

Coronation International Ltd

MIFIDPRU 8 Disclosure

Introduction

The Financial Conduct Authority (“FCA” or “regulator”) in the Prudential sourcebook for MiFID Investment Firms (“MIFIDPRU”) sets out the prudential requirements that apply to Coronation International Ltd (“CIL” or the “Firm”). Chapter 8 of MIFIDPRU (“MIFIDPRU 8”) sets out public disclosure rules and guidance with which the Firm must comply.

CIL is classified under MIFIDPRU as a small and non-interconnected MIFIDPRU investment firm (“SNI MIFIDPRU Investment Firm”). As such, the Firm is required by MIFIDPRU 8 to disclose information regarding its remuneration policy and practices.

The purpose of these disclosures is to give stakeholders and market participants an insight into the Firm’s culture and to assist stakeholders in making more informed decisions about their relationship with the Firm.

This document has been prepared by CIL in accordance with the requirements of MIFIDPRU 8 and is verified by CIL’s Board. Unless otherwise stated, all figures are as at the Firm’s 31 December financial year-end.

Remuneration Policy and Practices

Overview

As an SNI MIFIDPRU Investment Firm, CIL is subject to the basic requirements of the MIFIDPRU Remuneration Code (as laid down in Chapter 19G of the Senior management arrangements, Systems and Controls sourcebook in the FCA Handbook (“SYSC”)). The purpose of the remuneration requirements is to:

- Promote effective risk management in the long-term interests of the Firm and its clients;
- Ensure alignment between risk and individual reward;
- Support positive behaviours and healthy firm cultures; and
- Discourage behaviours that can lead to misconduct and poor customer outcomes.

The objective of CIL’s remuneration policies and practices is to establish, implement and maintain a culture that is consistent with, and promotes, sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile of the Firm and the services that it provides to its clients.

In addition, CIL recognises that remuneration is a key component in how the Firm attracts, motivates, and retains quality staff and sustains consistently high levels of performance, productivity, and results. As such, the Firm's remuneration philosophy is also grounded in the belief that its people are its most important asset and provide its greatest competitive advantage.

CIL is committed to excellence, teamwork, ethical behaviour, and the pursuit of exceptional outcomes for its clients. From a remuneration perspective, this means that performance is determined through the assessment of various factors that relate to these values, and by making considered and informed decisions that reward effort, attitude, and results.

Characteristics of the Firm's Remuneration Policy and Practices

CIL has adopted the Coronation Group remuneration policy. Accordingly, remuneration at CIL is made up of fixed and variable components. The fixed component is set in line with market competitiveness at a level to attract and retain skilled staff. Variable remuneration is paid on a discretionary basis and takes into consideration the Firm's financial performance as well as the financial performance of each business unit, and the financial and non-financial performance of the individual in contributing to the Firm's success. All staff members are eligible to receive variable remuneration.

In line with SYSC 19G.4.2 G. (3), fixed remuneration is determined based on an employee's role and responsibilities and on market conditions. The key components of the fixed remuneration will typically comprise of the following:

- Base Salary; and
- Compulsory benefits which include pension and disability plans, death cover and medical insurance.

The annual variable remuneration is allocated to all employees of Coronation on an individual basis, and is not allocated to departments. The allocations to employees may include the following components:

- Cash payment;
- Cash payments for restraint of trade undertakings and notice period extensions; and
- Deferred remuneration payments.

The Coronation Group remuneration policy is designed in such a manner as to not encourage any excessive risk taking or promote improper conduct resulting from activities in any areas from which conflicts may arise. The fixed and variable components of remuneration are appropriately balanced: the fixed component represents a sufficiently high proportion of the total remuneration to enable the operation of a fully flexible policy on variable remuneration. This allows for the possibility of paying no variable remuneration component, which the Firm would do in certain situations, such as where the Firm's profitability performance is constrained, or where there is a risk that the Firm may not be able to meet its capital or liquidity regulatory requirements.

Governance and Oversight

The Coronation Group Remuneration Committee is responsible for setting and overseeing the implementation of the Group remuneration policy and practices. To fulfil its responsibilities, the Group Remuneration Committee:

- Has three members, all of whom are independent Non-Executive Directors on the Board of Coronation Fund Managers Ltd, the Group's listed holding company. The Chairman of the CIL Board (who is also the Group Chief Executive Officer) has the right of attendance.
- Prepares decisions regarding remuneration, including decisions that have implications for the risk and risk management of the Firm.
- Ensures that the Group's remuneration policy and practices consider the public interest and the long-term interests of shareholders, investors, and other stakeholders.
- Ensures that the overall remuneration policy is consistent with the business strategy, objectives, values, and interests of the Group (incl. the Firm) and of its clients.

The Group remuneration policy and practices are reviewed annually by the Group Remuneration Committee.

Quantitative Remuneration Disclosure

In accordance with the MIFIDPRU Remuneration Code, 'staff' is defined broadly, and could include, for example, employees of the Firm itself, directors, employees of other entities in the group, employees of joint service companies and secondees.

The remuneration payable to the Firm's staff in respect of any accounting period is determined at the time the accounts for that period are finalised. The aggregate remuneration awarded to the Firm's staff during the financial year-end on the Firm's account reference date has been disclosed in the Firm's accounts.

April 2023