



IFG Regulatory Capital Consolidation Group

Remuneration Policy Statement

As at 31st December 2014

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1. Introduction

1.1 Overview

The disclosure of IFG Regulatory Capital Consolidation Group (“the Group”) Remuneration Policy are set out below as required by the FCA’s “Prudential Sourcebook for Banks, Building Societies and Investment Firms” (“BIPRU”) specifically BIPRU 11.5.18R, and the “Prudential Sourcebook for Investment Firms” (“IFPRU”), specifically IFPRU 2.2.

The IFG Group is a diversified financial services company providing a range of financial solutions centred around its two core activities of pensions administration and independent financial advice.

The following businesses comprise the Group’s regulated consolidation group:

- James Hay Wrap Managers Limited (‘JHWM’) – a provider of Wrap portfolio management services which allows clients and their Financial Advisers to manage investments held across different tax environments. The firm is regulated under IFPRU.
- Saunderson House Limited (‘SHL’) - a fee based independent financial advisers specialising in advice to high net worth private clients. The firm is regulated under BIPRU.
- James Hay Holdings Limited – an intermediate holding company, and the parent of James Hay Wrap Managers Limited, as such deemed to be a financial institution for regulatory consolidation purposes.
- IFG UK Holdings Limited – an intermediate holding company for the Group and likewise a financial institution.
- IFG Group Plc – the ultimate parent undertaking, an Irish registered public company, and financial institution.

The regulated consolidation group is subject to Consolidated Supervision, and the disclosures are therefore made on a consolidated basis and not by the individual firms. Whilst the firms are regulated, the principal activities of JHWM and SHL fall largely outside the scope of IFPRU and BIPRU respectively.

JHWM and SHL fall within proportionality “Level 3” firm as defined by the FCA and is therefore subject to the Remuneration Code under (SYSC 19A.1.1) and required to produce this Remuneration Policy Statement. As Level 3 firms the firms have chosen under proportionality to disapply the requirements to disclose:

- payment of at least 50% of variable remuneration in shares or equivalent instruments,
- deferral of at least 40% - 60% of variable pay over a period of not less than three to five years,
- performance adjustment principles, including the inclusion of performance adjustment provisions on deferred compensation ,
- the provisions relating to setting appropriate ratios between fixed and variable components of total remuneration.

JHWM and SHL are operated and managed independently of each other within the Group.

1.2 Frequency and Verification

The Group makes the disclosure annually based on the Accounting Reference Date of 31st December.

The information contained in these disclosures has not been audited by the Group’s external auditors and does not constitute any form of financial statement and must not be relied on in making any judgement about the Group.

This statement has been approved by the appropriate Board that oversees the Group.

1.3 Materiality

The Group regards information as material in disclosures if its omission or misstatement could change or influence the assessment or decision of a user relying on that information for the purpose of making economic decisions. If the Group deems a certain disclosure to be immaterial, it may be omitted from this statement.

1.4 Confidentiality

The Group regards information as proprietary if sharing that information with the public would undermine its competitive position. Proprietary information may include information on products or systems which, if shared with competitors, would render the Groups investments therein less valuable. Further, the Group must regard information as confidential if there are obligations to customers or any other counterparty relationships binding the firm to confidentiality. In the event that any such information is omitted, we shall disclose such and explain the grounds why it has not been disclosed.

1.5 Media and Location

These disclosures will be published on the James Hay Partnership website www.jameshay.co.uk/Wrap/Pillar3.aspx, and the Saunderson House website www.saundersonhouse.co.uk.

1.6 Disclaimer

This information has been prepared for the purpose of explaining the basis on which the Group has developed and disclosed certain capital requirements and information about the management of risks relating to those requirements and for no other purpose. This document does not constitute any form of financial statement on the Group, nor does it constitute any current or future record or opinion of any business within the Group.

2. Remuneration Policy

2.1 Objectives of the IFG Group Remuneration Committee

The Remuneration Committee (“the Committee”) is the Committee of the Board responsible for ensuring that the Company’s overall reward philosophy is consistent with achievement of the Company’s strategic objectives and with the Company’s values. It is responsible for considering and making recommendations to the Board in respect of the remuneration policy for the Chairman, the Executive and Non-Executive Directors and the Executive Committee. The Committee also oversees and approves the Group’s overall remuneration policy with particular focus on the remuneration arrangements for senior management.

The IFG Group Remuneration Committee oversees the remuneration policies and practices for all entities within the IFG Group to ensure remuneration policies are consistent, fair and reasonable. The IFG Group Remuneration Committee will annually review, challenge and approve the remuneration policies within the IFG Group to ensure that they are appropriate and in the best interests of the IFG Group and its shareholders.

The IFG Group Remuneration Committee is also responsible for the content of the remuneration policy and remuneration statement and ensuring the fair remuneration of ‘Code Staff’.

The IFG Group Remuneration Committee will:

- Review the performance of Directors, senior management and ‘Code Staff’ when determining their annual remuneration package;
- Ensure that remuneration packages reflect the risk appetite of the IFG Group;
- Ensure that the level and structure of Directors, senior management and Code Staff remuneration can assist in the attraction and retention of quality employees and encourage prudent leadership by the Directors, senior management and ‘Code Staff’;
- Ensure that any remuneration relationship between Directors, senior management and Code Staff is appropriate;

The FCA term ‘Code Staff’ applies to relevant employees who are connected with JHWM, and who are included within the firm’s interpretation of ‘Code Staff’ for the Remuneration Policy Statement.

2.2 Performance Related Remuneration

The current remuneration policy allows certain permanent employees, including Directors, senior management and Code Staff, the opportunity to earn discretionary bonuses in addition to their basic annual salary.

Discretionary bonuses are based on pre-determined criteria, including the performance of the company and the IFG Group and the measurement of the employee’s achievements against their role-specific objectives.

When formulating a performance related bonus the IFG Group Remuneration Committee will:

- Ensure that the risk appetite of the IFG Group is not contravened.
- Ensure that the following is encouraged:
 - long term retention of clients;
 - continual improvement of the client experience and client base;
 - satisfaction of clients and Treating Customers Fairly;
 - long term sustainability and profitability of the firm;
 - positive culture towards risk management and Compliance.

The IFG Group Remuneration Committee is able to reduce, or potentially cancel, any performance or contractually based bonus in the event that the Company or Group, or individual, fail to meet any defined performance objectives.

The total sum available for variable remuneration purposes is only agreed upon once the business has met its own financial targets and any parent company financial obligations.

2.3 Discretionary Pension Benefits

The IFG Group may facilitate discretionary pension benefits, however these are neither contractual or within a performance related bonus package.

2.4 Ancillary Benefits

Where applicable, the member of staff will also receive ancillary benefits including (but not limited to):

- Group Personal Pension
- Permanent Health Insurance
- Permanent Medical Insurance

2.5 Code Staff Remuneration

There are 6 designated Code Staff who are the executive Board Directors of JHWM, although no Board members are remunerated for their role as a Director by the entity. However, during 2014, all of the JHWM Directors received remuneration from the IFG Group in recognition of the overall activities undertaken for and on behalf of the IFG regulated entities including JHWM.

To the year ending 31 December 2014, the remuneration received by the 6 Code Staff, that was reasonably attributable to activities relating to JHWM, was under £150k (representing less than 10% of their total remuneration).

There are 7 designated code staff who are the current senior management and executive Board Directors of SHL. To the year ending 31 December 2014, the remuneration received by the 7 code staff was £4.2m. The majority of remuneration is attributable to activities outside the scope of BIPRU.

There are no further Code Staff at an IFG Regulatory Consolidation Group level who are not already deemed to be Code Staff above, and none have remuneration packages attributable to the IFG Regulatory consolidation Group in excess of €1m.