

## **Hathaway Investment Management Limited (“Hathaway”/ “the Firm”)**

### **Remuneration Policy**

Reference date: 7<sup>th</sup> May 2024.

### **Qualitative disclosures**

MiFID investment firms which are prudentially regulated by the FCA in the UK (FCA investment firms) are within the scope of the MIFIDPRU Remuneration Code (“the Code”) in the FCA Handbook at SYSC 19G. As part of the Code, firms are expected to ensure that their remuneration policies and practises (including performance assessment processes and decisions) are clear and documented, which the Hathaway board does via this Remuneration Policy Statement.

All MIFIDPRU investment firms should disclose qualitative and quantitative information about their remuneration policies, practises and outcomes (see [MIFIDPRU 8.6](#)).

The remuneration requirements can be characterised as basic, standard and extended. Non-SNI MIFIDPRU investment firms are subject to requirements of the Code which go beyond the basic requirements, and the policies which are applicable to the Firm are described below. The extended requirements of the Code (which include policies around shares, instruments and alternative arrangements; retention; deferral; and discretionary pension benefits) are not applicable to Hathaway.

The Code applies to performance periods starting on or after 1st January 2022 and the requirements in the Code, as it applies to non-SNI MIFIDPRU investment firms, are set out in [SYSC 19G.1.1R](#).

### **Remuneration Policy Statement**

The Firm’s remuneration policy is documented within its Remuneration Policy Statement, an internal document, which is based on an optional [template, provided by the FCA](#) specifically for the purpose. The template has been designed to cover the full range of FCA investment firms and, as such, not all questions in the template apply to Hathaway.

The remuneration policy is reviewed, amended if necessary, and adopted at least annually by the Board in its supervisory function with responsibility for overseeing the implementation of remuneration policies.

### **Proportionality**

The proportionality principle in [SYSC 19G.2.4R](#) requires that a firm’s remuneration policies and practises must be appropriate and proportionate to the nature, scale and complexity of the risks inherent in the business model and the activities of the firm.

The FCA acknowledges in its guidance contained within [SYSC 19G.2.5G](#) that the content and level of detail of a remuneration policy may depend on many factors. These include the number of staff the firm employs, the

different types of roles and activities carried out by the firm and whether the firm is part of a group with a group-wide remuneration policy.

### **The Decision-Making Process and Oversight of remuneration policies and practises**

In formalising our Remuneration Policy, we relied on the processes and controls already established and in use by the Firm. The size and complexity of the Firm are such that it does not operate a Remuneration Committee but has a small Senior Management team, who can be expected to exert significant influence in taking decisions about aggregate remuneration. There is an annual review process, though decisions can be taken more frequently if there is a significant change to the business plan.

### **The Link between pay and performance**

Remuneration is based on competitive market-based wages and/or profit shares that fairly compensate employees, partners and service providers in view of skills provided, work performed and responsibilities undertaken. Overall remuneration may include an annual incentive compensation reflecting individual performance and responsibility, both short-term and long-term, as well as the Firm's overall performance.

### **Gender neutral remuneration policies and practises**

Senior management are collectively and individually supportive of a gender-neutral remuneration policy, meaning that the Firm has a remuneration policy based on equal or equivalent remuneration of male and female employees for equal or equivalent work.

### **Risk Management**

The Firm's remuneration policy is designed to:

- facilitate common, uniform and consistent application of relevant regulatory provisions on remuneration;
- ensure remuneration practises do not encourage risk-taking (including sustainability risks), which is inconsistent with the firm's risk appetite or the risk profile of the funds; and
- develop, implement and maintain a culture of ensuring that we meet our clients' best interests.

Incentives/remuneration increases are discretionary and there is no culture of excessive risk-taking in either the management of the business or *any* client portfolios.

Investment decisions are taken in a collegiate, team environment without reliance on a star manager.

### **Performance adjustment**

Performance adjustment refers to the process and mechanisms by which a firm adjusts an individual's variable remuneration, including any deferred portion. The adjustments take account of the financial situation of the firm as a whole and the performance of the firm, the business unit and the individual concerned. This may be in response to a specific crystallized risk or adverse performance outcome, including those relating to any misconduct etc.

The FCA has published guidance which provides further detail of their expectations on malus and clawback, including how these should be used in an effective, timely, consistent and transparent way.

### **Conflicts of Interest**

The Firm recognises that individuals may have outside interests. Disclosure and transparency about such interests is considered fundamental to fostering an approach to ensure the interests of clients are treated above those of the Firm or of any individual.

The Firm considers that its Remuneration Policy appropriately addresses potential conflicts of interest and that the Firm's authorized persons are not rewarded for taking inappropriate levels of risk.

#### **Categorising fixed and variable remuneration and the balance of fixed and variable components of total remuneration.**

Currently Hathaway only operates fixed remuneration arrangements, and no staff have variable remuneration or emoluments; the firm sets remuneration, with full consideration to the maintenance of a robust balance sheet and working capital etc.

#### **Assessment of performance**

Assessment is undertaken individually, normally on an annual basis, though can be more often if considered desirable by the Senior Management team.

#### **Quantitative Disclosure**

Under [MIFIDPRU 8.6.8\(2\)R](#), a non-SNI MIFIDPRU Investment firm such as Hathaway must disclose the following information:

Year ended April 2024	<i>Senior Managers plus Material Risk Takers</i>	<i>Other Staff</i>
Fixed remuneration (including NI and pensions)	£331,182.58	£171,826.44
Variable remuneration (excluding NI and pensions)	0.00	0.00
Total remuneration	£331,182.58	£171,826.44
Number of individuals	3	4

There were no severance payments or guaranteed variable remuneration awards awarded during the financial year.

The small size and lack of complexity of the Firm mean that it is not meaningful to provide analyses of the aggregate remuneration by business segment.

**Hathaway Investment Management Limited**

**07.05.2024**