

Further statement in relation to GM vote on the Directors' Remuneration Policy

At the General Meeting of Liontrust Asset Management PLC held on 25 September 2018, significant votes against the Directors' Remuneration Policy and the resultant amendments for the Long-Term Incentive Plan were received.

Following this result, the Board has engaged in a follow-up consultation process with our Top 10 shareholders (who account for over 60% of our total shareholding) and the key proxy advisory bodies, in order to better understand their views as well as provide further rationale and context around the changes made.

A number of positive areas were highlighted by shareholders, including the increased shareholding requirements and reduced pension contributions. There were however two main concerns raised by shareholders:

1. **Reference to upper quartile salary positioning** - Regarding this we would note that the Board is not intending to bring salaries to the upper quartile positioning but feel the flexibility in the policy is required as part of the remuneration toolkit to retain and attract top talent. This should also be viewed in the context of the fact that over the last five years, the total salary increase for our Executive Directors has been 5%.
2. **Annual bonus levels and the increase in maximum LTIP award** - In addressing this the Committee will continue to take into account the corporate performance during the year in determining at what level to position LTIP awards and the level of annual bonus. Maximum awards will only be made in the case of outstanding annual performance and the Committee will also reference the absolute quantum of reward for the year.

Based on the discussions held to date, the Board believes that a new Remuneration Policy is not required at this time. Instead concerns can be managed through the implementation of the current policy. Full details of any changes to be made will be disclosed in our 2019 Annual Report.

The Board is committed to its policy of continued engagement with shareholders on these and other matters.

George Yeandle
Chairman of the Remuneration Committee
Liontrust Asset Management Plc
21 March 2019