1. Introduction

Aspect Capital Limited (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 is also an AIFM but has completed this document in respect of its MiFID business only.

The Firm's governing body is its Governance Board (the "**Management Body**").

Under the FCA Rules (specifically Chapter 8 of MIFIFDPRU), 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.

2. Significant changes since last disclosure period

This is the Firm's first disclosure under the Pillar 3 disclosure requirements under MIFIDPRU 8. As such, there have been no significant changes to the information disclosed since the Firm's last disclosure period.

3. Commitment to the UK Stewardship Code

Under Rule 2.2.3R of the FCA's Conduct of Business Sourcebook, the Firm is required to disclose the nature of its commitment to the UK Financial Reporting Council's Stewardship Code (the "**Code**") or, where it does not commit to the Code, its alternative investment strategy. The Firm pursues systematic, quantitative investment strategies that do not invest in companies with the intention of taking any activist role or any form of controlling interest, nor does the Firm consider that investors in its strategies would expect such engagement. Consequently, while the Firm supports the objectives that underlie the Code, the provisions of the Code are not relevant to the type of investment currently undertaken by the Firm. If the Firm's investment strategies change in such a manner that the provisions of the Code become relevant, the Firm will amend this disclosure accordingly.

4. Risk Management objectives and policies

4.1. Principal Activities

Research is a vital part of the Firm's investment process, and considerable resources are devoted to enhancing existing strategies and developing new models for all of the Firm's investment programmes. The aim is to deliver ongoing enhancements to each programme, with updates being introduced into live trading periodically.

As well as day to day portfolio management responsibility for the relevant programme, the Firm's portfolio managers are responsible for setting the programme's research agenda in conjunction with the Firm's Investment Committee ("**IC**"). The permanent IC members are the Chief Executive Officer (who chairs the committee), the Research Director and the Director of Risk, and they are joined by the relevant portfolio manager(s) for the programme in question.

The research process continues even after a project has been introduced to live trading, with ongoing monitoring of each strategy's live performance and behaviour relative to the range of expectations from the original research. This monitoring is formally reviewed on an ongoing basis by the investment teams and the IC, and any unexpected behaviour triggers a research review.

4.2. Risk Approach

In pursuing the strategy above, the activities of the Firm will give rise to certain risks which carry a potential for harm. Below we have set out 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. We have also set out a summary of the strategies and processes used to manage each of these categories of risk.

The Governance Board approve the Firm's risk appetite statement at least annually. There is a separate assessment (on a qualitative scale) for the risk appetite for credit risk, market risk and business risk, and then a more granular assessment of the key operational risks on a risk-by-risk basis.

The Firm is committed to a programme of continuous improvement and as such the risk framework is regularly reviewed in order to identify areas of further enhancement. The risk management framework includes risk assessment at the Governance Board Level, the Executive Board and Senior Management Level, and also via the scrutiny of two key committees: The IC and the Operational Risk Committee ("**ORC**"). The Director of Operational Risk, in conjunction with senior managers, ensures a comprehensive risk identification process is in place to identify all material operational risks. This process is on-going and is overseen by the ORC and ultimately the Governance Board.

4.3. Risks Related to the Firm's Own Funds Requirement

The Firm has identified the following business risks of harm relating to its strategy which relate to, and are intended to be addressed by, the Firm's Own Funds obligations:

- Poor absolute / relative performance;
- Significant net redemptions reducing AUM; and/or
- Reduced fee yield.

In determining the Own Funds Threshold Requirement (Pillar 2) and applying the overall financial adequacy rule, the Firm has assessed Operational and Business Risks by designing severe but plausible stress test scenarios. The Firm has modelled the effect of these scenarios on the capital planning forecasts and in turn assessed if additional capital is required, taking into account mitigating controls.

The Firm aims to mitigate Operational Risk through its investment in systems, controls and governance which is evidenced by the Firm's high fixed overhead requirement. Capital would only be used as a last resort. While insurance coverage is in place, it is not relied upon.

The Firm's risk management objective is to manage and ultimately eliminate all material Operational Risks while also ensuring the Firm has adequate capital resources in order to mitigate the impact of significant and multi-dimensional operational and Business Risk scenarios. It is noted that the Business Risk scenarios also represent the most material commercial consequences of significant Operational Risk failings.

The Firm aims to mitigate the above 3 risks primarily by investing heavily in Research and Development. This is evidenced by 85 of the 131 staff being employed in this area (as of 30th June 2023).

4.4. Concentration Risk

The Firm manages concentration risks arising from its strategy, which relate to the Firm's relationships with, or direct exposure to, a single client / counterparty or group of connected clients / counterparties in the following ways:

- The nature of the Firm's counterparties means the Firm has had no bad debt write offs in the last 5 years. The inherent risk in this area is low.
- The Firm has some concentration risk, with the majority of assets under management coming from the top 10 investors. However, a number of these large relationships are with distribution partners which represent multiple underlying investors. There are a broad range of investors beyond the largest few, and most of the Firm's largest investors have long-standing relationships with the Firm and have demonstrated their commitment to the Firm over a number of years.
- Firm assets are split between EMEA, North America and the Asia Pacific. The geographical diversification illustrated here may provide some protection against high levels of redemptions during stressed market conditions.
- The Firm places a significant focus on exposure to banks and as such the Firm requires all cash balances to be deposited with a range of banks or preapproved money market funds all of which have high credit ratings (Investment grade or above). The Firm has a policy to reset all exposures each month end so that no more than 40% of corporate cash is held at any one bank or 50% in any one money market fund. The US money market funds invest in US Treasury Debt whilst the Sterling money market funds invest in UK gilts. Finally, the Firm has an active Counterparty and Valuations Committee which is responsible for the management of counterparty risk and relationships.

4.5. Liquidity Risk

The Firm has always taken a very conservative approach regarding liquidity and specifically the ability to settle all obligations as they come due, even in distressed circumstances. The majority of assets are held in the form of short-term cash deposits, while the largest obligations relate to longer term employee schemes. The Firm considers its balance sheet structure to be robust and highly liquid.

5. Governance Arrangements

5.1. Oversight of Governance Arrangements by the Management Body

The Firm, as a MIFIDPRU Investment Firm, is subject to the organisational requirements in 4.3A.1 R of the Senior Management Arrangements, Systems and Controls Sourcebook of the FCA Handbook ("SYSC").

Under SYSC 4.3A.1 R, the Firm must ensure that the Management Body 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.

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 Management Body are selected based primarily on the following criteria:

- reputation within the market;
- the possession of the necessary knowledge, skills and experience to perform the relevant duties;
- whether their addition will complement the Management Body’s collective knowledge, skills and experience in relation to the Firm's activities, including the main risks it faces; and/or
- diversity of viewpoints, backgrounds, experiences, and other demographics.

As part of the Firm’s governance arrangements and structure, the Management Body 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 ensuring that there is 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 Management Body 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:

- the adoption, and regular review, by the Management Body 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
- 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.

All relevant staff report to the Management Body (either directly or to individuals who, in turn, report to the Management Body). The Management Body operates under a set of Terms of Reference which provide for certain decisions to be reserved to it. The Management Body meets at least quarterly 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 Management Body, the Management Body:

- 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 and compliance with applicable regulations;
- oversees the process of public disclosure 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 Management Body 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.

5.2. Directorships

The table below sets out how many directorships each member of the Management Body holds, broken down into executive and non-executive directorships.

The table below does not include, in respect of each member of the Management Body:

- any directorships the member holds in an organisation which does not pursue a predominantly commercial objective (for example, a charitable organisation or a company that has been established to own the freehold to a building in which the member lives);
- separate directorships held for multiple entities within the same group (all such directorships are accounted as a single directorship for the purposes of the table below); or
- separate directorships in undertakings in which the Firm holds a qualifying holding.

Member of the Management Body	Number of executive Directorships	Number of non-executive Directorships	Total number of directorships
Anthony Todd	1	0	1
Martin Lueck	1	1	2
Rosie Reynolds[1]	1	3	4
Kenneth Hope	1	0	1
Kevin Carter	0	4	4

The Firm has in recent times been defined as a significant SYSC firm (as defined in the FCA Handbook). As such, it is subject to SYSC 4.3A.6 R, which limits the directorships a member of the Management Body can hold (at any one time) to no more than one of the following combinations of directorships:

- one executive directorship with two non-executive directorships; or
- four non-executive directorships.

5.3. Risk Committee

The Firm is not currently required to establish a risk committee, but has elected to establish both an IC and an ORC.

5.4. Diversity Policy

In accordance with SYSC 4.3A.10 R, the Firm maintains a policy for promoting diversity on the Management Body. The Firm believes that diversity drives innovation and that having a diverse workforce leads to better outcomes for our investors, our people and our business. The Firm is committed to providing a collegiate, equitable and ambitious working environment in which we treat each other with respect, provide equal opportunities to all and reward

1 On 7th June 2023, the Firm submitted an application to the FCA to request a modification to rule SYSC 4.3A.6 R to allow Rosie Reynolds to hold one additional non-executive directorship. This application is still being processed by the FCA.

achievement fairly, regardless of gender, race, religious belief, age, disability, sexual orientation or social background. The Firm's DE&I Policy does not contain any targets.

6. Own Funds and Own Funds Requirement

6.1. Own Funds

The Firm is subject to the disclosure requirements stipulated in MIFIDPRU 8.4.1 R. As such, the tables below set out:

- 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);
- 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
- 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.

Please see the tables below which set out the disclosures of regulatory own fund composition:

Item		Amount (GBP thousands)	Source based on reference numbers/letters of the balance sheet in the audited financial statements
1	**OWN FUNDS**	155,208	
2	**TIER 1 CAPITAL**	155,208	
3	**COMMON EQUITY TIER 1 CAPITAL**	155,208	
4	Fully paid up capital instruments	16	Balance sheet – capital and reserves
5	Share premium	22,414	Balance sheet – capital and reserves
6	Retained earnings	146,243	Balance sheet – capital and reserves
7	Accumulated other comprehensive income	-	
8	Other reserves	368	Balance sheet – capital and reserves
9	Adjustments to CET1 due to prudential filters	-	n/a
10	Other funds	-	n/a

Item		Amount (GBP thousands)	Source based on reference numbers/letters of the balance sheet in the audited financial statements
11	(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	-13,833	
19	CET1: Other capital elements, deductions and adjustments	-	n/a
20	**ADDITIONAL TIER 1 CAPITAL**	-	n/a
21	Fully paid up, directly issued capital instruments	-	n/a
22	Share premium	-	n/a
23	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1	-	n/a
24	Additional Tier 1: Other capital elements, deductions and adjustments	-	n/a
25	**TIER 2 CAPITAL**	-	n/a
26	Fully paid up, directly issued capital instruments	-	n/a
27	Share premium	-	n/a
28	(-) TOTAL DEDUCTIONS FROM TIER 2	-	n/a
29	Tier 2: Other capital elements, deductions and adjustments	-	n/a

B. Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements				
		a - Balance sheet as in published/audited financial statements (GBP thousands) As at period end	b - Under regulatory scope of consolidation As at period end	c - Cross-reference to template OF1
Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements				
1	Property, plant and equipment	953	n/a	
2	Financial assets - investments	103	n/a	
3	Trade debtors & other receivables	129,643	n/a	
4	Cash and cash equivalents	54,295	n/a	
5	Financial assets at fair value through profit or loss	56,066	n/a	
	Total Assets	241,060	n/a	
Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements				
1	Trade creditors and accruals	-71,286	n/a	
2	Other creditors and accruals due after more than 1 year	-14,463	n/a	
	Total Liabilities	-85,749	n/a	
Shareholders' Equity				
1	Called-up share capital	16	n/a	
2	Share premium	22,414	n/a	
3	Other reserves	-13,362	n/a	
4	Profit and loss account	146,243	n/a	
	Total Shareholders' equity	155,311	n/a	

C. Own funds: main features of own Instruments issued by the Firm
Share capital consists of 15,976,338 allotted, called up and fully paid ordinary shares of £0.001 each. In addition, there are 26,608 ordinary shares of £0.001 each which are allotted, called up and partly paid.

6.2. Own Funds Requirements

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

K-Factor Requirement **(calculated by the Firm in accordance with MIFIDPRU 4.6)**	The Firm's K-Factor Requirement is: **1,183**	The Firm's K-Factor Requirement can be further broken down as follows:
		the sum of: the K-AUM requirement; the K-CMH requirement; and the K-ASA requirement, which is: **796**
		the sum of: the K-COH requirement; and the K-DTF requirement. which is: **387**
		the sum of: 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: **6,614**	

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.

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.

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.

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).

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.

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.

7. Remuneration policy and practices

7.1. Qualitative disclosures

The Firm's approach to staff remuneration 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 regards to the areas of risk, compliance, control, conduct and 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.

- **Main performance objectives**: The Firm's main performance objectives relating to the remuneration of staff is as follows:

  <u>Financial performance objectives</u>:

  The Board monitors a wide range of performance indicators on a regular basis. Some of the more important of these measures are:

- Competitive performance of our programmes;
- Assets under management; and
- Profit before tax.

Non-financial performance objectives:

- Continue to drive forward our DEI/CSR/ESG/Employee Wellbeing initiatives to ensure that we remain at the forefront of industry best practice from the perspective of our investors and employees.

- **Categories of staff eligible to receive variable remuneration**: All staff are eligible to receive variable remuneration.

As indicated above, the Firm's objective in using financial incentives with its 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.

The below is a summary of 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 Management Body has adopted remuneration policies and practices in line with the rules and guidance laid down by the FCA and the MIFIDRU Remuneration Code, and is responsible for the implementation of such policies and practices. Although the Firm is not a "large SNI-firm" and is therefore not required to establish a remuneration committee, the Firm has established a remuneration committee (the "**RemCo**") as a matter of good practice and pursuant to SYSC 19G.7.1(2) G. The RemCo is made up of the Non-Executive Director, the Chief Executive Officer and the Research Director. The Firm's RemCo oversees the implementation of the remuneration policies and practices adopted by the Management Body.
- The Management Body periodically reviews the Firm's policies (at least annually) in accordance with the guidance and rules in SYSC 19G.3 (with appropriate input from the Firm's control functions).
- The Management Body ensures that the Firm, at least annually, conducts a central and independent internal review of whether the implementation of its remuneration policies and practices complies with the remuneration policy and practices adopted by the Management Body.
- Additionally, the Management Body has delegated certain other responsibilities in respect of employee remuneration to its Organisational Development ("**OD**") team.

7.2. Material Risk Takers ("MRTs")

The Firm follows SYSC 19G.5 and broadly identifies the following groups of employees as MRTs based on qualitative criteria (related to the role and decision making authority of employees) and quantitative criteria (related to the level of total gross remuneration):

- Members of the Executive Board;
- Permanent members of the IC; and
- Staff members responsible for the prevention of money laundering and terrorist financing.

The Firm maintains a separate framework for the identification of MRTs which is reviewed annually.

7.3. Key Characteristics of the Firm's Remuneration Policies and Practices

Fixed	Variable
Salary	Discretionary bonus
Pension contributions	Incentive scheme awards, including: - MIS awards - Approved and unapproved option plan awards
Benefits – private medical insurance, life assurance cover, income protection cover, educational assistance, electric vehicle scheme, childcare vouchers and interest-free season ticket loans, etc.	Guaranteed variable remuneration, retention awards, severance pay and buy-outs
	Shadow dividends, including those payable on EPS, and dividends paid on unvested shares.

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	Financial performance criteria: Gross Revenue Fund performance
		Non-financial performance criteria: Achievement of strategic goals Compliance related performance
	Performance criteria used in relation to the Firm's business units	Financial performance criteria: Attributable revenue generation Expense management
		Non-financial performance criteria: Risk mitigation Strategic goals
		Financial performance criteria: Attributable revenue generation

	Performance criteria used in relation to the Individuals	Business development criteria
		Non-financial performance criteria: Client feedback Performance in line with the Firm's strategy Adherence to the Firm's compliance and risk management policies Achieving targets relating to ESG and D&I Demonstrating the Firm's cultural values

7.4. 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	The Firm applies ex ante risk adjustments to variable remuneration at all levels.
Criteria considered when applying ex ante adjustments	The criteria that the Firm will take into consideration when applying ex ante adjustments to variable remuneration include: • the Firm's economic capital; • the Firm's economic profit;

Manner of application	The Firm applies ex ante risk adjustments to variable remuneration at all levels.
	• the cost and quantity of the capital required for the risks of the Firm's activities; • the cost and quantity of the Firm's liquidity risk; • the Firm's indirect liquidity costs (e.g. mismatch liquidity costs, cost of contingent liquidity risk and other liquidity risk exposures); • compliance breaches; • risk limit breaches; and • internal control indicators (based on internal audit results).

Ex post risk adjustment

Manner of application	The Firm applies ex post risk adjustments to variable remuneration at an individual level for MRTs. 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: • where the staff member participated in or was responsible for conduct which resulted in significant losses to the firm; • where the staff member failed to meet appropriate standards of fitness and propriety; and/or • in cases of fraud or other conduct with intent or severe negligence by the staff member which lead to significant losses to the Firm.

7.5. Guaranteed Variable Remuneration

In exceptional and justified circumstances, the Firm may award guaranteed variable compensation, granted as part of a contractual obligation. Guarantees, that are subject to appropriate level of approvals, are limited for the first year of employment only 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 Firm having a strong capital base and an individual's adherence to firm's policies and procedures and is subject to minimum conditions, such as that the employment is not terminated or notice is given and employee is not subject to a disciplinary sanction. The Firm does not award multi-year guarantees to any employees. Guaranteed compensation arrangements to existing employees are prohibited.

7.6. Severance Payments

In certain circumstances, severance payments may be made. In such circumstances, severance pay is determined on a case-by-case basis, at the Firm's absolute discretion and involves input from the Legal, OD and Compliance departments. Additionally, the advice of external counsel is sought to ensure any severance payment is sound.

7.7. Quantitative disclosures

The total number of MRTs identified by the Firm under SYSC 19G.5 was: 6.

Remuneration paid or awarded for the financial year ended 2022 comprised fixed remuneration (salaries, allowances and director fees) and variable remuneration. The following tables show aggregate quantitative remuneration information for the Firm's "Senior Management", "Other Material Risk Takers" and "Other Staff" according to the following definitions:

- **Senior Management**: those persons at the Firm who exercise executive functions and who are responsible and accountable to the Management Body for the day-to-day management of the Firm;
- **Other MRTs**: other employees whose activities have a material impact on the risk profile of the Firm and have been classified as MRTs; and
- **Other Staff**: other employees whose activities are not deemed to have a material impact on the risk profile of the Firm and have not been classified as MRTs.

Disclosures required under MIFIDPRU 8.6.8R (4) and (5)(a) and (b)	
Disclosures required under MIFIDPRU 8.6.8R (4)	
	Senior Management
2022 Total remuneration awarded to Senior Management and Other MRTs	17,416,006
2022 Fixed remuneration awarded to Senior Management and Other MRTs	1,279,992
2022 Variable remuneration awarded to Senior Management and Other MRTs	16,136,014
Disclosures required under MIFIDPRU 8.6.8R (5)(a)	
	Senior Management
2022 Number of Senior Management that received guaranteed variable remuneration awards and Other MRTs	Nil
2022 Total amount of guaranteed variable remuneration awards made to Senior Management and Other MRTs	Nil
Disclosures required under MIFIDPRU 8.6.8R (5)(b)	
	Senior Management

Disclosures required under MIFIDPRU 8.6.8R (4) and (5)(a) and (b)	
2022 Number of Senior Management that received severance payment awards and Other MRTs	Nil
2022 Total amount of severance payment awards made to Senior Management and Other MRTs	Nil

Disclosures required under MIFIDPRRU 8.6.8R(4) – Other Staff	
2022 Total remuneration awarded to Other Staff	46,253,948
2022 Fixed remuneration awarded to Other Staff	12,299,773
2022 Variable remuneration awarded to Other Staff	33,954,175

Disclosures required under MIFIDPRRU 8.6.8R(5)(c) – Senior Management and Other MRTs	
2022 Highest severance payment awarded to an individual classified as Senior Management	Nil
2022 Highest severance payment awarded to an individual classified as an Other MRT	Nil

In relation to the above Quantitative disclosures, the Firm has relied on the exemption in MIFIDPRU 8.6.8R (7) such that it has aggregated information in relation to

- MIFIDPRU 8.6.8R (4)
- MIFIDPRU 8.6.8R(5)(a)
- MIFIDPRU 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 MRTs at the Firm or the disclosure of information that could be associated with an individual MRT at the Firm.