

Remuneration Disclosure Statement

Nikko Asset Management Europe Limited (“**NAME**”/the “**Firm**”) is subject to the MIFIDPRU Remuneration Code as detailed in [SYSC 19G](#) of the FCA Handbook. For these purposes NAME has been classified as a non-small and non-interconnected firm (“**Non-SNI Investment Firm**”). This statement is issued in compliance with [MIFIDPRU 8.6](#) which require firms to disclose certain information relating to the Firm’s remuneration policy (the “**Remuneration Policy**”). These disclosures are made with reference to the size, internal organisation, nature, scope, and complexity of the Firm’s activities.

Objective of the Remuneration Policy

The Remuneration Policy is intended to ensure that staff of NAME are remunerated and rewarded in a manner which is: transparent and fair; aligned with the risk appetite of the business; promotes effective risk management; delivers good outcomes for our clients; and supports positive conduct and behaviours.

Approach to remuneration

Fixed Remuneration

All staff¹ benefit from a base salary or fee which is paid to individuals throughout the year, irrespective of performance (by the Firm or individual performance) (“**Fixed Remuneration**”). Fixed Remuneration also includes other contractual benefits (such as medical care, life insurance and pension contributions) and any Guaranteed Compensation Awards. This constitutes a significant proportion of the total remuneration paid by NAME. The level of any Fixed Remuneration is based on the professional experience, seniority, role and responsibility within the Firm.

Variable Compensation Awards

NAME may, in addition to Fixed Remuneration, and at its complete discretion award Variable Compensation Awards which are based on individual performance and NAME’s overall performance and profitability. Such awards do not form part of an individual’s contractual remuneration. The size of the bonus pool is linked to the overall performance of the Firm. When considering individual performance, NAME has reference to both financial and non-financial factors. To enhance alignment with client asset performance and long-term sustainability, the Firm also operates a long-term incentive plan and other business specific revenue sharing schemes which are linked to asset performance and overall profitability of the Firm, which operate as an informal deferral strategy (together “**Variable Compensation Awards**”).

Guaranteed Compensation Awards

The Firm will only award a Guaranteed Compensation Award in the first year of employment and only in exceptional circumstances. Guaranteed Compensation Awards are only to be used as a recruitment tool to attract talent into the business.

During the year ending 31 March 2023 there were three Guaranteed Compensation Awards totalling £305,000. In respect of the Firm’s obligation to disclose details about Guaranteed Compensation Awards pursuant to MIFIDPRU 8.6.8R (5)(a), the Firm relies on the regulatory exemption detailed in MIFIDPRU 8.6.8R (7)(a) which prevents such a disclosure in circumstances where it would lead to the identification of an individual.

¹ as per FCA guidance in SYSC 19G.1.24G / MIFIDPRU 8.6.2(1)

28 July 2023

Severance payments

Any severance payments shall reflect an individual's performance over time and not reward failure or misconduct. The Firm will take into account factors such as performance, role, seniority and its capital position at the time.

During the year ending 31 March 2023 there was one severance payments awarded. In respect of the Firm's obligation to disclose details about severance payments pursuant to MIFIDPRU 8.6.8R (5)(b), the Firm relies on the regulatory exemption detailed in MIFIDPRU 8.6.8R(7)(a) which prevents such a disclosure in circumstances where it would lead to the identification of an individual.

Malus and Clawback

NAME operates an appropriate malus and clawback policy (which forms part of the Remuneration Policy) which may be applied to any Variable Compensation Awards. The Firm will have reference to SYSC 19G and any relevant FCA guidance when implementing the malus and clawback policy.

Material Risk Takers

The Firm has 25 Material Risk Takers (staff members whose professional activities have a material impact on the risk profile of the Firm or of the assets that the Firm manages). This classification is reviewed annually by the Firm.

Governance

The board of NAME has appointed an advisory committee to review and monitor adherence to the Remuneration Policy. The Remuneration Policy is subject to annual review.

Qualitative disclosures

For the financial year to 31 March 2023, the total amount of remuneration awarded to all staff was approx. £18.3 million, of which £10.8 million comprised Fixed Remuneration and £7.5 million comprised Variable Compensation Awards.

For the year ending 31 March 2023			
	All Staff £'000s	Senior Management (5) £'000s	Material Risk Takers (20) £'000s
Fixed Remuneration	£10,810	£1,522	£4,034
Variable Compensation Awards	£7,473	£955	£4,664
TOTAL	£18,283	£2,477	£8,699