

James Brearley & Sons Limited

Remuneration Report

Disclosure

This disclosure is made in respect of the James Brearley & Sons Limited (the Company) remuneration arrangements as at 30th April 2023 in accordance with the requirement under the Investment Firms Prudential Regime.

Governance

Due to its size and simple business model, the Company has not appointed a remuneration committee and, furthermore, is not required to operate with one. The ultimate responsibility for the application of the Company's Remuneration Policy rests with the Board of Directors.

Approach

The Company's Remuneration Policy establishes the principles that are applied to the remuneration of all of its staff.

The Company's policy ensures that any remuneration award is consistent with both its long-term interests (strategy) and risk profile (values).

Furthermore, the company is committed to ensuring that no employee is discriminated against on any grounds and treats everyone equally in any decision that it takes. The company has a Diversity Policy which applies to all staff and is committed to promoting its principles in the workplace by ensuring that all individuals are treated equally and recognising the contribution that they make.

The company's Remuneration Policy does not facilitate the granting of any remuneration award, bonus or otherwise, by reference to individual performance measurements and/or to particular bonus pools driven by business areas. Measurement of performance does not drive whether individual bonuses are paid.

Any variable remuneration relating to staff is determined by the particular group, across the business, to which that individual belongs i.e. senior manager, junior manager, operations staff and Account Executive and is based upon firm-wide profitability and approved by the Board, although managers do have discretion to adjust such an award based upon contribution. The company operates a simple and uncomplicated approach to variable remuneration. It operates on the basis that all staff contribute to the success of the company and, once year-end figures have been audited, it is keen to see staff efforts rewarded over and above their salaries. Consequently, there is no requirement for clawback.

The company will consider the award of variable remuneration within a framework of high liquidity and capital adequacy, such that, once paid, there will be a minimum pre-tax profit representing at least 2x any proposed dividend. In determining any variable award, attention is also given to the budget forecasts for the forthcoming year.

Furthermore, employees are not permitted to use any personal hedging strategies and the company will not pay any variable remuneration through vehicles or methods that facilitate non-compliance with this policy.

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Remuneration Policy

Material Risk Takers

The company has identified the following types of staff as Material Risk Takers:

- Member of the governing body;
- Managerial responsibility for activities of a controlled function or for the prevention of money laundering;
- Managerial responsibility for a business unit that is carrying on a regulated activity;
- Managerial responsibility for information technology; and
- CASS oversight (if not a member of the governing body)

In regard to an individual identified as a Material Risk Taker (or any employee for that matter), no performance related variable remuneration will be paid. No bonuses are paid by reference to an individual's performance and/or particular bonus pools driven by business areas. Variable remuneration will only be paid subject to the firm's profitability and approved by the Board.

Remuneration Structure

The Company's Remuneration Policy covers all aspects of remuneration and is designed to retain the calibre of staff required to deliver the company's strategy.

The company offers employees a remuneration package that includes: salary; discretionary variable pay (i.e. bonus) and benefits:

- **Fixed Remuneration**
All employees are salaried to reflect an individual's role and responsibility within the company together with their skills, knowledge and experience;
- **Variable Remuneration**
Variable remuneration may be payable in the form of a bonus. 100% of any award payable is discretionary, determined by the profitability of the year to which it relates and paid via PAYE. The Board reviews annually the method of calculating any variable remuneration once the company's year-end figures have been audited. The total variable remuneration paid to all staff (including Executive Directors) will be made from the company's pre-tax earnings. Furthermore, after all variable remuneration has been paid, there must be a minimum pre-tax profit of at least 2x any proposed dividend;
- **Other benefits**
All employees are part of the Company's Group Life Insurance Scheme and are eligible to contribute to the company's pension scheme, with the company making payments, based upon employee contribution, directly to the pension provider. Further, a number of individuals are part of the company's Health Insurance Scheme.

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Remuneration Policy

Application

- **Staff**

The Executive Directors consider the remuneration of staff (other than their own). This consideration includes a review of staff salaries conducted by the manager of each operational area of the business. All reviews are submitted to 2 Executive Directors for their consideration. Variable pay is considered and approved by the Board but only when the company's year-end figures have been audited. No individual's variable pay shall exceed 50% of their salary;

- **Executive Directors**

In regard to the remuneration of Executive Directors, whilst the Board will act as the Governance Committee, the company's Non-Executive Director will be the individual responsible for the operation of the Committee to ensure that any conflict of interest is avoided.

In regard to variable remuneration, no award will be confirmed until the company's external compliance consultants undertake their review (such review to consider whether any adjustment should be made to Executive Director variable pay on the success or otherwise of the non-financial element which is based upon a pro-rating of the outcomes in the firm's Culture and Conduct Matrix) and application of the Non-Executive Director's decision. Furthermore, any variable pay in favour of an Executive Director will be limited to 50% of their salary and, moreover, shall be split 50%/50% between the financial and non-financial elements.

No guaranteed variable remuneration is paid by the company.

Service contracts and payments on loss of office

All employees are employed pursuant to a contract of employment. There are variable notice periods depending upon the status of the employee. Salary and benefits will continue to be paid during any notice period. Where the company exercises its right to pay an employee in lieu of notice, such payment will only be based on salary.

Letter of Appointment

The company's Non-Executive Director is appointed under a Letter of Appointment. Such an arrangement is an engagement for services and not a contract of employment.

The Letter of Appointment emphasises the wider duties of a non-executive director, specifying the time commitment and level of fee to be paid, emphasising the need to avoid any conflicts of interest that may exist in their duties as a director of the company and the need for confidentiality.

The Letter of Appointment sits alongside their job description.

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Review

The company's Remuneration Policy will be reviewed annually, to include a review every 3 years by its external compliance consultants, to ensure that it operates in a way consistent with its strategy and risk profile.

Quantitative Information Disclosures

The total amount of remuneration awarded to all staff:

Fixed remuneration: £3,075,814

Variable remuneration: £627,840

The above figures are further broken down as to:

Governing Body:

Fixed remuneration: £794,992

Variable remuneration: £276,000

Other Material Risk Takers

Fixed remuneration: £566,301

Variable remuneration: £93,000

Other staff:

Fixed remuneration: £1,714,522

Variable remuneration: £258,840

Nigel Corrie (Director responsible for Governance)