

Corporate Governance

Corporate Governance Report

In accordance with AIM Rule 26, the Company chooses to report against the Quoted Companies Alliance Corporate Governance Code for small and medium sized companies (the 'QCA Code').

The following report sets out the Group's governance arrangements and goes on to describe in more detail how we have complied with each of the ten principles set out in the QCA Code.

Governance framework

The Board sits at the apex of a structure through which authority is delegated to ensure that the business as a whole is run smoothly.

The Board comprises two Executive Directors and six Non-Executive Directors. The Directors are collectively responsible for matters of strategy, performance, budgeting, and resources, as well as setting standards of conduct and accountability. The Board reviews annually its schedule of Matters Reserved. These were last approved on 16 September 2021 and a copy is available on the website at premiermiton.com.

The Non-Executive Directors are appointed for an initial term of three years, and eligible for reappointment at AGM on rotation in accordance with the Articles of Association of the Company.

The Chairman, in conjunction with the Executive Directors and Company Secretary, sets the agenda for each Board meeting. Management information is delivered a week ahead of each meeting and the decisions of the Board are formally minuted.

Senior Independent Director

Will Smith was appointed Senior Independent Director on 3 February 2021. The role of Senior Independent Director is to act as a sounding board for the Chairman and as an intermediary for the Directors, shareholders and stakeholders.

Board and committee attendance

During the year, the Board held eight scheduled meetings, which included quarterly monitoring meetings, budget approval meetings as well as meetings to review and approve the Company's full and half-year results. The agreed schedule is augmented with a number of meetings to cover single topic deep dive sessions and ad hoc meetings for administrative and other matters as required.

The schedule of Board and committee attendance is set out below. Committee attendance can also be found in the introduction to each of the respective committee reports.

1 October 2020 to 30 September 2021	Board	Audit & Risk Committee	Remuneration Committee	Nomination Committee
Number of meetings	8	5	4	2
David Barron ¹	8(8)	-	-	-
Robert Colthorpe ²	8(8)	3(3)	4(4)	2(2)
Alison Fleming ³	8(8)	-	1(1)	-
Piers Harrison	8(8)	-	-	-
Sarah Mussenden ⁴	2(2)	2(2)	-	-
Mike O'Shea	8(8)	-	-	-
William Smith ⁵	8(8)	5(5)	4(4)	2(2)
Sarah Walton ⁶	2(2)	2(2)	-	-
Mike Vogel ⁷	1(1)	-	1(1)	-

1. Appointed to the Audit & Risk Committee on 7 June 2021

2. Appointed Chairman of the Board on 3 February 2021 and was acting interim Chair of the Audit & Risk Committee from that date until the appointment of Sarah Walton on 7 June 2021

3. Appointed to the Remuneration Committee on 7 June 2021
4. Appointed as a Non-Executive Director and member of the Audit & Risk Committee on 7 June 2021
5. Appointed Senior Independent Director and Chair of the Remuneration Committee on 3 February 2021
6. Appointed as a Non-Executive Director and Chair of the Audit & Risk Committee on 7 June 2021
7. Resigned from office at the conclusion of the AGM on 3 February 2021

Delegation of authority

The Group's governance framework supports the flow of information through the Group through the orderly delegation of authority to achieve robust defensible decision making.

BOARD OF DIRECTORS

Responsible for setting the strategy, purpose and direction of the Group

AUDIT & RISK COMMITTEE REMUNERATION COMMITTEE NOMINATION COMMITTEE

Delegation of authority as set out in the terms of reference of each committee

CHIEF EXECUTIVE OFFICER

The Board has delegated authority for the day-to-day running of the business to the CEO

MANAGEMENT COMMITTEE

Board committees

The Board delegates certain matters to its three standing committees. The committees report their recommendations to the Board after each committee meeting. The reports from the Chairs of each standing committee are set out on pages 56 to 67, and their respective terms of reference are published on the Company's website www.premiermiton.com.

The committees are provided with sufficient resources to discharge their duties, including access to external advisers where required. Where independent advice has been sought during the year, this is disclosed in the relevant committee reports.

Executive and operational committees

Operational matters are delegated by the Board to the Chief Executive Officer, who in turn ensures that the senior management are accountable for the success of the day-to-day business.

Management Committee

Led by the Chief Executive Officer, this committee is composed of senior management and heads of department, who are accountable for the management and monitoring of the Group's overall business operations, including business performance, people, culture, investment, distribution, operations, brand, and financial matters. Meeting fortnightly, the committee reports both to the Board and to the boards of the regulated subsidiaries as required.

Operations Executive Committee

The Operations Executive is charged with the oversight of operational and regulated activities of the Group including risk and information services, investor and investment services, legal and compliance matters as well as keeping a watching brief on industry-wide initiatives in these areas. This committee meets monthly.

Distribution and Marketing Executive Committee

Convening on a quarterly basis, this committee oversees the distribution and marketing activities of the Group, including data collection of sales and marketing performance and progress against strategic objectives including gross and net sales analysis, building market share, seeking new business and developing sales pipeline. It also reviews industry trends and sales by Investment Association category, undertakes competitor analysis, and reviews marketing activities to ensure product and client diversification, in line with the agreed sales and marketing plan.

Operational Risk Committee

This committee ensures that appropriate policies, procedures, controls, and reporting are in place to manage and monitor operational risks. It monitors the liquidity risk profile of the funds managed by the Group, assesses the risk of loss experience arising from operational risks, reviews the work and findings of the various operational and client services functions responsible for embedding a strong and compliant risk management culture. Monitoring the effectiveness of the agreed Risk Management Framework and reporting on its effectiveness, as well as maintaining the Risk Appetite Policy and Internal Capital Adequacy Assessment Process are also in its purview.

Product Governance Committee

The oversight and ongoing management of investment products and services, existing and new, is overseen by this committee. It seeks to identify target markets and distribution strategy for our products and services, ensures the provision of relevant product information and communications to clients and distributors, monitors the way in which investors' expectations of investment performance are met and how value is delivered as well as ensuring that the delivery of client services, including treating customers fairly, is achieved.

Environmental Committee

This committee sets the environmental objectives for the Group, monitoring progress against them during each financial year. This includes the collection of data on energy and water usage, waste generation and management of the Group's carbon footprint. This committee meets quarterly to monitor compliance with relevant regulatory requirements, identify and report on any environmental-related risks to the Operational Risk Committee, monitor spending against any associated budget, as well as acting as champions of the Environmental Policy and encouraging participation and support from employees and suppliers.

IT Oversight Committee

The purpose of this forum is to ensure the integrity of the IT infrastructure and associated business recovery processes. The committee monitors third-party dependencies, has oversight of development projects and is responsible for the identification of infrastructure risks. It undertakes assurance activities including conducting regular penetration testing.

Regulated subsidiaries

The regulated subsidiaries place reliance on a number of specialist working groups and committees to help them discharge their duties, including:

- Funds Risk Committee
- Outsourcing Oversight Committee
- Conduct and Policies Committee
- CASS Committee
- Financial Crime Committee
- Investment Oversight Committee
- Valuation Committee
- Investment Trust Committee

QCA Code compliance

The disclosures below describe in detail how we meet the principles of the QCA Code against which the Group chooses to report its governance arrangements. A formal statement on our compliance with the QCA Code is set out in the Directors Report at page 68.

Principle 1: Establish a strategy and business model which promote long-term value for shareholders

The Group's strategy is to actively and responsibly manage our clients' investments for a better financial future. This is achieved via our investment product offering which is designed to meet the long-term needs of our clients and to deliver good investment outcomes through active management.

The Group maintains a scalable business platform to support our strategy, covering investment, distribution and operations.

The Group's investment products currently include open-ended UCITS and non-UCITS funds, closed-ended investment companies, a portfolio management service and segregated accounts. These products offer investors

access to a range of asset classes including multi-asset, equities, fixed income and alternatives. These products have different primary objectives, including income, capital growth and absolute returns.

The Group has a talented and experienced team of investment professionals to manage our products. The Group offers a supportive and collaborative working environment that gives our investment teams the appropriate freedom to manage portfolios to produce good long-term investment results. We support this with a strong business platform and an effective risk and compliance framework.

The Group currently maintains an extensive distribution and client service capability focused on UK professional investors, including financial advisers and wealth managers.

The Group's operations function includes investment administration, risk monitoring and portfolio analytics, legal and compliance, information technology and finance. We maintain key outsourcing partners to allow flexibility and scalability of our operation platform to help support business growth.

The five key pillars of the Group's strategy to deliver shareholder value in the medium to long term are as follows:

- To offer relevant investment products
- To deliver strong investment outcomes
- To maintain a strong and focused distribution capability
- To maintain a strong and scalable operating platform
- To follow a disciplined approach to financial management

The Board believes these pillars are underpinned by a clear set of values designed to establish a responsible way of working, including ethical values and behaviours, aimed at protecting the Group from unnecessary harm.

There are a number of potential challenges and risks relating to the Group and its business, including: fluctuations in capital markets; adverse economic, political and market factors, ongoing impact of the UK's termination of its membership of the EU; the loss or inability to recruit key personnel; failure to maintain attractive investment performance; compliance breaches of investment mandates or operational errors; asset classes managed by the Group becoming less attractive to investors; competitive pressures; regulatory compliance and system security breaches.

The Board believes the Group's strategy and business model, including its investment product range and strong focus on risk and compliance management, is appropriately designed to manage and mitigate these challenges and risks as effectively as possible.

Principle 2: Seek to understand and meet shareholder needs and expectations

The Board believes that engagement with shareholders and listening to their views is key to developing a constructive and open dialogue. During the year, opportunities for effective shareholder engagement with both our institutional and retail shareholders has allowed the Board to engage and seek feedback on its strategic ambitions.

All shareholders are entitled to attend and vote at the Company's Annual General Meeting. The Directors are in attendance to respond to any formal questions on Company business at the meeting and make themselves available immediately afterwards for a more informal opportunity to engage. The restrictions imposed as a result of the pandemic required the AGM to be held as a closed meeting earlier this year, however shareholders were offered the opportunity to raise any questions in advance via the website. The voting results of the AGM held in February 2021 demonstrated strong support from our shareholder base with all votes passed.

Shareholders can access corporate, regulatory news, share capital and dividend information on the Group's website at www.premiermiton.com. Enquiries can be directed to the Board via the corporate email address corporate@premiermiton.com. As well as accessing the Annual Report and Accounts, shareholders can also now listen to the audio broadcast of the Group's results on the website.

Existing and potential institutional shareholders are invited to join results presentations and roadshows at the time of the full year and interim results. The importance of creating value and returns in a sustainable way and communicating how this is achieved has increased in recent years. Accompanied by the Group's brokers, meetings with institutional holders afford the Executive Directors an opportunity to understand the needs and expectations of our shareholders, the motivations behind shareholder voting decisions as well as discussing the Group's progress and management team's views. The Executive Directors brief the Board on engagement following these meetings.

Following the appointment of Robert Colthorpe as Chairman of the Board, a series of meetings between the Chairman and institutional shareholders were arranged, offering an additional opportunity for open dialogue on the evolving strategic direction and positioning of the Group.

The Board also receives regular reports on share price monitoring, analysis of the share register, peer group, market comparison feedback and briefings from its professional advisers.

Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success

Social responsibilities

The Group is committed to taking a responsible approach to investing which includes complying with the principles for business of our regulator, the FCA, and treating customers fairly.

In delivering good long-term investment outcomes for our clients, the fund managers monitor a range of metrics of an investee company as well as financial performance in the furtherance of the stewardship of clients' assets in the Group's investment products. The fund managers are actively engaged with their investee companies and their advisers in order to encourage good standards of governance and creation of shareholder value.

The Group retains the services of ISS, a specialist third-party provider, to bring specialist corporate governance expertise and provide relevant research, voting recommendations and rationale.

The Group manages five specialist funds focused on actively managed portfolios based on the consideration of ethical or sustainable factors. The range includes the Premier Miton Ethical Fund, Premier Miton Global Sustainable Optimum Income Fund, Premier Miton Global Sustainable Growth Fund, Premier Miton Global Renewables Trust and Premier Miton European Sustainable Leaders Fund. The fund managers of these funds work closely with the Group's Head of Responsible Investing.

The Group has an active Environmental Committee which runs a number of waste recycling and plastics reduction initiatives in our offices.

Team members are actively encouraged to participate in charitable events with a corporate matching facility for fund raising. They can also nominate charities with a personal connection as beneficiaries of the Group's charitable donation programme. During the year, the Group made charitable donations of £45,000 through these programmes.

The Group complies with relevant regulations, including the Modern Slavery Act. Our statement is available on the Company's website.

Engagement with stakeholders

The Group has identified its key stakeholders as its employees, financial intermediaries including IFAs and wealth managers, clients invested in the fund product range, third-party providers of goods and services to the Group, as well as the regulator, our local communities and environment. Further details on our approach to stakeholder engagement is set out for each of these categories at pages 54 to 55 where our response to Principle 10 is set out.

Through our membership of the Investment Association, we engage on wider regulatory matters to ensure the Group is aware of pending legislative changes and able to implement them effectively. We also communicate directly with the FCA on issues affecting the Group.

The Board meets with senior executives and heads of department on a regular basis, including the Chief Operating Officer and Chief Risk Officer. Through the regular reporting structures, the Board is kept updated with information on key customer and supplier relationships. The Head of Compliance and Legal reports to the regulated firms' boards on all regulatory matters as well as having direct access to both the Chairman and Senior Independent Director if required. The Company's Nominated Adviser updates the Board on stock exchange matters. The external auditor also regularly attends meetings of the Audit & Risk Committee.

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Group's risk appetite frameworks allow it to understand and articulate its risk appetite and to manage its tolerance to risk. This allows the Group to assess the impact of new or changing strategies, projects or emerging risks. The Group's control process is set out in a systems and controls document which details the individual committees that govern operations. An Internal Capital Adequacy Assessment Process ('ICAAP') is embedded for the Group and is reviewed regularly by the Board. The associated Pillar 3 Disclosures are available on the Group's website.

The Chief Risk Officer has responsibility for the operational risk monitoring system and processes (in addition to market, credit and liquidity risks). The identification of operational risks and incidents is embedded within the various business units and logged centrally in the operational risk monitoring system that monitors the remedial actions undertaken to reduce the risk of operational incidents re-occurring and helps to identify future areas of risk, including those relating to our service providers and end-customers.

The Chief Operating Officer, Chief Financial Officer, Director of Finance, Chief Risk Officer, Chief Investment Officer and Head of Compliance and Legal each have access to the Chair of the Audit & Risk Committee to raise any concerns in respect of the control environment.

Principle 5: Maintain the Board as a well-functioning, balanced team led by the Chair

Composition

As at 30 September 2021, the Board comprised of two Executive Directors, Mike O'Shea and Piers Harrison, and six Non-Executive Directors. Robert Colthorpe has been Non-Executive Chairman since appointment on 3 February 2021, having served on the Board since 2016. Will Smith, Non-Executive Director, was appointed as Senior Independent Director on 3 February 2021, and Sarah Mussenden and Sarah Walton, both appointed on 7 June 2021, join David Barron and Alison Fleming as Non-Executive Directors to the Board. The biographies of each of the Directors are set out on pages 44 to 45.

The role of the Non-Executive Directors is to provide entrepreneurial leadership, offer constructive challenge to management and direct the development of strategy, ensuring that a framework of effective controls is in place. They also help to set culture and values, holding the management accountable for setting the overall tone of the Group.

Independence

In assessing the independence of Non-Executive Directors at the date of this report, the Board took account of their experience, character and judgement, and their dependence on, or relationships with the Group. In light of this, Robert Colthorpe, Alison Fleming, Sarah Mussenden, Sarah Walton and Will Smith are considered by the Board to be independent and are free from any associations or relationships with the Group or its investment funds, with the exception of the fees that they receive as Non-Executive Directors. David Barron, having previously served as Chief Executive of the Miton Group plc, is not considered fully independent. David brings valuable industry knowledge and board experience to deliberations, and the Board confirms that they consider him able to act impartially and that he continues to demonstrate independence of thought and judgement.

Roles and responsibilities

The Directors have a duty to promote the best interests of the Group and are collectively responsible for the corporate governance arrangements of the Group. Delegation of authority is set out in the terms of reference of the standing committees of the Board, the job description of the Chief Executive Officer, and through the wider business via the subsidiary governance arrangements in place.

The Board receives management information from the Executive Directors, various heads of department as well as minutes and reports from the material subsidiaries. This is all provided in a timely manner to facilitate proper assessment of the matters requiring a decision or insight.

Conflicts of Interest

On appointment, each new Director is required to declare any potential conflict situations. Directors are reminded at each Board meeting of their obligations to notify any changes in their statement of conflicts and declare any benefits received from third parties in their capacity as a Director. The register of conflicts is formally reviewed annually, and the Board has concluded that the process has operated effectively during the period.

Principle 6: Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities

The Board is satisfied that the composition reflects the necessary mix of skills and expertise to meet the Group's strategic requirements.

New Directors are given a comprehensive induction to the Group which includes introductory meetings with departmental heads for Investment, Sales, Marketing, Compliance and Legal, Operations, Risk, Finance, Internal Audit, HR and the Company Secretary.

All Directors receive briefings and regular training on a range of relevant topics during the year. The Directors are also encouraged to attend external training relevant to their ongoing development. Regular compliance, cyber-crime, health and safety and money laundering training is provided for all Directors.

David Barron, Robert Colthorpe, Piers Harrison, Sarah Mussenden and Sarah Walton are Chartered Accountants, and their continuing professional development is maintained in accordance with the requirements of the institute.

Principle 7: Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

Each year, a Board evaluation is undertaken in the fourth quarter of the financial year. The process is delivered by the Company Secretary and the results discussed with the Board.

This year, the Directors were asked to rate their awareness of key governance matters and certain aspects of the Director role, followed by a skills self-assessment. The aim was to identify development opportunities that will help create a high performing, cohesive Board.

The areas prioritised for training and development included reward, legal and regulatory matters, ESG and sustainable investments, technology and cyber security.

The results of the skills self-assessment demonstrated a healthy dispersal of skills amongst the Directors.

A progress report of the prior year evaluation, which focused on 'effectiveness' was reviewed. Overall, the initiatives, which included revising Group subsidiary articles, enhancing the quality of management information, improving the way that strategy is developed, delivered and monitored, harmonising remuneration matters, and the shaping of post-merger culture have all been addressed.

Principle 8: Promote a corporate culture that is based on ethical values and behaviours

We understand and value the importance of our people in everything that we do. We aim to attract and retain high calibre, talented individuals who have diverse skills, experience, and backgrounds. We encourage and support the continuing development of their skills with appropriate training and development. It is our policy to ensure that employment by, and progression within, the Group is based on merit.

The Board seeks to create a working environment that is positive and productive for our employees and our clients, including an effective management team and good staff communication. We support staff with a range of benefits including company pension, ill health protection, life cover and private medical insurance. Regular updates are received from the Chief Executive Officer, which act as a forum for discussion and feedback.

The Group's approach is to treat job applicants and our people in a consistent and fair way, regardless of gender, sexual orientation, religion or belief, age, race, ethnic origin, marital or civil partnership status, pregnancy, maternity, or disability. This equal opportunities policy applies to recruitment and selection as well as terms and conditions of employment, including remuneration and personal development.

Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision making by the Board

All Directors receive appropriate and timely information to ensure that they are properly briefed in advance of Board meetings and have access to the advice and services of the Company Secretary and other senior management should further information be required. The Company Secretary is responsible for advising the Chairman and the Board on governance matters.

The Board has an established schedule of Matters Reserved that includes material acquisitions and disposals, investments, and capital projects. The Board maintains a calendar of scheduled meetings which are supplemented with ad hoc meetings convened as required to address issues that arise outside of the regular schedule.

The papers circulated prior to Board meetings include the following:

- a report from the Chief Executive Officer covering performance and forecasts, an update on strategy and details of any matters recommended for Board approval;
- a report from the Chief Financial Officer covering financial results, comparison of forecasts with published consensus, financing and tax matters;
- markets and industry insights;
- reports from senior management responsible for key functions such as risk, compliance, legal, operations, investment strategy and performance, sales, marketing, and human resources;
- capital expenditure approval requests and investment proposals; and
- papers on issues scheduled for Board consideration.

The Executive Directors, together with the Group's brokers meet with existing and potential shareholders to discuss our business strategy, plan, and progress.

Board committees receive the papers required in order to fulfil their duties in accordance with their terms of reference.

The Board is supported by the Audit & Risk, Remuneration and Nomination Committees, each of which has access to the resources, information, and advice at the cost of the Group, in order to enable each committee to discharge its duties. These duties are set out in the terms of reference of each committee, copies of which are available on the Group's website. The Executive Directors may attend meetings by invitation. The meetings are formally minuted and once approved, the minutes of each meeting are circulated to the Board.

Principle 10: Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Board endeavours to facilitate open investor dialogue with both institutional and retail investors, employees and other stakeholders.

The key components of the investor relations remit are the Annual General Meeting, to which all shareholders are invited to attend and vote, and the full year and interim results presentations to analysts and institutional investors.

The corporate website carries the current and past editions of the Report and Accounts and Interim Report and Accounts, financial calendar, and dividend information as well as the disclosures required in satisfaction of AIM Rule 26, and regulatory announcements.

The Executive Directors, together with the Group's brokers meet with existing and potential shareholders to discuss our business strategy, plan, and progress. This enables a healthy dialogue to exist, to enable all interested parties to come to informed decisions about the Group.

The outcomes of all stewardship votes since the Group's listing are included on the Group's website at www.premiermiton.com.

Stakeholder Interests

In promoting the success of the Group, the Directors are called upon to have regard, amongst other things, to the provisions of section 172 of the Companies Act 2006, which requires the Board to consider the wider implications of its decision making. The ways in which the Directors have discharged their duties in accordance with section 172 are described below.

Shareholders

The Company maintains a comprehensive programme of investor engagement as described at Principle 2 on page 51 to keep our shareholders apprised of progress in the course of the year. The key engagement opportunities are the Annual General Meeting and institutional investor meetings, held at full and half year with the Executive Directors.

People

Our team are instrumental in the execution of our strategy through their day-to-day activities, and the Board is actively engaged in seeking feedback and views via regular surveys. Feedback and suggestions are discussed at the Board meetings and in the Executive Committees. Initiatives have included well-being programmes and a half yearly internal magazine, as well as the staff surveys, regular town hall meetings, and the appraisal process which were already in place.

Clients

Our purpose is to provide investment products that meet the needs of investors. The overall success of the business depends on how well we achieve this mission. Our distribution and investment management teams have a busy client engagement schedule, having held 8,672 client meetings and quality calls in the year. The Board receives regular updates on advisory and discretionary client engagement to understand how client needs are evolving.

Regulators

As a UK asset manager largely serving UK investors, we are regulated by the Financial Conduct Authority. We are actively engaged, notably via the Quoted Companies Alliance and the Investment Association, to ensure that we remain alert to legal and regulatory change and engage with our peers and industry practitioners on matters that relate to the UK asset management sector. We are represented on a number of boards and panels in this area, as we consider that such engagement ensures that we continue to act in the best interests of our clients.

Suppliers

Our business model places reliance on external third-party providers for certain activities and services. The selection process and engagement with these parties is guided by our Procurement Policy, supported by suitable due diligence processes, training and specific policies where applicable, and in accordance with the intentions of our Modern Slavery statement. Together these measures aim to minimise risks inherent in supply chains.

Community and environment

As set out on pages 25 to 31 the Group is committed to an active and growing role in corporate social responsibility and building a more sustainable future. An active Environmental Committee has helped develop key initiatives including our work towards net zero carbon emissions, calculating our greenhouse gas emissions, and submits the Group's Climate Disclosure Project climate change disclosure assessment, which allows investors to understand the ways in which the Group incorporates sustainability into its business strategy and practices. We actively engage with industry bodies including the Investment Association, on responsible investment and climate change matters.