

Liontrust Asset Management Plc today provides an update in respect of the results of its General Meeting (GM) held on 16 February 2022. The Board acknowledges that in respect of the resolutions set out below, a more than 20% vote against was received:

Resolution No.	Total Valid Proxies Received	Votes For		Votes Against		Votes Withheld <sup>1</sup>
		Count	Percentage	Count	Percentage	
1. Directors' Remuneration policy	46,573,087	24,896,831	54.06%	21,155,267	45.94%	520,989
2. Long-Term Incentive Plan rules	46,573,087	24,976,302	55.59%	19,955,58	44.41%	1,641,203

<sup>1</sup> "Votes Withheld" is not a vote in law.

As such, in accordance with Provision 4 of the Corporate Governance Code, the Company is today providing an update on the views received from shareholders and actions taken as a result of the votes received. This is in line with the update provided within the 2022 Annual Report & Financial Statements published in July 2022.

As stated immediately following the result of the vote at the February GM on the Company's new DRP and Long-Term Incentive Plan ("LTIP") rules, the Board, and in particular the Committee, acknowledges and is disappointed by the outcome. We reiterate, however, that the voting result from those with whom we discussed the new DRP and LTIP rules in detail was considerably more positive than the overall result, especially from our ten largest shareholders.

The Committee followed up with our largest shareholders in early June 2022 following the vote, providing an overview of how the new DRP would be implemented and key changes which would help alleviate shareholder concern.

The Committee has since undertaken a detailed analysis of all the feedback (including from those shareholders who voted in favour of the new DRP and LTIP rules). Whilst there was no single consistent theme, with shareholders liking or having problems with different elements of the new DRP (and the subsequent LTIP rules), the main concerns were over the salary increases, the quantum / calibration of performance metrics, and the notice provided for the GM. The Committee is committed to implementing the newly approved DRP in a way that addresses these concerns whilst being in the best interests of all our shareholders and other stakeholders.

## Notice provided for the GM

The Committee acknowledges that the February GM was called with fourteen not twenty-one days' notice which caused some disquiet and commits to this not happening again in the future. For the avoidance of doubt, any future general meetings in relation to remuneration will be called with a minimum of 21 days' notice.

## Salary increases

The salary for John Ions and Vinay Abrol increased to £550,000 and £420,000 respectively for the financial year ending 31 March 2023, in accordance with the new DRP. There was general agreement from the shareholders that base pay, which had seen only one 5% increase the last six years, was below the market and should be increased. The Committee considered a phased increase but on balance felt it preferable for a one-off simple rebasing around the market median. For completeness, the average salary increase for the workforce this year is 12% (and has averaged 5.3% p.a. over the past six years).

## Long-Term incentive

The committee acknowledges that the vote against the DRP due to shareholder views on the LTIP also gave rise to an associated material vote against the LTIP rules. Changes made to the 2023 Long-Term Incentive directly as a result of shareholder feedback includes:

- increased the threshold performance target of Adjusted Diluted EPS (excluding performance fees) from 7% to 8.5% p.a. growth also noting that the vesting level for threshold performance has fallen from 20% to 10% compared with prior years LTIP awards;
- revised the calculation of Adjusted Profit before tax (and therefore also Adjusted Diluted EPS) to include, in particular, share incentivisation expenses and depreciation. The overall impact will be to lower Adjusted Diluted EPS and with no consequential adjustment to the LTIP metrics will make them more stretching and difficult to achieve; and
- the recent movement of the Liontrust share price will result in the overall value at award of the LTIP to be lower in percentage terms as a multiple of salary. The Committee specifically designed the LTIP as a fixed number of shares to reward the Executive Directors for exceptional performance over the longer term - the next 'age' of Liontrust. No adjustment will be made on account of short-term share price volatility which avoids any potential windfall gains from the LTIP based on award date. Decoupling the size of the LTIP award from a percentage of salary also removes any ratchet effect.

The Company continues to welcome feedback from our shareholders on all aspects of Executive Director remuneration and will be engaging with them in the run up to the AGM and beyond.

Mark Jackson

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**For further information please contact:**

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John Ions: Chief Executive

Vinay Abrol: Chief Financial Officer & Chief Operating Officer

Simon Hildrey: Chief Marketing Officer

David Boyle: Head of Corporate Development