

# Pillar 3 Remuneration Disclosure

## **Decision-making process for remuneration policy**

Hargreave Hale has formed a Remuneration Committee which meets regularly to consider human resource issues relating to terms and conditions of employment, remuneration and retirement benefits. Within the authority delegated by the Board, the Remuneration Committee is responsible for approving remuneration policy and in doing so takes into account the pay and conditions across our Company. This includes the terms of bonus plans and the individual remuneration packages of executive Directors and other senior employees, including all in positions of significant influence and those having an impact on our risk profile (Code Staff). There were a number of meetings of the Remuneration Committee during 2010. Following each meeting the Committee reports to the Board on its activities. The members of the Remuneration Committee throughout 2010 were Terry McCaughey (TM), Alan Tapnack and Giles Hargreave. TM was chairman of the Committee throughout that period. Two of the members were non-executive directors and Giles Hargreave is the Chief Executive.

## **External consultants**

The Committee received independent advice on executive remuneration issues from PWC. Other consultants are used from time to time to advise on specific issues. During the year, the Chief Executive provided regular briefings to the Committee and the Committee received advice from the Human Resources Director, Finance Director and Compliance Director, who provided advice to the Remuneration Committee on the implications of the remuneration policy on risk and risk management.

No individual is involved directly in decisions relating to his or her own remuneration.

# Pillar 3 remuneration disclosures for Hargreave Hale Limited for the year ended 31 March 2011

## **a) Role of the relevant stakeholders**

The Remuneration Committee takes full account of the company's strategic objectives in setting remuneration policy and is mindful of its duties to shareholders and other stakeholders. The Committee seeks to preserve shareholder value by ensuring the successful retention, recruitment and motivation of employees.

## **b) Code Staff criteria**

The following groups of employees have been identified as meeting the FSA's criteria for Code Staff:

1. Directors
2. Significant Influence Functions

The categories above include all senior level management across the Company.

## **c) The link between pay and performance for Code Staff Remuneration is made up of fixed pay (ie salary and benefits) and performance-related pay. Performance related pay is designed to reflect success or failure against a range of targets.**

The Company provides incentives which are designed to link reward with the long-term success of the Company and recognise the responsibility participants have in driving its future success and delivering value for shareholders.

The structure of the remuneration package is such that the fixed element is sufficiently large to enable the Company to operate a truly flexible variable remuneration policy.

**d) Aggregate remuneration cost for Code Staff by business area**

There were 13 Code Staff categorised as Senior Management and. Aggregate remuneration expenditure in respect of Code Staff was £2.7m.

**e) Fixed/variable remuneration**

Fixed remuneration consists of base salaries for executives and fees for non-executive directors and benefits.

Variable remuneration consists of regular payments of commission and bonus

Senior Management

Number of Code Staff 13

Fixed remuneration £0.6m

Variable remuneration £2.1m