

STM FIDECS LIFE, HEALTH & PENSIONS LIMITED
(‘FLHP’ OR ‘THE COMPANY’)
REMUNERATION POLICY

DATED FEBRUARY 2022

STM FIDECS LIFE, HEALTH & PENSIONS LIMITED

REMUNERATION POLICY

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STM FIDECS LIFE, HEALTH & PENSIONS LIMITED

REMUNERATION POLICY

1. POLICY STATEMENT

The purpose of this remuneration policy is to balance the Company's long-term financial performance and create long-lasting shareholder value with the need to take into account and benefit the long-term interests of members and beneficiaries of pension schemes for which administration services are provided.

2. PURPOSE

The purpose of this policy is to establish a remuneration strategy which:

- Is consistent with the Company's ethos of treating customers fairly;
- Takes account of the long-term interests of the Company and any pension schemes which it administers;
- Takes account of the financial stability of the Company and any pension schemes which it administers;
- Supports the sound, prudent and effective management of the Company and any pension schemes which it administers;
- Is in the long-term interests of members and beneficiaries of the any pension schemes which the Company administers;
- Avoids conflict of interest;
- Avoids risk taking which is not consistent with the Company's risk appetite statement or the risk profile of any scheme document or scheme particulars in relation to any scheme which the Company administers.

3. SCOPE

This policy shall apply to the Executive Directors of the Company, its compliance officer, its risk manager, its MLRO, any board committee members, any persons engaged as relationship managers, any persons whose role carries a significant business development responsibility and managers having responsibility for the oversight of the operations of the Company, all staff who carry out key functions and whose activities have a material impact on risk profile, and, any service providers of any pension scheme which the Company administers and any other outsourced functionaries carrying out duties in respect of the Company or any pension scheme which the Company administers.

4. EMPLOYEES

The Company will seek to pay its employees a remuneration package consisting of a monthly salary and such other benefits as the Company may determine from time to time which is fair and consistent with market rates for similar positions taking account of the experience, service, performance and responsibilities of the individual concerned.

In assessing the level of remuneration, the Company shall have due regard to the financial stability of the Company and shall ensure that the remuneration is not paid in such a way as to be detrimental to the members or beneficiaries of any scheme of which the Company is the administrator.

The level of remuneration will be reviewed at least once per year taking account of performance, market conditions and the cost of living.

Ordinarily, the Company will pay fixed remuneration. Where the Company agrees to pay part of the Remuneration Package as variable remuneration, the level of the variable remuneration shall not be so great so as, in the opinion of the Board, to incentivise risk taking that is not within the risk tolerance or customer acceptance policy of the Company.

No employee shall provide services to the Company or any pension scheme which the Company administers, other than as an employee of the Company.

No employee shall engage in employment other than with the Company except with the express approval of a Director of the Company.

Each employee shall be employed subject to a specific contract of employment.

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5. THIRD PARTIES, SCHEME SERVICE PROVIDERS AND OUTSOURCED ACTIVITY (“SERVICE PROVIDERS”)

When engaging third parties in to provide services to the company, the terms of the engagement including any payment shall be of a nature which are, in the opinion of the directors, normal for the nature of the services provided.

Where the Service Provider is paid directly by a pension scheme which the Company administers, the Company shall consider the impact of any such charges on the members and beneficiaries of the scheme.

Any Service Provider shall be engaged subject to an agreement that it does not perform its obligations in any manner which constitutes or could be deemed to constitute a breach of trustee obligations under the Financial Services Act 2019 and the Financial Services (Occupational Pensions Institutions) Regulations 2020.

Where a Service Provider’s remuneration is linked to the value of investments under administration, any agreement with the Service Provider shall contain further provisions to discourage excessive risk-taking by the Service Provider.

Any Service Provider to the Company carrying out a key function and other activities which have a material impact on the risk profile of the scheme will be required to confirm that they will operate in accordance with this policy, or, pursuant to a remuneration policy consistent with this policy.

6. MANAGEMENT RESPONSIBILITY AND REVIEW

The manager responsible for the policy is the Managing Director.

Save for legislative and regulatory changes or significant changes in the systems of FLHP or its related companies, the policy will be reviewed **every 3 years**.



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GIBRALTAR COMPANY REGISTRATION NUMBER: 97110

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