

### **Pillar 3 Remuneration Code Disclosure**

Neuron Advisers LLP (“Neuron”) is authorised and regulated by the Financial Services Authority as a BIPRU Limited Licence Firm and therefore is subject to the FCA rules on remuneration. These rules are contained within chapter 19A of the FCA’s Senior Management Arrangements, Systems and Controls Sourcebook (“SYSC”) and the Firm has adopted a remuneration policy that complies with these requirements, as interpreted in accordance with the FCA’s guidance publication entitled “General Guidance on proportionality: The Remuneration Code (SYSC 19A) & Pillar 3 Disclosures on Remuneration (BIPRU 11)” and subsequent items of guidance issued by the FCA, including its document entitled “Frequently Asked Questions on the Remuneration Code”. The Remuneration code covers an individual’s total remuneration, fixed and variable. The Firm incentivises staff through a combination of the two. The purpose of the Remuneration Code is to ensure firms establish, implement and maintain remuneration policies procedures and practices that are consistent with, and promote sound and effective risk management.

As a BIPRU limited licence firm, Neuron falls within proportionality tier 4 and therefore this disclosure is made in line with the requirements for a Tier 4 Firm. NEURON has concluded, on the basis of its size and the nature, scale and complexity of its legal structure and business that it does not need to appoint a remuneration committee. Instead, the Board of the LLP undertakes the role which would otherwise be undertaken by a remuneration committee. The Remuneration Policy will be reviewed at least annually by the Board to ensure that it remains consistent with the Remuneration Code Principles and Neuron’s objectives. The Board will use all information available to it in order to carry out its responsibilities under the code, for example, information on risk and financial performance. In addition, the Compliance Officer, as part of Neuron’s regulatory monitoring, will include a review of the implementation of this policy by the firm.

The Firm’s policy is designed to ensure that we comply with the Remuneration Code and our compensation arrangements:

- are consistent with and promote sound and effective risk management;
- do not encourage excessive risk taking;
- include measures to avoid conflicts of interest; and
- are in line with NEURON’s business strategy, objectives, values and long-term interests.

#### **Application of the requirements**

We are required to disclose certain information on at least an annual basis regarding our Remuneration Policy and practices for those staff who constitute Senior Management and whose professional activities have a material impact on the risk profile of the firm. Our disclosure is made in accordance with our size, internal organisation and the nature, scope and complexity of our activities.

#### **The decision-making process for determining the Firm’s Remuneration Policy**

- The firm’s policy has been agreed by the Board of Neuron in line with the principles laid down by the FCA.

- Due to the size, nature and complexity of the Firm, we are not required to appoint an independent remuneration committee.
- Neuron's policy will be reviewed as part of annual processes and procedures, or following a significant change to the business requiring an update to its internal capital adequacy assessment.
- Neuron's ability to pay bonuses is based on the performance of the firm overall and derived after the fund's managed returns have been calculated by client appointed third party administrators.

### **How the firm links between pay and performance**

Neuron currently sets the variable remuneration of its staff in a manner which takes into account staff and firm performance, by reference to individual employee performance; performance of the individual's business unit or department and the overall results of the firm. Performance assessment will not relate solely to simplistic quantitative criteria but will also include compliance with regulatory obligations and adherence to effective risk management. The measurement of financial performance will be based principally on profits and not on revenue or turnover. No account will be taken of projected future earnings upfront. As permitted for firms failing within proportionality tier 4, the firm takes into account the specific nature of its own activities (including the fee based nature of its revenues) in conducting any ex-ante risk adjustments to awards of variable remuneration and, given the nature of its business, has disapplied the requirement under the Remuneration Code to make ex-post risk adjustments.

### **Quantitative remuneration information and Aggregate Remuneration**

Neuron only has one "business area", namely its investment management business. All of the firm's Code Staff fall into either the "senior management" category of Code Staff or the "risk taker" category for the purposes of the Remuneration Code.

Total remuneration for Coded Staff for the period ended 31 December 2018 was £381,000.

This remuneration disclosure is made under the Basel Pillar 3 framework. Our non-remuneration Pillar 3 disclosures can be found on our website.