

March 2021



# INSIGHT'S REMUNERATION STATEMENT DISCLOSURE

## LINK TO INSIGHT COMPANY STRATEGY AND REWARD PHILOSOPHY

We are committed to prioritising our clients' interests above all else in the conduct of our business and to delivering high quality investment solutions and service. Our business model rests on a simple equation: high quality leads to client advocacy which translates into business success. Aligning all stakeholders' interests is essential for the long-term success of any organisation. We align the interests of our clients and shareholders by taking a long-term view of the success of the business, allowing us to focus our energies on delivering to our clients. A significant portion of our staff's compensation is deferred and held in company shares. By giving our employees an economic stake in the business we help align their interests with those of the other stakeholders.

Our reward philosophy has a key role to play in the motivation and retention of our people and is therefore an important contributing factor in the achievement of our strategy.

Our reward philosophy is built upon a few key principles:

- The design and structure of the schemes actively promotes team working and collaboration across teams.
- We strive to create an ego free and collaborative environment where everyone is held accountable, but success is shared collectively
- Total compensation is heavily weighted towards variable pay and pay outcomes are closely linked to the delivery of performance. All of our people are awarded an annual grant of Long Term Incentive Plan (LTIP), which is linked to the performance of the company. Our people are highly engaged with our business and our culture of collective ownership reinforces collaboration across teams and strengthens the alignment with our clients

While our reward philosophy helps us attract and motivate the best talent in the market, we do not believe that any gender, race, or group of any kind has a monopoly on the talent that we need to succeed. We also believe that diverse groups make more informed and balanced decisions. We are therefore committed to looking for talent everywhere and ensuring that every individual has the opportunity and support to succeed at Insight.

## REMUNERATION POLICY AND PROCESS

Our remuneration policy has been successful in enabling us to attract and retain what we believe to be the best available talent in the industry. Our approach to remuneration is designed to support the culture of the business and to ensure top performance is recognised with top quartile industry pay. This includes matching each individual with a suitable peer group that reflects competitors at every level and specialism within the industry.

The main components of remuneration are base salary and variable pay. Variable pay is made up of two main elements; discretionary annual cash amount and a deferral into the firm's LTIP. In addition, a small number of portfolio managers receive a share of performance fees with 50% deferred and invested in the fund. We also offer competitive benefits and wellbeing programmes broadly aligned with our parent, BNY Mellon.

### Variable Pay

Variable pay forms an important element of total compensation that reinforces our philosophy of payment for performance. For our senior staff, total compensation is heavily weighted towards variable pay and the overall value of variable pay is directly linked to the profitability and performance of the business.

Overall, we position our total compensation levels to ensure that if the business performs and our people deliver strong performance their total remuneration will be competitive. Whilst ensuring the allocation of any annual incentive awards are appropriately balanced and do not encourage excessive risk taking.

### Long-Term Incentive Plan

The LTIP is a powerful tool for staff retention and encourages a collective ownership of the strategy and goals of Insight and ultimately provides employees with the opportunity to share directly in the success of the business.

As such, LTIP plays an important part in recruiting and retaining high quality members of staff, providing us with a significant competitive advantage. Driving the long term success of our business and retaining our key people is the route to delivering value over the long term for both our clients and our shareholders.

LTIP awards vest after a number of years and their value is based on an independent external assessment of the company's market value. All staff are eligible to receive LTIP, awarded under the same set of principles. For our senior management and material risk takers<sup>1</sup>, we operate a deferral policy where at least 40% of variable pay is deferred through LTIP. In the UK, our staff also have an opportunity to acquire Insight shares from their pre-taxed salary.

### Paying for Performance

Insight believes firmly in setting performance-related objectives that are structured in such a way as to promote sound and effective risk management within the Company's risk management appetite. Further detail on how risk and conduct are embedded in our performance management and remuneration approach is set out below. Performance is assessed and evaluated in light of an individual's contribution to the overall client mandate, team and business performance and culture<sup>2</sup>. We aim to reward most highly those individuals who help the team to perform strongly. A team culture is an essential part of the way we conduct our business and our remuneration policy is designed to encourage this.

These performance-related objectives are often measured over a multi-year framework with the Insight Executive Management Committee ('EMC') playing a critical part of the moderation and evaluation process. As Insight has a clear pay for performance philosophy the resulting remuneration recommendations made to the Insight Remuneration Committee are made taking into account the performance against these objectives.

### Risk and conduct in remuneration

At Insight we cultivate an environment where employees can speak up to share their views or challenge others' views. We encourage continuous improvement at the individual level as well as at the business level and make it a point to learn from our mistakes. Ultimately, we believe in the principle of "doing the right thing" at the heart of all our decisions.

Insight employees all have an objective which relates to their personal conduct in carrying out their duties, requiring them to have regard to all relevant risks and to safeguard the reputation of the firm. This is further supported by each individual being aligned to or having specific risk objectives that reflect their roles and responsibilities.

The types of risks include corporate risks as set out in our Risk Management Framework, as well as other risk considerations that are integrated in our investment processes. This includes sustainability risk where our portfolio managers and credit analysts have explicit objectives in relation to their assessment and management of sustainability risks. The integration of

sustainability risks in our investment-decision process is further governed by Insight's Sustainability Risk Policy.

In addition, we established a Conduct Panel following the implementation of Senior Managers and Certification Regime. The Panel meets quarterly to review individual and team conduct metrics based on information from HR, Corporate Risk, Compliance, Information Risk and mandatory training courses. The Conduct Panel shares relevant trend data with the Insight EMC and ensures that any issues are highlighted to senior managers and reflected in risk and performance discussions throughout the year.

The Insight's Remuneration Committee ('RemCo') also receives confirmation from the Chief Risk Officer of any matters which he wishes to bring to the attention of the Committee in connection with the annual performance review and determination of discretionary variable pay.

## REMUNERATION GOVERNANCE

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The oversight of Insight's remuneration strategy and policy is governed by Insight's RemCo, which meets at least twice a year and comprises two director representatives of BNY Mellon and one independent non-executive director. Except where personally conflicted, Insight's Chief Executive Officer is also invited to attend RemCo meetings. The Head of Human Resources, Chief Finance Officer, Chief Risk Officer and General Counsel are also invited to attend as appropriate and except when personally conflicted.

At the January RemCo meeting, compensation proposals in respect of the performance year are considered and approved by the Committee, which includes a review of each member of the Insight Executive Management Committee as well as other high earners. At the meeting the Chief Risk Officer is also invited to comment on any individuals where he feels that there are particular matters to be brought to the attention of the RemCo as detailed above.

The general principles of our remuneration arrangements are agreed with BNY Mellon and are reviewed at least twice a year by the RemCo. We ensure our remuneration policy and processes are compliant with all relevant regulation, including the requirements of the FCA Remuneration Code and corresponding local Directives.

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<sup>1</sup> 'Material Risk Takers' are individuals whose roles have a material impact on the risk profile of the relevant management company and/or the funds that it manages. These roles are identified in line with the requirements of the UCITS/AIFMD Directive and guidance issued by ESMA.

<sup>2</sup> The remuneration of employees in control functions is not dependent on the results of the specific business areas they service, but on performance against their personal objectives, referencing the external market and the profitability of the Insight business as a whole.

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