

MIFIDPRU 8 Public Disclosures

As at 31 March 2025

1. Introduction

- 1.1 Capula Investment Management LLP (the “**Firm**”) is authorised and regulated by the Financial Conduct Authority (“**FCA**”) of the United Kingdom and is a “MIFIDPRU investment firm” as defined in the FCA Rules. The Firm is a non-SNI firm for the purposes of the rules in the Prudential sourcebook for MiFID Investment Firms (“**MIFIDPRU**”). The Firm’s governing body is its Executive Board.
- 1.2 Under the FCA Rules (specifically Chapter 8 of MIFIDPRU), the Firm is required to make specific disclosures relating to its:
- Risk management objectives and policies;
 - Governance arrangements;
 - Own funds; and
 - Remuneration policy and practices.
- 1.3 The disclosures in this document relate to the Firm’s most recently ended financial year which ended on 31 March 2025.

2. Significant Changes since Last Disclosure Period

This is the Firm’s annual full disclosure under the public disclosure requirements in accordance with MIFIDPRU 8. There have been no significant changes to the information disclosed since the Firm’s last disclosure period.

3. Risk Management Objectives and Policies

- 3.1 The Firm is owned by its members. In addition to the working members, there are three institutional corporate members holding passive shares who do not influence the portfolio management operations of the Firm. The Firm is headquartered in London (UK) and has a number of affiliates with offices in New York City, New York, (USA), Tokyo (Japan), Hong Kong (China), Singapore and Geneva (Switzerland).
- 3.2 The Firm and its affiliates manage absolute return, enhanced fixed income and macro strategies that aim to exhibit low correlation to traditional equity and fixed income markets, and crisis alpha strategies in hedge funds and separate managed accounts (together the “**Capula Funds**”) on a discretionary basis. The Firm receives management and performance fee income in respect of the discretionary management of the Capula Funds.
- 3.3 In pursuing the strategies above, the activities of the Firm will give rise to certain risks which carry a potential for harm. Below is a summary of the harm that could potentially be caused as a result of certain categories of risks related to the Firm’s; (i) Own Funds requirement; (ii) requirements around its Concentration risk; and (iii) requirements around its Liquidity.
- 3.4 Regarding the Firm’s approach to risk generally:
- **Details of how the Firm sets its risk appetite:** The Firm’s Executive Board has determined the Firm’s overall appetite for risk in business operations as low and it encourages all staff to identify, escalate and minimise risks as much as reasonably possible. The Firm is comfortable that its business strategy and its risk appetite are aligned in light of the comparatively stable and predictable levels of the Firm’s management fee income and expenditure.
 - **Summary of how the Firm assesses the effectiveness of its risk management processes:** The Firm has a dynamic and iterative process for identifying, measuring, and analysing risks which is documented in the Firm’s Internal Capital Adequacy and Risk Assessment (ICARA) process. Risks in the ICARA generally focus on portfolio and trading risk and operational risk. The ICARA process is an FCA regulatory requirement and is a collective term for the internal systems and controls that a Firm must operate to identify and manage potential material harms that may arise from the risks associated with

the operation of its business. The ICARA is a key regulatory document and is reviewed at least annually and more frequently if there is a material change to the business.

- **Details of the Firm's risk management structure and operations, including relevant committees and their responsibilities and the senior management responsible for each area of risk:** The Firm's Executive Board is responsible for ensuring that the Firm maintains a risk culture that is compatible with the risk statement outlined in the ICARA. The Executive Board is supported by the Investment Committee, Management Committee, Enterprise Risk Committee, Operational Risk Sub-Committee and other committees in respect of risk management.
- **Portfolio and Trading Risk:** The Investment Committee, which is chaired by the chief risk officer, reviews key measures, including but not limited to VaR, stress tests, largest positions and points of liquidity. The Firm operates a series of automated measures to assist the risk management team with the monitoring of portfolio risk as described in the Firm's ICARA.
- **Operational Risk:** The Operational Risk Sub-Committee and the Enterprise Risk Committee include senior representation from core departments including but not limited to risk, operations, product control, technology, business management, compliance and legal. The Operational Risk Sub-Committee meets monthly to monitor operational resilience, key risk indicators, top residual risks and to discuss operational risk incidents and changes to the Firm's operational risk profile. Significant issues or concerns are escalated to the Enterprise Risk Committee and, if required, the other committees.

Own Funds Requirement:

The Executive Board has identified that portfolio and trading and operational risks are the main risks to which the Firm is exposed. The Firm has identified a list of possible risks of harm and mitigants and has considered the financial impact of these risks as part of the Firm's business planning and capital management and to determine whether the amount of regulatory capital is adequate.

- **Portfolio and Trading Risk:** The Firm's clients are exposed to most of the portfolio and trading risks normally found within asset management business such as counterparty risk for the funds associated with the portfolio management of the Capula Funds.
- **Operational Risk:** The Firm is exposed to most operational risks normally found within asset management businesses. Examples of significant risks include but are not limited to: fraud, mis-selling of products or errors in fund offering documentation, breach of investment mandate, technology failures and fund valuation errors. Operational risks are mitigated through a variety of controls incorporated into the Firm's risk management framework.

The Firm's approach to managing these risks is described above.

Concentration Risk

The Firm does not conduct any trading on own account and does not have regulatory permissions for dealing as principal. The Firm does not operate a trading book and therefore does not have any material trading concentration risks on or off-balance sheet. The Firm separately considers its counterparty risk with regard to its holding of cash and cash equivalents.

Liquidity

The Firm's liquidity position at any given time is essentially a function of the fees received under its investment management and advisory agreements and the expenditure commitments of the Firm.

The Firm has determined its liquid assets threshold requirement to be the sum of: (1) the Firm's basic liquid assets requirement calculated in accordance with MIFIDPRU 6 and (2) the higher of (a) the Firm's estimate of the amount of liquid assets that it requires to fund its ongoing operations (including in stressed conditions) and (b) the Firm's

estimate of the additional amount of liquid assets (over and above its basic liquid assets requirements) that it would require to ensure an orderly wind-down of its business.

4. Governance Arrangements

Oversight of Governance Arrangements by the Executive Board

- 4.1 The Firm, as a MIFIDPRU Investment Firm, is subject to organisational requirements in 4.3A.1 R of the Senior Management Arrangements, Systems and Controls Sourcebook of the FCA Handbook (“**SYSC**”)
- 4.2 Under SYSC 4.3A.1 R, the Firm must ensure that the Executive Board defines, oversees and is accountable for the implementation of governance arrangements that ensure effective and prudent management of the Firm, including the segregation of duties in the organisation and the prevention of conflicts of interest, and in a manner that promotes the integrity of the market and the interests of the Firm’s clients.
- 4.3 In order to comply with the requirement in SYSC 4.3A.1 R, the Firm has procedures in place to ensure that members of the Executive Board are selected based primarily on the following criteria:
- reputation within the market;
 - possession of the necessary knowledge, skills and experience to perform the relevant duties;
 - whether their addition will complement the Executive Board’s collective knowledge, skills and experience in relation to the Firm’s activities, including the main risks it faces;
 - diversity of viewpoints, backgrounds, experiences, and other demographics.
- 4.4 As part of the Firm’s governance arrangements and structure, the Executive Board defines, oversees and is accountable for the implementation of governance arrangements that ensure effective and prudent management of the Firm. These arrangements include ensuring that the Firm and its individual functions are adequately resourced and with appropriate segregation of duties and responsibilities (for example, appropriate segregation of front office and middle and back office functions, including risk management, operations and compliance functions that are independent of the front office) in a manner that promotes the integrity of the market and the interests of clients. Under the Firm’s governance arrangements, the Executive Board also ensures that conflicts of interest between the interests of the Firm and the interests of a client (or between the interests of multiple clients) are avoided or managed appropriately, again, in a manner that promotes the integrity of the market and the interests of clients. This is predominantly achieved through: (1) the adoption, and regular review, by the Executive Board of a comprehensive conflicts of interest policy which identifies all relevant areas of the Firm’s business that could give rise to such conflicts and the various mitigants that the Firm has put in place either to avoid such conflicts or to manage them such that the risk of prejudice to the Firm’s clients has been reduced to an appropriate level; and (2) the establishment of a specific procedure for managing any ad hoc conflicts that arise which are not covered by the Firm’s conflicts of interest policy.
- 4.5 All relevant staff report to the Executive Board (either directly or to individuals who, in turn, are members of other committees reporting into the Executive Board). The Executive Board operates under a set of terms of reference which provide for certain decisions to be reserved to it. The Executive Board meets generally on a monthly basis to discuss significant matters affecting the Firm and to make strategic decisions. Under the Firm’s governance arrangements, including the terms of reference for the Executive Board, the Executive Board:
- has overall responsibility for the business and conduct of the Firm;
 - approves and oversees implementation of the Firm’s strategic objectives, risk strategy and internal governance;
 - has oversight of and ensures the integrity of the Firm’s accounting and financial reporting systems;
 - has put in place financial and operational controls to ensure compliance with applicable regulations;
 - oversees the process of public disclosures and communications by the Firm with clients and regulators;
 - is responsible for providing oversight of the Firm’s senior management;
 - monitors, assesses and makes changes in respect of deficiencies found in respect of: (i) the adequacy/implementation of the Firm’s strategic objectives in the provision of investment services

- and activities (including ancillary services); (ii) the effectiveness of the Firm's governance arrangements; and (iii) the adequacy of the policies relating to the provision of services to clients; and
- has adequate access to information and documents which are needed to oversee and monitor management decision-making.

All members of the Executive Board are required to commit sufficient time to ensure that they can perform their functions within the Firm and to act with honesty, integrity and independence of mind to effectively assess and challenge decisions where necessary and to effectively oversee and monitor management decision-making.

Directorships

- 4.6 MIFIDPRU 8.3.1 R requires disclosure of the number of directorships each member of the Executive Board holds, broken down into executive and non-executive directorships. Executive and non-executive directorships held with the same group or that do not pursue predominantly commercial objectives can be excluded.
- 4.7 Members of the Executive Board do not hold any disclosable directorships in accordance with the rules.

Risk Committee

- 4.8 The Firm is not in scope for the requirement in MIFIDPRU 7.3 but has chosen to establish a number of committees and sub-committees including an Enterprise Risk Committee, Operational Risk Sub-Committee and Investment Committee.

Diversity Policy

- 4.9 The Firm promotes fair and equal treatment through workplace practices and policies and is committed to maintaining a collaborative and supportive work environment free from harassment and intimidation. In accordance with SYSC 4.3A.9 R(1), the Firm has a Diversity, Equity and Inclusion (DEI) policy. At all times, the Firm aims to ensure all applicants and employees receive fair and equal treatment irrespective of their race, colour, religion, sex, sexual orientation, marital status, nationality, national origin, age, disability, genetic information, military or veteran status, or any other category protected by applicable law.
- 4.10 It should be noted that the Firm is an English limited liability partnership and the Executive Board consists of a number of the Firm's individual partners. The Firm's staff are eligible to be considered for partnership and membership of the Executive Board. The Firm is working on a number of initiatives to create a more diverse and inclusive workplace considering diversity with respect to retention strategies in addition to recruitment. The Firm is committed to creating a more diverse and inclusive workplace and is focused on promoting greater diversity at all levels of the organisation.

5. Own Funds and the Own Funds Requirement

Own Funds

- 5.1 The Firm is subject to the disclosure requirements stipulated in MIFIDPRU 8.4.1 R. As such, the tables below set out:
- A. details of common equity tier 1 items, additional tier 1 items, tier 2 items, and the applicable filters and deductions applied in order to calculate the own funds of the Firm (i.e. a composition of regulatory own funds);
 - B. a reconciliation of the Firm's composition of regulatory own funds with the capital in the balance sheet in the audited financial statements of the Firm; and
 - C. a description of the main features of the common equity tier 1 instruments, additional tier 1 instruments and tier 2 instruments issued by the Firm.

A. Composition of regulatory own funds

Item	Amount (GBP thousands)	Source based on reference numbers/ letters of the balance sheet in the audited financial statements
1 OWN FUNDS		
2 TIER 1 CAPITAL	71,416	
3 COMMON EQUITY TIER 1 CAPITAL	71,416	
4 Fully paid up capital instruments		
4A Member's capital classified as equity	10,361	1 in "Shareholders' Equity"
5 Share premium		
6 Other reserves classified as equity	61,055	2 in "Shareholders' Equity"
7 Accumulated other comprehensive income		
8 Other reserves		
9 Adjustments to CET1 due to prudential filters		
10 Other funds		
11 (-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1		
19 CET1: Other capital elements, deductions and adjustments		
20 ADDITIONAL TIER 1 CAPITAL		
21 Fully paid up, directly issued capital instruments		
22 Share premium		
23 (-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1		
24 Additional Tier 1: Other capital elements, deductions and adjustments		
25 TIER 2 CAPITAL		
26 Fully paid up, directly issued capital instruments		
27 Share premium		
28 (-) TOTAL DEDUCTIONS FROM TIER 2		
29 Tier 2: Other capital elements, deductions and adjustments		

**B. Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements
(GBP thousands)**

	a	b	c
	Balance sheet as in published/audited financial statements As at period end	Under regulatory scope of consolidation As at period end	Cross-reference to template OF1
Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements			
1 Investments	301		
2 Debtors: amounts falling due within one year	43,098		
3 Cash and cash equivalents	32,607		
Total Assets	76,006		
Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements			
1 Derivative liabilities	-247		
2 Creditors: amounts falling due within one year	-4,343		
Total Liabilities	-4,590		
Shareholders' Equity			
1 Members' capital classified as equity	10,361		4
2 Other reserves classified as equity	61,055		6
Total Shareholders' equity	71,416		

C. Own funds: main features of own Instruments issued by the Firm

As a limited liability partnership, the members of the Firm contribute capital which is credited to the members' accounts and is the functional equivalent of CET1 capital instruments issued by a limited company. The contributions are made on an *ad hoc* basis as and when new LLP members have been admitted or when the Firm has required additional capital. The LLP members' capital does not have a nominal value. Its value reflects the amount paid in by the relevant member. Under the terms of the Firm's LLP Agreement, the LLP members' capital is non-convertible and perpetual (it does not have a maturity date), carries no right to dividends, coupon or other forms of income (instead, LLP members may, at the discretion of the Firm be awarded a share in the profits of the Firm at the end of the financial year) and is subject to restrictions on withdrawal in accordance with the requirements of MIFIDPRU 3.3.17 R.

Own Funds Requirements

5.2 The below table relates to the Firm's own funds requirements under MIFIDPRU 4.3 (GBP thousands)

K-Factor Requirement (calculated by the Firm in accordance with MIFIDPRU 4.6)	The Firm's K-factor requirement is 320 ¹	The Firm's K-factor requirement can be further broken down as follows: the sum of: <ul style="list-style-type: none"> ● the K-AUM requirement; ● the K-CMH requirement; and ● the K-ASA requirement. which is 320 ² the sum of: <ul style="list-style-type: none"> ● the K-COH requirement; and ● the K-DTF requirement. which is 0 the sum of: <ul style="list-style-type: none"> ● the K-NPR requirement; ● the K-CMG requirement; ● the K-TCD requirement; and ● K-CON requirement. which is 0
Fixed Overheads Requirement (calculated by the Firm in accordance with MIFIDPRU 4.5)	The Firm's fixed overheads requirement is 14,371 ³	

5.3 As part of its ICARA process, the Firm assesses the adequacy of its own funds in accordance with the overall financial adequacy rule in MIFIDPRU 7.4.7 R.

5.4 In particular, the Firm assesses the own funds it requires to:

- address any potential harms it has identified which it has not been able to mitigate;
- address any residual harms remaining after mitigation; and
- ensure an orderly wind down of its business.

5.5 As the Firm is not an SNI firm, it is required to use its K-factor requirement as a starting point for determining the appropriate amount of own funds to cover risks of harm to the business as a going concern, to the extent that such risks have not or cannot be mitigated.

5.6 The Firm assesses whether and to what extent a K-factor requirement covers each risk of harm identified during the ICARA process on a going concern basis (to the extent the risk of harm is not or cannot be adequately mitigated).

5.7 For this purpose, each risk of harm that is not adequately mitigated is mapped to the corresponding K-factor requirement. To the extent that the applicable K-factor requirement is insufficient to cover the post-mitigation risk of harm or to the extent that there is no applicable K-factor requirement, the Firm will calculate a suitable amount of additional capital.

¹ Note: The correct figure for the Firm's previous MIFIDPRU 8 Public Disclosure, for the financial year which ended on 31 March 2024, was 342.

² Note: The correct figure for the Firm's previous MIFIDPRU 8 Public Disclosure, for the financial year which ended on 31 March 2024, was 342.

³ Note: The correct figure for the Firm's previous MIFIDPRU 8 Public Disclosure, for the financial year which ended on 31 March 2024, was 11,629.

5.8 As part of its ICARA, the Firm also assesses the level of own funds that it would need in order to effect an orderly wind down, taking into account any additional risks of harm it identifies and whether the Firm's fixed overheads requirement adequately covers such risks.

6. Remuneration Policy and Practices

6.1 The Firm's approach to remuneration for staff⁴ can be summarised as follows:

- **Philosophy:** The Firm's remuneration policies and practices are driven by its desire to reward its staff fairly and competitively, but at the same time create a culture of principled behaviour and actions (particularly with regard to the areas of risk, compliance, control, code of ethics). As such, the Firm's remuneration policies and practices have been designed so as to contribute to the achievement of the Firm's objectives, but in a way that does not encourage excessive risk-taking or the violation of applicable laws, guidelines, and regulations, and which takes the capital position and economic performance of the Firm over the long term into account.
- **Linkage between variable remuneration and performance:** The total amount of an individual's variable remuneration will always be based on a combination of the assessment of the performance of:
 - the individual;
 - the business unit concerned; and
 - the overall results of the Firm.

When assessing individual performance, financial as well as non-financial criteria are taken into account, and a breakdown of the criteria used to assess performance on a Firm-wide, business unit and individual basis is set out below.

- **Main performance objectives:** The Firm has a discretionary bonus plan designed to motivate staff by providing a fair return for additional effort or exceptional performance, as well as to attract and retain talented staff. The Firm determines its bonus pool each year after reviewing a range of financial and non-financial metrics which also take account of the Firm's level of tolerated risk. The bonus pool is adjusted for current and future risks using multi-year data to support its decision making process. These metrics include items such as the Firm's regulatory and working capital requirements and any liabilities of the company.
- **Categories of staff eligible to receive variable remuneration:** The majority of staff members are eligible to participate in the Firm's discretionary bonus plan under which discretionary bonuses are awarded based on overall company performance, business unit performance and individual contribution. Some members of the investment team do not participate in the discretionary bonus plan and instead are awarded bonuses based on a formula linked to the performance of such individual's portfolio with the final bonus award being determined using a comprehensive set of financial and non-financial metrics including individual performance assessments and individual P&L statistics (where relevant). In determining an individual's total compensation (fixed and variable), the Firm pays due regard to setting an appropriate balance between both components, including the possibility of paying zero variable compensation in certain circumstances and takes into account the ratio set by the Firm between the variable component and the fixed component of the total remuneration in accordance with SYSC 19G.4.6R. The Firm may amend or remove the scheme at any time without notice or exclude staff from participating in the bonus arrangements for various reasons, including performance or conduct reasons.

6.2 As indicated above, the Firm's objective in using financial incentives for staff is to contribute to its strategic objectives, but in a sufficiently prudent manner that does not encourage excessive risk-taking or the violation of applicable laws, guidelines, and regulations, and which takes into account the capital position and long-term economic performance of the Firm.

⁴ The term 'staff' is taken from the FCA SYSC 19G.1.24 G and includes employees of the firm itself, members of the firm, employees of other entities in the group, employees of joint service companies, and secondees.

6.3 The below is a summary for the decision-making procedures and governance surrounding the development of the Firm’s remuneration policies and practices which the Firm is required to adopt under SYSC 19G (the “**MIFIDPRU Remuneration Code**”).

- The Executive Board has adopted remuneration policies and practices in line with the rules and guidance laid down by the FCA and MIFIDPRU Remuneration Code, and is responsible for the implementation of such policies and practices.
- The Executive Board has formally delegated authority to the remuneration committee to oversee and implement the Firm’s remuneration policies and practices. The objectives of the remuneration committee include ensuring that: (i) regulatory remuneration compliance requirements are adhered to; and, (ii) the Firm’s remuneration policies and practices are implemented correctly, are aligned to the Firm’s risk appetite and corporate values and promote effective risk management. The members of the remuneration committee are a subset of the Firm’s Executive Board, together with additional representatives, and are chosen so that they can collectively exercise competent and independent judgment on remuneration policies and practices and the incentives created for managing risk, capital and liquidity.
- The Executive Board periodically reviews the Firm’s remuneration policy at least annually in accordance with the guidance and rules in SYSC 19G.3. Advice was sought from the Firm’s external advisers with a view to ensuring that the Firm’s remuneration policy complied with applicable regulatory requirements.
- The Executive Board ensures that the Firm, at least annually, conducts a central and independent review of whether the implementation of its remuneration policies and practices complies with the remuneration policies and practices adopted by the Executive Board.
- The remuneration committee reviews and makes decisions on the Firm’s remuneration system, design, policies and implementation. When reviewing remuneration on an individual level, at least the following is considered:
 - feedback from risk management and control functions on any positive or adverse findings on individuals;
 - annual performance reviews;
 - benchmarking data provided by external market data providers, together with historical compensation data.

Material Risk Takers (“MRTs”)

6.4 The Firm follows the criteria and guidance set out in SYSC 19G.5 to identify as MRTs all staff whose professional activities are considered to have a material impact on the risk profile of the Firm or the assets it manages. In doing so it uses the categories of staff referred to in SYSC 19G.5.3 R as a starting point. The categories of staff that have been identified as MRTs include members of the management body, staff identified as senior management, staff with managerial responsibility for certain functions, including those with managerial responsibility for control functions and staff responsible for managing a material risk with the Firm.

Key Characteristics of the Firm’s Remuneration Policies and Practices

Different components of remuneration (fixed and variable) awarded by the Firm		
Component of Remuneration	Component A Base salary/Fixed monthly drawings	Fixed
	Component B Annual Bonus / Discretionary allocation of Profits	Variable
	Component C Medical Scheme Contributions	Fixed
	Component D Fixed pension contributions	Fixed

Component E	N/A
Discretionary Pension Contributions	

Summary of the financial and non-financial performance criteria used across the Firm which impact variable remuneration awarded to staff

Performance Criteria	Performance criteria used in relation to the Firm	<p>Financial performance criteria:</p> <ul style="list-style-type: none"> ● Gross Revenue ● EBITDA ● Costs <p>Non-financial performance criteria:</p> <ul style="list-style-type: none"> ● Achievement of strategic goals ● Compliance related performance
	Performance criteria used in relation to the Firm's business units	<p>Financial performance criteria:</p> <ul style="list-style-type: none"> ● Attributable revenue generation ● Expense management <p>Non-financial performance criteria:</p> <ul style="list-style-type: none"> ● Risk mitigation ● Strategic goals e.g. in relation to headcount
	Performance criteria used in relation to the Individuals	<p>Financial performance criteria:</p> <ul style="list-style-type: none"> ● Attributable revenue generation ● Business development criteria <p>Non-financial performance criteria:</p> <ul style="list-style-type: none"> ● Client feedback / relationships ● Performance in line with the Firm's strategy ● Adherence to the Firm's risk management policies

Framework and criteria used by the Firm for ex-ante and ex-post risk adjustments of remuneration

The Firm faces various current and future risks, which include both financial risks and non-financial risks.

Financial risks include:

- risks relating to the Firm's revenue;
- risks relating to the Firm's profit;
- risks relating to the Firm's capital;
- risks relating to return on allocated equity;
- risks related to return on risk-weighted assets;
- the cost and quantity of liquidity risk; and
- the cost and quantity of own funds / regulatory capital.

Non-financial risks include:

- risks relating to the reputation of the Firm;
- risks relating to the conduct of the Firm's staff;
- risks relating to the Firm's relationship with its customers; and
- risks around the achievement of the Firm's wider strategy.

The Firm will apply ex-ante and ex-post adjustments to variable remuneration to ensure that remuneration awarded is fully aligned with the risks faced / taken by the Firm.

Ex-ante risk adjustment	Manner of application	<p>The Firm applies ex-ante risk adjustments to variable remuneration of MRTs at a business unit, trading desk and/or individual level as appropriate.</p> <p>Determination of variable remuneration pools include adjustments for a range of current and future risks and the cost of the capital and liquidity required. Variable remuneration awarded to MRTs is subject to in-year adjustments prior to award.</p> <p>The allocation of variable remuneration components takes into account a range of current and future risks.</p>
	Criteria considered when applying ex-ante adjustments	<p>In this regard, the Firm:</p> <ul style="list-style-type: none"> ● determines at what level the adjustments should be applied (such as business unit, trading desk and/or individual level, as appropriate), which risks are relevant, and which adjustment techniques and measures are most appropriate; and ● in considering all types of current and future risks, includes both financial risks and non-financial risks.

Ex-post risk adjustment	Manner of application	The Firm applies ex-post risk adjustments to variable remuneration of MRTs at a business unit, trading desk and/or individual level as appropriate. Ex-post risk adjustments can be operated by re-claiming ownership of upfront amounts or deferred amounts already vested (clawback).
	Criteria considered when applying ex-ante adjustments	The criteria that the Firm will take into consideration when applying ex-post adjustments to variable remuneration include: <ul style="list-style-type: none"> • where the MRT participated in or was responsible for conduct which resulted in significant losses to the Firm; • where the MRT failed to meet appropriate standards of fitness and propriety; and/or, • where there have been cases of fraud or other conduct with severe negligence by the MRT which led to significant losses to the Firm.

Guaranteed Variable Remuneration

6.5 In exceptional and justified circumstances, the Firm may award guaranteed variable compensation, granted as part of a contractual obligation. Guarantees are subject to appropriate levels of approvals, are limited to the first year of employment only for MRTs and are awarded to attract new employees into the Firm where they have no established performance or reputation. Additionally, the pay out of the guaranteed variable remuneration is also subject to the individual's adherence to the Firm's policies and procedures and is subject to minimum conditions, such as that the employment is not terminated or notice is given and the employee is not subject to a disciplinary sanction.

Severance Payments

6.6 In certain circumstances, severance payments may be made. In such circumstances, severance pay is determined on a case-by-case basis and involves input from the legal, human resources and compliance departments. Additionally, the advice of external counsel is sought to ensure any severance payment is sound.

Quantitative Disclosures

6.7 The total number of MRTs identified by the Firm under SYSC 19G.5 was 29.

6.8 Remuneration paid or awarded for the financial year ended 31 March 2025 comprised fixed remuneration and variable remuneration. The following tables show aggregate quantitative remuneration information for the Firm's "Senior Management", "Other Material Risk Takers" and "Other Staff".

Disclosures required under MIFIDPRU 8.6.8R (4) and (5)(a) and (b) for financial year ended 31 March 2025 (GBP thousands)	
Disclosures required under MIFIDPRU 8.6.8R (4)	
Senior Management	
Total remuneration awarded to Senior Management	91,120
Fixed remuneration awarded to Senior Management	2,705
Variable remuneration awarded to Senior Management	88,415
Other MRTs	
Total remuneration awarded to Other MRTs	66,920
Fixed remuneration awarded to Other MRTs	6,150
Variable remuneration awarded to Other MRTs	60,770
Disclosures required under MIFIDPRU 8.6.8R (5)(a)	
Senior Management	
	Exemption applies
	Exemption applies

Other MRTs	
Number of Other MRTs that received guaranteed variable remuneration awards	-
Total amount of guaranteed variable remuneration awards made to Other MRTs	-
Disclosures required under MIFIDPRU 8.6.8R (5)(b)	
Senior Management	
Number of Senior Management that received severance payment awards	-
Total amount of severance payment awards made to Senior Management	-
Other MRTs	
	Exemption applies
	Exemption applies
Disclosures required under MIFIDPRU 8.6.8R(4) – Other Staff	
Total remuneration awarded to Other Staff	84,684
Fixed remuneration awarded to Other Staff	26,640
Variable remuneration awarded to Other Staff	58,044
Disclosures required under MIFIDPRU 8.6.8R(5)(c) – Senior Management and Other MRTs	
Highest severance payment awarded to an individual classified as Senior Management	-
Highest severance payment awarded to an individual classified as an Other MRT	321

- 6.9 In relation to the above Quantitative disclosures, the Firm has relied on the exemption in MIFIDPRU 8.6.8R (7) such that it has not provided information in relation to MIFIDPRU 8.6.8R(5)(a) or 8.6.8R(5)(b). The Firm has relied on the exemption in MIFIDPRU 8.6.8R (7) in order to prevent the individual identification of any individual members of Senior Management or MRTs at the Firm or the disclosure of information that could be associated with an individual MRT or Senior Manager at the Firm.