

Governance

Liberty Asset Management Limited (Liberty) is authorised under the European Communities (Markets in Financial Instruments) Regulations 2007 (MIFID) as an Investment Firm and is regulated by the Central Bank of Ireland. The principles of how it complies with its Corporate Governance and Remuneration principles are set out below:

When determining the extent of its disclosure, a firm is permitted to comply in a way and to an extent that is appropriate to its size, internal organisation and the nature, scope and complexity of its activities.

As Liberty is a small non-complex firm it is deemed not to be significant due to its' size, internal organisation and the nature, scope and complexity of its activities.

Corporate Governance

The Liberty Board consists of seven Directors, one of which is an independent non-executive Director who also holds the role of chairman, plus two additional non-executive Directors who oversee the implementation of the governance arrangements within Liberty and maintain effective oversight of senior management. The Chairman does not hold the role of CEO.

We have an active and engaged board which has an appropriate spread of expertise and experience which is of sufficient size, diversity and independence (cognisant of the size, nature, scale and complexity of the business) in order to achieve long term success for Liberty through high quality governance.

The Liberty board consists of individuals with a diverse range of expertise in many areas including finance, tax, sales, actuarial and management.

All members of the board are of good repute and possess sufficient knowledge, skills, experience and time to perform their duties. All new proposed appointments are considered in line with the Fitness & Probity requirements and pre-approval of Directors by the Central Bank of Ireland is required.

The Risk Management policies and processes of Liberty are reviewed and approved by the Board on an annual basis. The Compliance & Risk function provides quarterly reports to the Board which contain ongoing information and assurance. Risk Management is an integral part of Liberty's governance.

Remuneration

Proportionality

When establishing its policy relating to remuneration the firm considers it in a manner that is appropriate to its size, internal organisation and the nature, scope and complexity of its activities for all staff including 'Identified staff'. Identified staff for Liberty are considered to be the executive members, senior management and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management whose professional activities have a material impact on the risk profile of the company.

The approval and oversight of the remuneration policy are the responsibility of the Board with guidance provided by the Compliance function and is reviewed on an annual basis.

The senior management team is tasked with its implementation and on-going application. The main body overseeing remuneration is the Liberty Board which meets at least quarterly.

All variable remuneration arrangements are monitored by the Board to ensure fair, compliant and consistent application of the Remuneration Policy.

The principles set out in our remuneration policy ensure that it:

- is consistent with and promotes sound and effective risk management;
- does not encourage risk-taking that exceeds the firm's level of tolerated risk;
- is in line with the business strategy, objectives, values and long-term business interests of the firm; and includes measures to avoid conflicts of interest
- fixed and variable remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of total remuneration to allow the operation of a flexible policy on variable remuneration components including the provision to pay no variable remuneration.
- The total variable remuneration shall not limit the ability of the institution to strengthen its capital base.

Information on the link between pay and performance

The remuneration of all Identified staff can consist of a fixed annual salary and performance related pay. Fixed remuneration reflects individual experience and responsibility as set out in its terms of employment. Financial as well as non-financial criteria are taken into account when determining overall variable remuneration. Due to its size Liberty does not have a remuneration committee.

Variable remuneration payments reflect performance in excess of that required to fulfil an employee's job description as part of the terms of employment and is not guaranteed. Variable remuneration takes account of profitability, capital base, company and individual performance, length of service, level of fixed remuneration and other non-financial criteria. Where variable remuneration is deferred it shall be subject to malus or clawback in situations where conduct results in significant loss to the firm or relevant staff members fail to meet the requirements of the Fitness and Probity standards.