EVENLODE

INVESTMENTS FOR LIFE

MIFIDPRU 8 Disclosure

Year end 31 December 2025

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1. Introduction

The Investment Firm Prudential Regime (IFPR) is the prudential regime that applies to MiFID (Markets in Financial Instruments Directive) Investment Firms in the UK. The Financial Conduct Authority ("FCA") sets out its rules in the Prudential sourcebook for MiFID Investment Firms (MIFIDPRU).

The IFPR has introduced requirements in MIFIDPRU 8 for MIFIDPRU firms to produce an annual disclosure to increase transparency and confidence in the market and provide an insight into how each firm operates. This disclosure replaces the former Pillar III disclosure.

Evenlode Investment Management Limited "Evenlode" or "the firm" is an FCA authorised asset management firm classified as a non "small and non-interconnected" (Non-SNI) MiFID Investment Firm and is therefore required under MIFIDPRU 8 of the FCA's Prudential sourcebook for MiFID Investment Firms to disclose information relating to governance arrangements, risk management objectives and policies, own funds, own funds requirements and remuneration policies and practices. In accordance with MIFIDPRU 8, this disclosure is prepared on an individual company basis.

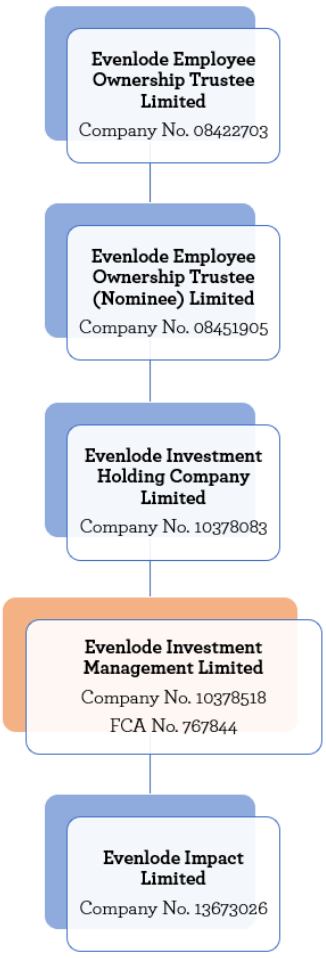
Unless otherwise stated, all figures are as at 31 December 2025, the firm's financial year end. The disclosure has been approved by the Evenlode Board and is published on the firm's website at the same time the Statutory Accounts have been made available. The disclosure will be updated annually.

In accordance with the rules, the disclosures herein are appropriate to the size and internal organisation, and to the nature, scope, and complexity of the firm's activities.

2. Corporate structure

Evenlode is a North Cotswolds, UK -based active investment manager and was founded in 2009. As at 31 December 2025, the firm managed £4.6bn across a range of funds domiciled both in the UK and Dublin. The Evenlode funds follow three main equity strategies – UK Income, Global Income and Global Growth. Evenlode's investment strategy across all funds is to invest in shares of high-quality companies over the long term. Institutions can also access Evenlode's investment management offering through segregated mandates.

The Evenlode group structure is shown below. The group is a UK consolidation group and FCA returns are completed on both a solo and on a consolidated basis. Evenlode is an employee-owned business and the companies that sit above Evenlode in the structure chart are all connected to the employee ownership structure. The employee-ownership structure was introduced to ensure long-term resilience and to further align the long-term interests of the firm and its employees. Evenlode Employee Ownership Trustee Limited has a minimum of three trustees (two elected employee representatives and one Board representative). Evenlode Impact Limited is a wholly owned subsidiary of Evenlode Investment Management Limited and invests in a diversified portfolio of impact-focused start-up companies, wholly funded by Evenlode Investment Management. The Evenlode Impact portfolio does not utilise any client funds and is unavailable to external investors.



Key – FCA Authorised Firm

Not FCA Authorised

3 Governance arrangements (MIFIDPRU 8.3)

3.1 Governance structure

The firm has robust governance arrangements which include:

- A clear organisational structure with well-defined, transparent and consistent lines of responsibility and appropriate segregation of duties.
- Effective processes to identify, manage, monitor and report the risks it is or might be exposed to.
- Internal control mechanisms, including sound administrative and accounting procedures.

The Evenlode Board

The Evenlode Board comprises four Executive Directors and two Non-Executive Directors. The Board meets quarterly and is responsible for the overall strategic, regulatory and operational adherence of the business, and for putting in place an effective framework for the management of the various risks to which Evenlode is exposed. It is responsible for setting Evenlode's Risk Appetite, approving its annual operating plan and monitoring adherence to the approved plan. The Board,

which itself reports to the Evenlode Trustee Board, is served by four key sub-committees; the Audit & Risk Committee, the Remuneration Committee, the Management Team and the Investment Risk Oversight Committee, all as detailed below.

The table below discloses the members of the Evenlode Board as at 31 December 2025 along with the number of external directorships and trusteeships held.

Non-Evenlode director and trustee positions held as at 31 December 2025	
Name	Number of external directorships held
Ben Peters	3
Chris Simmons*	0
Hugh Yarrow	5
Rob Harris (Executive Chair)	1
Charles Park (NED)	4
Nicole Harrington (NED)	1

** appointed 1 October 2025*

The firm is not required to establish a Risk Committee, Remuneration Committee or Nomination Committee under MIFIDPRU 7.3 as it does not meet the thresholds in MIFIDPRU 7.1.4.

The Evenlode Board has nonetheless established certain committees (details below). The members of these committees have been assessed to have appropriate skill, knowledge, expertise and integrity to understand and manage the associated risks and provide appropriate challenge. To support the Evenlode Board in achieving its objectives, management information is frequently provided to enable controls to be assessed and deficiencies addressed.

All arrangements are reviewed at least on an annual basis.

Audit & Risk Committee ("A&RC")

The A&RC, which meets at least twice yearly, is chaired by a non-executive director. It also comprises two executive directors in the Executive Chair and CEO, along with the Head of Compliance, Head of HR & Business Support and the Head of Operations. Its role is to advise the Board on matters concerning financial reporting and enterprise risk management, including the identification, evaluation, prioritisation and monitoring of risks through the Risk Matrix. Where appropriate it determines remedial actions which may be escalated to the Board. In addition, the A&RC reviews the scope and adequacy of the firm's control environment and the efficacy of the firm's control mechanisms, monitoring the effectiveness of the policies, procedures and processes. Through its oversight of the ICARA process, it advises the Board of the appropriate levels of capital and liquidity that should be maintained.

Remuneration Committee ("RemCo")

The RemCo, which meets as required by prior arrangement, has responsibility for advising the Board to ensure adherence to the Company's Remuneration Handbook, including determination of the quantum and nature of fixed and variable remuneration awards. The Remuneration Handbook seeks to ensure that remuneration practices promote sound and effective risk management, and do not encourage excessive risk taking. The RemCo comprises the executive directors and a non-executive, with an independent industry remuneration expert acting in an advisory capacity.

Management Team

The Management Team, which meets monthly, assists the CEO in meeting his responsibility for the day-to-day operational implementation of the Company's strategy and business plan as set by the Board. It is chaired by the CEO, with membership also comprising the, CIO, Head of Compliance, Head of HR & Business Support, Head of Operations and Head of Stewardship. The Management Team reviews monthly KPIs, makes key operational decisions and oversees the delivery of key strategic projects and initiatives.

Investment Risk Oversight Committee ("IROC")

The IROC receives portfolio and investment risk reports each month, ordinarily meeting on a quarterly basis. It is chaired by the Executive Chair and comprises the CEO, Head of Compliance and Head of Dealing, and is attended by invitation by representatives of the ACD. All members are independent of the investment team, although fund managers may be requested to attend parts of meetings to answer queries. The IROC reviews portfolio performance, liquidity, portfolio characteristics, adherence to investment guidelines and documented investment processes. As at 31 December 2025, the firm was neither large enough or complex enough to have a standalone Operational Risk Committee therefore on a quarterly basis the Compliance Officer produces a report for the Evenlode Board which covers both Compliance and business risks detailing any concerns that need to be considered. On a quarterly basis, the Operational Risk register (see Section 4.1 below) is reviewed and updated as necessary. The results are reported to the Board on a quarterly basis. An Audit and Risk Committee has been established in 2025.

3.2 Diversity statement

The firm is committed to promoting equality and diversity and eliminating discrimination as part of its culture which values different experiences and insights, as well as the business benefits these bring. Diversity of opinion and independent thinking are vital for our investment approach and are a key focus when it comes to recruitment. We aim to ensure that all employment policies, procedures and practices provide fair and equal treatment for all. Evenlode does not set specific diversity targets.

4 Risk management objectives and policies (MIFIDPRU 8.2)

The core objective of the firm is the effective management of risk to protect investors and stakeholders and to ensure that the firm has adequate capital and liquid resources in place to continue to deliver a high-quality investment service.

The Board retains overall responsibility for the risk and control environment. Through the Audit & Risk Committee the firm has developed a Risk Matrix of all identified pertinent risks and has overseen the development of a control environment that links the risks, their mitigating controls and various processes, procedures and responsibilities across the organisation. The CEO has been delegated with responsibility to manage the risk function on a day-to-day basis.

The Risk Matrix fits within the overall risk and control environment. This adopts an industry standard 'Three Lines of Defence' approach. This approach seeks to establish clear separation and accountability of responsibilities, with defined segregation of duties and oversight, and a transparent reporting structure that provides accurate and operationally independent information to governing bodies about the effectiveness of the risk and control environment.

- First line of defence – Functions that own and manage risk

The first line of defence is the day-to-day risk management by the head of each business unit. Management and colleague responsibilities are clearly established whilst appropriate segregation of duties are in place within departmental processes,

and between the activities of the investment management team and operations/dealing. The firm seeks to foster a professional and responsible culture, employing staff of appropriate experience, knowledge and competency. The internal controls established by key outsource partners forms an important element of the first line of defence.

- Second line of defence – Functions that oversee or specialise in risk management and compliance

The second line of defence are the compliance, risk and finance functions, along with Board sub-committees such as the Strategy Team and Investment Risk Oversight Committee. These provide oversight and secondary assurance that enable the Audit & Risk Committee and Board to assess that the risk management policies and procedures are operating effectively, and in accordance with the Company's risk tolerances and applicable law, regulation and best practice.

- Third line of defence – Parties that provide independent assurance

The third line of defence is the additional assurance to the Board from services undertaken by stakeholders that are independent of the day-to-day activities of the firm; financial auditors, CASS auditors, legal advisors, compliance consultants, as well as interaction with investors, due diligence experts and the roles performed by the depositary, ACD, management company and other advisors or service providers to the UK and Irish fund ranges. MIFIDPRU 8.2.1 requires the firm to disclose its risk management objectives and policies for the categories of risk addressed by own funds requirements, concentration risk and liquidity. This must include a concise statement approved by the firm's governing body describing the potential for harm associated with the business strategy and a summary of the strategies and processes used to manage each of the categories of risk and how this helps to reduce the potential for harm.

4.1 Own funds requirements

As at 31 December 2025 the firm was required to maintain own funds of £2,936k (please see Section 6 - Own Funds Requirement below).

The firm also operates an Internal Capital Adequacy and Risk Assessment ("ICARA") process which aims to ensure that the firm is adequately capitalised to cover the underlying risks that it faces, and to wind down in an orderly fashion if required. The ICARA also aims to ensure that there is sufficient availability of capital in order that the firm can meet its future growth and strategic plans with due consideration to the business environment in which it operates. Where the ICARA identifies that additional capital in excess of the Own Funds Requirement should be held, then this figure becomes the Own Funds Threshold Requirement.

A key input into the ICARA process is the Operational Risk Register which is used to identify risks, measure their impact and probability, assess mitigating controls and conclude on whether or not the level of the residual risk is within the risk tolerance set by the Evenlode Board. Where residual risks are above the agreed risk tolerance an action plan to manage the risk is identified and consideration of holding additional capital is made in the ICARA process.

The firm has undertaken to always hold Own Funds at least equal to its Own Funds Threshold Requirement, and this is monitored on an ongoing basis.

The firm conducts ongoing monitoring of its financial performance and considers at its board meetings whether its overall financial resources are adequate both as to their amount and quality to ensure that there is no significant risk that its liabilities could not be met as they fall due. The firm will keep this plan under review, and where it becomes necessary, will adjust the capital requirement figures to reflect any additional risks identified.

4.2 Concentration risk

The firm has considered its concentration exposure with regards to the factors in MIFIDPRU 5.2:

Source of concentration risk	Firm statement
Trading book exposures	The firm does not deal on its own account so this risk is not relevant.
Assets (e.g. trade debtors) not recorded in a trading book	The key non-trading book assets are seed investments in Evenlode's own UCITS funds, its shareholding of Evenlode Impact Limited, non-GBP assets and liabilities and investment management fee receivables. Investment management fees are accrued on an ad valorem basis and are ordinarily paid within one month.
Off-balance sheet items	The firm does not have off-balance sheet assets.
The location of client money	The firm does not hold client money.
The location of custody assets	The firm does not hold client assets.
A firm's own cash deposits	The firm recognises there is a heightened risk if all cash resources are deposited at a single financial institution. To reduce the risk of loss of cash, or being unable to access liquidity, the firm diversifies its own cash deposits across a variety of highly credit rated banks and AAAm liquidity funds.
Earnings	Large single holders in Evenlode's portfolios pose a risk to earnings should they redeem in entirety or in significant tranches. Concentration risk of earnings is monitored, with assets under management from the largest investors being reviewed on a regular basis against diversification targets.

4.3 Liquidity

Liquidity risk is the risk that the firm is unable to settle its obligations as they fall due. Evenlode routinely monitors its cashflow requirements and maintains sufficient liquid assets to ensure obligations can be met as they arise. The firm's assets are deemed to be readily realisable with the vast majority being held either in cash or in regulated collective investment schemes, where the cash could be realised within days. Evenlode has a cash-generative business model, no borrowings, no dependence on external financing and no history of bad debt. The firm conducts ongoing monitoring of its financial performance and considers at its board meetings whether its liquid assets are adequate both as to their amount and quality to ensure that there is no significant risk that its liabilities could not be met as they fall due. In practice, liquidity risk is deemed to be limited..

The MIFIDPRU 6 rules require the firm to always hold a minimum of core liquid assets equal to one third of the fixed overheads requirement (referred to as the basic liquid assets requirement). As part of the ICARA process, liquidity stress testing is also performed, both in relation to ongoing operations and in relation to an orderly wind down. The amounts calculated in the ICARA are then added to the basic liquid assets requirement to determine the liquid assets threshold requirement. The firm has undertaken to always hold liquid cash reserves at least equal to its liquid assets threshold requirement, and this is monitored on an ongoing basis.

5. Own funds (MIFIDPRU 8.4)

In accordance with MIFIDPRU 8.4, the firm must disclose the information below regarding its own funds.

1. A reconciliation 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.
2. A reconciliation of regulatory own funds with the capital in the balance sheet in the audited financial statements of the firm.
3. 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.

Table 1: Composition of regulatory own funds

	Item	Amount (£k)	Source based on reference numbers of the balance sheet in the audited financial statements
1	OWN FUNDS	14,925	N/A
2	TIER 1 CAPITAL	14,925	N/A
3	COMMON EQUITY TIER 1 CAPITAL	14,925	N/A
4	Fully paid-up capital instruments	-	Called up share capital
5	Share premium	395	Share Premium
6	Retained earnings	15,712	Profit and Loss Account
7	Accumulated other comprehensive income	-	N/A
8	Other reserves	1,210	Other Reserves
9	Adjustments to CET1 due to prudential filters	-	N/A
10	Other funds	-	N/A
11	(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	2,392	N/A
19	CET1: Other capital elements, deductions and adjustments	2,392	N/A

Table 2: Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements			
		Balance sheet as in published/ audited financial statements As at period end (£k)	Cross-reference to Table 1
Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements			
1	Intangible assets	570	N/A*
2	Tangible Assets	171	N/A
3	Investments	4,577	N/A*
4	Debtors	3,921	N/A
5	Cash at bank and in hand	17,239	N/A
	Total Assets	26,479	N/A
Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements			
1	Creditor: amounts falling due within one year	5,620	N/A
2	Creditor: amounts falling due after more than one year	3,542	N/A
	Total Liabilities	9,162	N/A
Shareholders' Equity			
1	Share Capital	-	4
2	Reserves	17,317	5, 6, 8
	Total Shareholder's equity	**17,317**	**N/A**

** Intangible assets and investments in own funds both form part of deductions from Tier 1 Capital (items 11 and 19 in Table 1)*

Table 3: Own funds: main features of own instruments issued by the firm
Share Capital – 2,000,000 ordinary shares of £0.000001 each. 1,147,716 non-voting initial shares of £0.000001 each. 30,434 non-voting remuneration shares of £0.000001 each. Other reserves includes a capital contribution reserve account which represents a capital contribution from the firm's immediate parent undertaking. This was as a result of a restructure in 2017 within Wise Investments Ltd, which was a fellow subsidiary of Evenlode Investment Holding Company Limited at the time of the transaction.

6. Own Funds Requirements (MIFIDPRU 8.5)

To comply with its 'own funds requirement', the firm is required to hold, as a minimum, the highest figure from the table below.

Own Funds Requirement	
Category of requirement	**Amount (£k)**
Permanent minimum capital requirement	75
Fixed overhead requirement	2,936
K-Factor requirement (see 6.1 below)	51

6.1 Overall K-factor requirement

As required by MIFIDPRU 8.5, the K-factor requirement has been broken down into three categories.

Assets for which the firm is responsible		
K-Factor	Requirement	The sum of (if applicable)
K-AUM (assets under management)	0.02% of the AUM	£39k*
K-CMH (client money held)	0.4% and 0.5% of the average CMH held in segregated and non-segregated account respectively	£nil**
K-ASA (assets safeguarded and administered)	0.04% of the average ASA	£nil**
Execution activity undertaken by the firm		
K-Factor	Requirement	The sum of (if applicable)
K-COH (client orders handled)	0.1% and 0.01% of the average COH to cash trades and derivatives trades respectively	£12k
K-DTF (daily trade flow)	0.1% and 0.01% of the average COH to cash trades and derivatives trades respectively	£nil***
Exposure-based risks		
K-Factor	Requirement	The sum of (if applicable)
K-NPR (net position risk)	Every position which does not form part of a portfolio for which K-CMG permission has been granted	£nil***
K-CMG (clearing margin given)	Include positions within portfolios for which the firm has been granted a K-CMG permission	£nil***
K-TCD (trading counterparty default risk)	The sum of the TCD own funds requirement, where dealing on own account (for the client or the firm)	£nil***
K-CON (concentration risk)	Calculate an exposure value (EV) for each client or group of connected clients	£nil***

* *K- AUM is based on AUA (assets included under recurring provision of investment advice). AUM for Evenlode funds is nil because all of assets under management are delegated from other regulated entities.*

** *K-CMH and K-ASA are nil because the firm does not hold client money or client assets.*

*** *K-DTF, K-NPR, K-CMG, K-TCD and K-CON are nil because the firm does not deal on its own account.*

6.2 Overall financial adequacy rule

The firm must also meet the 'overall financial adequacy rule' as set out in MIFIDPRU 7.4.7. This rule states that a firm must, at all times, hold own funds and liquid assets which are adequate to ensure that:

- The firm is able to remain financially viable throughout the economic cycle, with the ability to address any material potential harm that may result from its ongoing activities.
- The firm's business can be wound down in an orderly manner, minimising harm to customers and other market participants.

Evenlode uses the ICARA process to identify its own funds and liquid assets requirements and whether it complies with the overall financial adequacy rule. Own funds and liquid assets are then monitored against the requirements on an ongoing basis.

6.3 ICARA process

The ICARA process involves business planning, budgeting, identification of material risks to ongoing operations, stress testing, recovery and wind-down planning and an assessment of financial resources (both own funds and liquid assets).

The ICARA is approved by the Board on at least an annual basis, or more frequently if there is a material change to business operations.

7. Remuneration policy and practices (MIFIDPRU 8.6)

7.1 Qualitative disclosures

Characteristics of the firm's Remuneration Policy and Practices

The objective of Evenlode's remuneration policies and practices is to attract, motivate and retain high quality staff whilst also establishing, implementing and maintaining a culture that is consistent with, and promotes, sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile of the firm and the services that it provides to its clients. The remuneration policies and practices are intended to support the firm's business strategy, long term interests and values, and to ensure that risk taking does not exceed the firm's tolerated level of risk.

The remuneration practices and policies are intended to:

- Promote sound risk management practices in alignment with the firm's risk management principles.
- Discourage risk taking that is inconsistent with the firm's risk appetite or risk management policies and principles.
- Control fixed costs by ensuring that remuneration expense varies according to profitability and does not place undue constraints on the firm's ability to maintain its capital base.
- Link remuneration to the firm's financial and operational performance as well as individual performance.
- Provide competitive, but not excessive, levels of remuneration compared to peer firms of appropriate size, scope, and complexity.
- Promote a positive culture towards risk management and compliance.

Governance and Oversight

The firm is required to implement and maintain remuneration policies, procedures and practices for all directors and employees that are consistent with and promote sound effective risk management.

Evenlode's Remuneration Committee oversees the setting and review of remuneration levels (fixed and variable). It is responsible for setting and overseeing the implementation of Evenlode's remuneration policy and is appropriately staffed to enable it to exercise competent and independent judgement on remuneration policies and practices and the incentives created for managing risk, capital, and liquidity. The Remuneration Committee comprises Executive and Non-Executive Directors, and an independent remuneration expert is consulted in the development of remuneration policies and practices.

Remuneration is set with reference to market rates following an annual benchmarking exercise and is set within the context of an operating plan which ensures any threats to capital adequacy, liquidity and solvency caused by excessive remuneration would be identified.

Link between pay and performance

Fixed Pay

Base salaries provide pre-determined, non-revocable compensation paid to individuals throughout the year, irrespective of firm or individual performance. Base salaries and benefits constitute a significant proportion of the firm's total remuneration. This fixed element is based on the professional experience and responsibility within the firm of an individual.

Basic fixed pay is set prior to the start of the calendar year by reference to market rates following an annual benchmarking exercise and factors in the level of seniority and performance of the individual. Basic pay is set at a sufficient level to allow for flexibility in awarding (or not awarding) variable pay.

In addition to a basic salary, staff are entitled to additional benefits following completion of three months' service including pension contributions, death in service cover, income protection, medical insurance and other wellbeing benefits.

Variable Pay

The firm runs a discretionary bonus scheme that is based on both the performance of the individual as well as the firm's underlying profitability. The bonus does not form part of individuals' contractual remuneration. Discretionary bonus levels are calculated later in the year once the performance of individuals and the company is known. There are no guaranteed bonuses and bonus payments may be zero (for example if the company is not profitable). The Remuneration Committee has the ability to adjust the discretionary bonus pool and individual payments.

The discretionary bonus scheme is operated to allow for meaningful rewards to be paid to staff whose performance during the year merits recognition, but within the context of an annual operating plan. All discretionary bonus amounts are linked to company profitability and performance against agreed objectives. When considering individual performance, the firm considers both financial and non-financial measures including the individual's performance and their broader contribution to the business. Non-financial measures can include measures relating to building and maintaining positive client relationships and outcomes, such as positive feedback, or performance in line with the firm's strategy or values, for example by displaying leadership, teamwork or creativity. The individual's conduct and ongoing fit and proper status and adherence to the firm's risk management and compliance policies are considered as part of the process.

All eligible staff are also entitled to distribution of company-wide profits under the firm's employee ownership scheme, with all staff receiving the same percentage of total earnings paid in the financial year that the profit share relates to. Annual profit share awards are considered in the final months of the year, when the anticipated outcome for the full financial year has become more predictable. As with discretionary bonuses, the profit share percentage is not guaranteed and may be zero.

The fixed and variable components of remuneration are appropriately balanced: the fixed component represents a sufficiently high proportion of the total remuneration to enable the operation of a fully flexible policy on variable remuneration. This allows for the possibility of paying no variable remuneration component, which the firm would do in certain situations, such as where the firm's profitability performance is constrained, where there is a risk that the firm may not be able to meet its capital or liquidity regulatory requirements in future, or where the firm chooses not to pay variable remuneration for another reason.

Material Risk Takers

Under the MIFIDPRU Remuneration Code, Evenlode is required to identify staff whose professional activities have a material impact on the risk profile of the firm or of the assets the firm manages, referred to as 'material risk takers'.

The table below is to disclose the types of staff identified as material risk takers as at 31 December 2025.

Type of staff identified as material risk takers	Number of material risk takers identified	Criteria other than in SYSC 19.5.3 used to identify material risk takers
Executive Directors	4	N/A
Portfolio Managers (who are not Executive Directors) and Deputy Portfolio Managers	5	N/A
Management Team Members (who are not Executive Directors, Portfolio Managers or Deputy Portfolio Managers)	5	N/A
Others	2	N/A

Discretionary bonus payments are structured to reward long term observance to the firm's values and for material risk takers, 40% of discretionary bonuses are deferred over a three-year period. The value of the bonus deferrals (paid in cash) is also linked to an independent valuation of the company's equity. For the year ended 31 December 2025 all variable remuneration was paid in cash and deferred cash.

Risk adjustment and variable remuneration

The firm can use clawbacks and malus on variable remuneration paid to mitigate against the risk of misconduct, poor performance or a decrease in profits. In determining whether to apply malus or clawback provisions or adjustments, the firm will consider the following circumstances:

- Where the employee received the award based on materially inaccurate audited publicly reported financial statements.
- Where the employee knowingly engaged in providing materially inaccurate information relating to audited publicly reported financial statements.
- Where the employee materially violated any risk limits established or revised by senior management and/or risk management.
- Where the employee engaged in gross misconduct.
- Where an employee failed to comply with their obligations or has engaged in behaviour or misconduct that breaches their obligations.
- Where the employee engaged in behaviour constituting misconduct or exercised materially imprudent judgement that caused harm to any of the firm's business operations, or that resulted or could result in regulatory sanctions.
- Where the employee failed to supervise or monitor individuals engaging in, or failed properly to escalate behaviour constituting, misconduct (whether or not gross misconduct) in accordance with the firm's policies regarding the reporting of misconduct.
- Where the employee failed to supervise or monitor individuals engaging in, or failed properly to escalate, behaviour that resulted or could result in regulatory sanctions.

Guaranteed variable remuneration

Practices on guaranteed variable remuneration, sometimes referred to as a 'sign-on bonus', are defined in the remuneration policy. Although the firm recognises that guaranteed variable remuneration can be used to compensate new members of staff who have lost the opportunity to receive variable remuneration from their previous employer, the firm would only offer it in exceptional circumstances, and would consider the merits on a case-by-case basis. Any guaranteed remuneration awards would need to be approved by the Remuneration Committee.

Severance pay

Procedures for the payment of severance are outlined in the firm's remuneration policy. The amount of any severance will be assessed on a case-by-case basis, but will include consideration of the length of service, regular salary and reasons for dismissal. Whenever severance relates to the early termination of an employment contract, the payment will reflect the individual's performance, to ensure failure, or misconduct are not rewarded.

Remuneration components

All components of remuneration are categorised as either fixed or variable	
Fixed	**Variable**
Salary	Discretionary bonus
Pension benefits	Profit Share
Death in Service cover	
Income Protection	
Medical Insurance	

7.2 Quantitative disclosures

Total Remuneration				
Remuneration Type	**Senior Management**	**Other Material Risk Takers**	**Other staff**	**Total**
Fixed remuneration	£3,017k	£1,220k	£1,803k	£6,040k
Variable remuneration	£6,214k	£1,474k	£867k	£8,555k
Total	**£9,231k**	**£2,694k**	**£2,670k**	**£14,595k**

Guaranteed Variable Remuneration	
Total amount during the financial year	**Number of material risk takers receiving awards**
£nil	nil

Severance Payments	
Total amount during the financial year	**Number of material risk takers receiving awards**
£nil	nil

The firm did not make any guaranteed variable remuneration payments or severance payments to any individual material risk takers in the financial year.

8 Investment policy (MIFIDPRU 8.7)

The firm is not required to disclose voting behaviour as it does not meet the thresholds in MIFIDPRU 7.1.4.