
Majedie Asset Management Remuneration Policy

Introduction

Majedie Asset Management Limited (“**Majedie**”) is incorporated in the UK and is authorised and regulated by the Financial Conduct Authority (“**FCA**”). Its activities give it the BIPRU categorisation of a Collective Portfolio Management Investment Firm.

Majedie is approved by the FCA as a full-scope Alternative Investment Fund Manager (“**AIFM**”), and is the AIFM of Edinburgh Investment Trust PLC (“**EIT**”), a UK investment trust which is an alternative investment fund (“**AIF**”) for the purposes of the Alternative Investment Fund Managers’ Directive.

Majedie is also the sponsor, investment manager and principal distributor of LF Majedie Asset Management Investment Fund Company (“**MAMIFCo**”) and LF Majedie Institutional Trust (“**MIT**”). MAMIFCo is a UK UCITS constituted as an open-ended investment company, with seven sub-funds. MIT is a UK UCITS constituted as an authorised unit trust.

Majedie is also the sponsor, investment manager and principal distributor of Majedie Asset Management (International) Investment Fund Company PLC (“**MAMIIFCo**”). MAMIIFCo is an Irish UCITS. It is a self-managed investment company with variable capital with five sub-funds. Since it is self-managed, Majedie is not its management company.

Majedie also manages portfolios for institutional investors (primarily UK pension funds, third-party collective investment schemes and Majedie Investments PLC, a UK investment trust which is a self-managed AIF) through individual segregated mandates.

Majedie is, by reason of being an AIFM, subject to the AIFM Remuneration Code (“**AIFM Code**”) contained in SYSC 19B of the FCA Handbook. In accordance with FCA guidance, compliance by an AIFM with the requirements of the AIFM Code is deemed to constitute compliance with the BIPRU Remuneration Code. Consequently, and in accordance with that guidance, Majedie has elected to apply the AIFM Code to its entire book of business, not just the AIF.

Under the AIFM Code, an AIFM must establish and apply remuneration policies and practices that:

- (1) are consistent with and promote sound and effective risk management;
- (2) do not encourage risk taking which is inconsistent with the risk profile or prospectus of the AIF it manages (the “**AIF**”); and
- (3) do not impair the AIFM’s compliance with its duty to act in the best interests of the AIF.

In addition to the AIFM Code, the remuneration policy has been prepared taking into account the ESMA Guidelines on sound remuneration policies under the UCITS Directive and AIFMD and the relevant proportionality guidance (“**SYSC 19B Proportionality Guidance**”) issued by the FCA.

Majedie is not directly in scope for the Sustainable Finance Disclosure Regulation (2019/2088) (“**SFDR**”). However, as an Irish UCITS, MAMIIFCo is directly subject to SFDR. Accordingly Majedie has adopted SFDR-compliant policies and procedures and integrated sustainability criteria into its

investment processes, and applies these across its entire book of business, and not just the MAMIIFCo sub-funds.

Proportionality

Under the FCA Rules, when establishing and applying AIFM Code policies, an AIFM must comply with the AIFM remuneration principles in a way and to the extent that is appropriate to:

- (a) its size;
- (b) internal organisation; and
- (c) the nature, scope and complexity of its activities.

Having analysed the relevant conditions set out by the FCA in the SYSC 19B Proportionality Guidance, Majedie has determined that the standard AIFM Code rules governing (i) remuneration deferral (ii) the form of variable remuneration and (iii) performance adjustment (known collectively as the “payout process rules”) may be disapplied. Nonetheless, whilst not deemed to be a regulatory necessity, certain of these principles have been incorporated as described in this policy with the aim of further enhancing the alignment of the long-term interests of Majedie and its employees with its investors.

Remuneration Committee

The Board of Majedie is satisfied that Majedie is not a significant management company for the purposes of the AIFM Code. Accordingly it is not required to have a remuneration committee. Nonetheless the Board of Majedie has established a remuneration committee (“**Remuneration Committee**”). The persons responsible for awarding remuneration and benefits are the members of the Remuneration Committee. The members of the Remuneration Committee are the executive members of the Board of Majedie.

Code staff and control functions

The remuneration policies apply to those categories of staff whose professional activities have a material impact on the risk profiles of Majedie and/or the AIF (and the rest of Majedie’s book of business) (“**Code Staff**”) and comprises:

- (a) senior management;
- (b) risk takers;
- (c) staff engaged in control functions; and
- (d) any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers.

Each control function (Compliance, Legal and Operational Risk) has its own organisational structure which is independent of the business areas. The head of each control function is a member of Majedie’s Management Group.

Description of how remuneration and benefits are calculated

The remuneration and benefits (fixed and variable) of each employee (whether Code Staff or not) is determined by the Remuneration Committee. The policy details the decision-making process in relation to setting bonuses.

The maximum aggregate level of remuneration (fixed and variable combined) that may be payable to all staff is calculated as a fixed percentage of revenues after deducting all non-remuneration expenses. A bonus pool will only arise if Majedie is profitable before and after the award of variable remuneration.

The Remuneration Committee is responsible for:

- (a) calculating the maximum bonus pool, utilising analysis of Majedie's full-year financial position, identified current and future risks and Majedie's prospects; and
- (b) deciding how much (if any) of the maximum bonus pool should be distributed.

The award of individual bonuses, the amount (if any), the nature and the timing of any bonus and the terms upon which such bonus may be payable are at the discretion of the Remuneration Committee. In determining individual remuneration, the Remuneration Committee takes into account:

- (a) Majedie's full-year financial position;
- (b) the evaluation of individual contributions through the annual appraisal process, and market rates for comparable roles;
- (c) for investment managers, contribution to investment returns over (where applicable) three-year periods;
- (d) for all staff, conduct matters within SMCR (the Senior Managers and Certification Regime) and sustainability issues within SFDR; and
- (e) the performance of the AIF and the other assets under management. Basic salary and other fixed remuneration is taken into account when allocating any variable component of remuneration.

Majedie seeks an appropriate balance between fixed and variable remuneration.

The deferred element of variable remuneration is generally 30%. This may take the form of interests in Majedie shares and/or relevant UCITS. The Remuneration Committee has determined Majedie shares (which are not publicly traded) to be a suitable instrument and at least as effective as shares of the AIF in aligning the interests of Code Staff with the overall risk profile of the AIF and other assets under management and the interests of investors in the AIF and in avoiding conflicts of interest. Majedie considers that long-term employee ownership of Majedie shares provides an effective alignment of interest with the AIF and other clients.

Guaranteed remuneration

Guaranteed variable remuneration is exceptional and in any case be limited to the first full year of engagement, in the context of hiring new staff.

Personal Investment Strategies

Employees must not use personal hedging strategies which could undermine the risk alignment effects embedded in their remuneration arrangements.

SFDR

Majedie considers that this policy is consistent with the integration of sustainability risks. This is principally by reason of integrating consideration of sustainability risks into its investment process across its entire book of business, the revenue from which determines the aggregate level of remuneration payable to all staff. Majedie also takes account of sustainability risks in managing its own business.

Review

The policy and its implementation will be reviewed by the Board, at least each calendar year, with input from the Compliance, Legal and Operational Risk functions, as appropriate. It will be updated as required to ensure compliance with all regulatory obligations.

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