

Fund manager Liontrust faces revolt over 'excessive' pay awards

Liontrust, the £1bn London-listed fund manager, is facing an embarrassing pay revolt this week over “excessive” prospective pay awards for its top executives.

Sky News has learnt that a substantial proportion of Liontrust's shareholders will oppose the company's new remuneration policy at a specially convened general meeting on Wednesday.

City sources said the revolt was likely to be “meaningful” at a time of heightened sensitivity over executive pay because of Britain's unfolding [cost of living crisis](#).

Investor revolts over pay tend to be particularly awkward for asset management groups because of their own stewardship role holding companies to account on matters of pay and governance.

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Two influential shareholder advisory groups, Glass Lewis and ISS, have recommended voting against the company resolutions.

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Liontrust has sought to justify the increases in the prospective payouts to its executives on the basis of its market capitalisation having quadrupled in recent years.

It recently acquired Majedie Asset Management, a smaller rival.

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John Ions, chief executive, earned a total package of £6.6m last year – a figure that exceeded the majority of FTSE-100 bosses.

Under the new policy, he could be awarded up to 450% of his annual salary as a bonus, with a further significant share bonanza as a long-term incentive award.

Shareholders pointed out that under the new policy, its chief executive and finance chief would continue to be in line for rewards far greater than those on offer at much larger companies.

Glass Lewis said in its report: "Under the proposed policy, executives appear to be eligible for remuneration that significant outpaces their peers.

"In particular, we are concerned with the individual limits under the LTI which, as they are expressed as a percentage of issued share capital, may allow for significantly increased payouts on the basis of movement in share capital.

"In addition, our concerns are somewhat exacerbated by the committee's decision to increase the chief executive and CFO/COO's base salaries by 58% and 28%, respectively, in FY2022."

A Liontrust spokesman declined to comment.