we do not use practices such as deferred bonuses or guaranteed bonuses. Golden handshakes or severance pay are only paid in exceptional circumstances, after seeking appropriate legal advice and in line with regulatory requirements such as consideration of malus and clawback.

## Material Risk Takers

Parmenion is required to identify any staff whose professional activities have a material influence over the firm's risk profile – these are known as Material Risk Takers (MRTs). An exercise to identify such staff is performed on at least an annual basis. The current MRT population for Parmenion consists of all staff who hold a Senior Management Function within the business. All MRTs identified within the business are advised that they have been identified as such and the implications of this categorisation are explained to them.

## Personal Investment Strategies

MRT's are not permitted to use personal hedging strategies or insurances to undermine the risk-alignment effects embedded in their remuneration arrangements.

Whilst of limited applicability due to the remuneration structure at the firm, the terms of any deferred remuneration will include a clause to the effect that any deferred remuneration is subject to the agreement of recipients not to undertake any personal hedging strategies or take out contracts of insurance that undermine the risk alignment effects embedded within the contracts.

Where remuneration is deferred, the employee, will be required to sign a declaration confirming their receipt of the terms and conditions of the deferred remuneration and confirming that they have read, understood and agree to abide by the terms and conditions.

## Avoidance of the Remuneration Code

Parmenion must not pay variable remuneration through financial vehicles or methods that facilitate non-compliance with the MIFIDPRU Remuneration Code.

Parmenion's remuneration policies and procedures are designed to ensure compliance with the MIFIDPRU Remuneration Code. All variable remuneration is paid directly by Parmenion or another group entity subject to the MIFIDPRU Remuneration Code and agreed by the Board on at least an annual basis.

Parmenion pays all cash remuneration through the firm payroll. The Board would not allow any payments to external vehicles or methods that would facilitate the avoidance of the MIFIDPRU Remuneration Code.

# Parmenion

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