



Capricorn Private Investments Limited

MiFIDPRU 8 DISCLOSURE

30th June 2025

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1. INTRODUCTION

Objective

- 1.1** This disclosure statement has been prepared by Capricorn Private Investments Limited (“CPI”) in order to fulfil the regulatory disclosure requirements set out by the Financial Conduct Authority (“FCA”) in the Prudential sourcebook for MiFID Investment Firms (“MiFIDPRU”) Chapter 8.
- 1.2** In January 2022, the FCA introduced the Investment Firms Prudential Regime (“IFPR”), a new regime for UK firms authorised under the Markets in Financial Instruments Directive (“MiFID”). The regulation that formalises this regime is called MiFIDPRU.
- 1.3** CPI was incorporated with limited liability in England and Wales on 8 April 2016. Since 27th March 2023, CPI is authorized and regulated by the Financial Conduct Authority (the “FCA”) with Firm reference number 973321. CPI acts as an investment advisor and investment manager.
- 1.4** CPI is categorised under MiFIDPRU as a non-small and non-interconnected MiFIDPRU Investment Firm (“**Non-SNI MiFIDPRU investment firm**”) by the FCA for capital purposes but is not a significant SYSC Firm. CPI reports on a solo basis and also as part of a group which comprises CPI and its parent company Capricorn Capital Partners UK Limited (‘CCPU’). CPI’s MiFIDPRU 8 disclosure fulfils CPI’s obligation to disclose information in the following areas:
- Risk management objectives and policies
 - Governance arrangements
 - Own funds
 - Own funds requirement
 - Remuneration policies and practices
- 1.5** The purpose of these disclosures is to give stakeholders and market participants insight into CPI’s culture, while the data on CPI’s own funds and own funds requirements allows potential investors to assess CPI’s financial strength.
- 1.6** In making the qualitative elements of this disclosure, CPI is required to provide a level of detail that is appropriate to CPI’s size and internal organisation, and to the nature, scope and complexity of its activities.
- 1.7** This is the first disclosure since CPI became a Non-SNI MiFIDPRU investment firm.

Basis of Disclosure

- 1.8** These disclosures have been prepared by CPI in accordance with the requirements set out in MiFIDPRU 8 and have been verified by the Board. This disclosure is prepared on an individual basis and relates to CPI (FCA Firm Reference Number: 973321).
- 1.9** As CPI has no trading book or derivatives business and the rolling average value of the firm’s on and off-balance sheet items over the preceding two-year period is below £300 million, CPI meets the conditions in MiFIDPRU 7.1.4R(1) and SYSC 19G.1.1R(2). Consequently, reduced disclosure requirements apply to CPI in relation to remuneration policy and practices (MiFIDPRU 8.6) and the firm is not required to make investment policy disclosures (MiFIDPRU 8.7).

Frequency of Disclosure

- 1.10** Unless otherwise stated, all figures are as at 30 June 2025, CPI’s financial year end.

- 1.11** CPI completes its MiFIDPRU 8 disclosures on an annual basis shortly after the date that CPI publishes its annual financial statements. If required, the disclosures will be made more frequently if there is a major change to the firm's business model.

Approval and publication

- 1.12** This document is prepared by the Compliance Officer and is reviewed and approved in order to ensure compliance with the regulatory requirements stated within MiFIDPRU 8. The document is reviewed and challenged by CPI's Board prior to the publication of the document. This disclosure has been approved by the CPI Board and is published on the CPI website (www.cpi-ltd.com).
- 1.13** The disclosures are not subject to any independent external audit and will only be subject to external verification to the extent that they are equivalent to those taken from the audited financial statements. They do not constitute financial statements and should not be relied upon by making judgements about CPI.

2. STRUCTURE AND OPERATING MODEL

- 2.1** CPI was established in 2016 and is an investment management and advisory firm focused on acting as an outsourced investment partner to a select group of entrepreneurs and their families, both in a discretionary and advisory capacity. CPI's principal purpose is to provide investment advice and discretionary management services to third party clients.
- 2.2** CPI's shareholders are Capricorn Capital Partners UK Limited ("CCPU") and the senior management team. It is ultimately controlled by Capricorn Capital Cinque Trust ("CCCT") and is part of the group of companies that operate under the Capricorn brand, the "Capricorn Group".
- 2.3** To enable CPI to provide the contracted services to its clients, it is authorised by the FCA to undertake the following activities:
- Advising on investments (except on Pension Transfers and Pension Opt Outs);
 - Arranging (bringing about) deals in investments;
 - Arranging safeguarding and administration of assets;
 - Dealing in investments as agent;
 - Making arrangements with a view to transactions in investments;
 - Managing investments; and,
 - Agreeing to carry on a regulated activity

3. GOVERNANCE ARRANGEMENTS (MiFIDPRU 8.3)

Overview

- 3.1** CPI management believe that effective governance arrangements assist CPI achieve its strategic objectives while also ensuring that the risks to CPI, its stakeholders and the wider market are identified, managed, and mitigated.
- 3.2** Business and management matters are considered by the Board of Directors.

Governing body

- 3.3** The Board is the governing body of CPI and has overall responsibility for CPI. The Board approves and oversees implementation of the firm's strategic objectives, risk strategy, and internal governance arrangements including, but not limited to, segregation of duties in the organisation and the prevention and management of conflicts of interest in a manner that promotes integrity of the markets and the interests of clients.

- 3.4** In order to fulfil its responsibilities, the board of CPI, has quarterly meetings which are attended by the directors of CPI. Among other things, the Board approves, oversees, and periodically reviews the implementation of CPI’s strategic objectives and risk appetite; has responsibility for CPI’s disclosures and communications; ensures the integrity of CPI’s accounting and financial reporting systems, including financial and operational controls and compliance with the regulatory system; and assesses the adequacy of policies relating to the provision of services to clients.
- 3.5** A key document that is reviewed, discussed, and ratified by Management at least annually is the Senior Management Systems and Controls Document (“SYSC Document”), as this demonstrates how CPI has met its obligations with regard to its governance arrangements. The SYSC Document provides Management with information on the functioning and performance of all aspects of CPI, including the following areas:
- General organizational requirements, including steps taken by CPI to ensure continuity and regularity in the performance of its regulated activities, and CPI’s accounting policies.
 - Employees, including steps taken by CPI to ensure that employees have the necessary skills, knowledge, and expertise for the discharge of the responsibilities allocated to them, and to ensure that they are fit and proper persons.
 - Policies, procedures, and controls for meeting its compliance and financial crime requirements.
 - Internal capital adequacy and risk assessment process.
 - Outsourcing of critical or material operating functions or activities.
 - Record-keeping controls and arrangements.
 - Conflicts of interest management.
 - Remuneration policies and practices; and
 - Whistleblowing controls.
- 3.6** CPI’s governance arrangements ensure that the effective and prudent management of CPI is prioritised. This is both with respect to the composition of the governing body itself and with respect to CPI’s overall structure, including the segregation of duties within the wider organisation.
- 3.7** CPI maintains conflicts of interest procedures and processes. This includes the identification, managing and monitoring of potential or actual conflicts under the overall supervision of the governing body. CPI emphasizes the need to prioritise the interests of its clients and to resolve potential or actual conflicts between clients.
- 3.8** CPI’s Internal Capital Adequacy and Risk Assessment (“ICARA”) process assists CPI in determining its material harms, including those affecting its clients and the integrity of the market. CPI’s governing body reviews the ICARA at least annually.
- 3.9** The table below outlines the composition of the Board, including the number of directorships held by each member in external organizations that pursue predominantly commercial objectives (executive and non-executive), as at 30 June 2025.

External Directorships

- 3.10** The number of external directorships held by the members of CPI’s Board are as follows¹:

Management body member	Executive directorships	Non-executive directorships
<i>Manoj Soni</i>	<i>1</i>	<i>0</i>
<i>Gwilym Thomas</i>	<i>1</i>	<i>0</i>

¹ This excludes: (a) executive and non-executive directorships held in organisations which do not pursue predominantly commercial objectives; and (b) executive and non-executive directorships held within the same group or within an undertaking (including a *non-financial sector entity*) in which the *firm* holds a *qualifying holding*.

Management body member	Executive directorships	Non-executive directorships
<i>Robert Gottlieb</i>	<i>1</i>	<i>[10]</i>
<i>Stuart Dixon</i>	<i>1</i>	<i>2</i>

Investment committee

3.11 The investment committee comprises the executive management with other staff invited on an ad-hoc basis depending on the subject matter being considered. This committee reports to the Board as appropriate and considers inter alia:

- The investment managers and their performance and appropriateness for the clients;
- Performance and structure of the client portfolios, ensuring the portfolio continues to meet the agreed mandate and is tracking close to the agreed benchmarks;
- Day to day operational issues; and,
- Work flows and allocations between personnel.

Risk Committee

3.12 CPI is not subject to a mandatory requirement to put in place a risk committee, per MiFIDPRU 7.3.1.

3.13 Notwithstanding this, CPI ensures that risk management is embedded into its culture and its overall systems and controls framework.

Diversity

3.14 CPI's diversity policy aims to reflect CPI's values and inclusivity at all levels within the organisation, including the management body.

3.15 When appointing members of the management body, CPI adopts the following guidelines:

- The appointment process is based on the principles of fairness, respect and inclusion
- Appointments are made on the basis of individual competence, skills and expertise
- The selection process gives due consideration to candidate suitability without bias with respect to personal factors such as education, professional background, ethnicity, age, disability, sexual orientation, socio-economic status or geographic location.

3.16 As a small organisation with a small number of individuals comprising the management body, CPI does not have any diversity 'targets' as such. However, CPI is satisfied that its practices with respect to management appointments are consistent with the objectives stated above.

4. RISK MANAGEMENT OBJECTIVES AND POLICIES (MiFIDPRU 8.2)

4.1 This section describes CPI's risk management objectives and policies for the categories of risk addressed by the requirements of CPI in the following areas:

- Own funds
- Concentration risk
- Liquidity

Statement of Risk Appetite

- 4.2** Capricorn has adopted a conservative risk appetite to maintain a strong capital position throughout all market cycles with strong liquidity and an appropriate capital structure. As part of the Capricorn Group, CPI has also adopted a conservative risk appetite, maintaining a strong capital position at all times. The Capricorn Group operates conservatively, ensuring that both funding into CPI and dividends distributed from CPI are managed in a way that maintains sufficient working capital and regulatory capital for CPI. CPI reviews its risks and corresponding controls to ensure that residual risks are adequately mitigated and monitored appropriately. CPI is committed to ensuring its business activities are conducted with a clear understanding of the risks, to maintaining a robust risk management framework, ensuring transparent disclosure, treating its clients fairly, and to meet the expectations of major stakeholders.

Risk Management

- 4.3** CPI has established a risk management process in order to ensure that it has effective systems and controls in place to identify, monitor and manage risks arising in the business. Risk management for CPI is the responsibility of the Board. The CEO and CIO together have overall responsibility for the establishment and maintenance of internal controls and risk management for the business. They are supported on compliance and regulatory matters by the Compliance Officer.
- 4.4** The board of CPI typically holds quarterly meetings. These meetings cover, where appropriate, an update on operational matters as well as a risk update. Due to the nature, size, and complexity of CPI, CPI does not have separate and independent risk or nomination committees.
- 4.5** CPI is subject to ICARA (Internal Capital Adequacy and Risk Assessment) process requirements. The purpose of the ICARA process is to ensure that CPI:
- Has appropriate systems and controls in place to identify, monitor and, where proportionate, reduce all potential material harms; and
 - Holds financial resources that are adequate for the business it undertakes.

As part of the ICARA process, CPI sets out its risk management processes including an analysis of the effectiveness of its risk management processes.

Risk Categories and Analysis

Own Funds Requirement

- 4.6** CPI is required to maintain own funds that are at least equal to CPI's own funds requirement. The own funds requirement is the higher of CPI's:
- Permanent minimum capital requirement ("PMR"): The level of own funds required to operate at all times. Based on the MiFID investment services and activities that CPI currently has permission to undertake this is set at £75,000;
 - Fixed overhead requirement ("FOR"), an amount equal to one quarter of the firm's relevant expenditure during the preceding year: or,
 - K-score based on assets under management.
- 4.7** CPI's own funds requirement is currently set by its FOR, as this is the highest of the three metrics. The potential for harm associated with CPI's business strategy, based on CPI's own funds requirement, is low. This is due to the relatively consistent and stable growth in CPI's revenues and asset base. A method adopted by CPI to manage the risk of breach of CPI's own funds requirement is the maintenance of a healthy own funds surplus above the own funds requirement. In the event that CPI's own funds drop to an amount equal to 110% of CPI's own funds threshold requirement, CPI will immediately notify the Board, as well as the regulator. The Board will consider the necessary steps required in order to increase the own funds buffer; this may include injecting more own funds into CPI.

Concentration Risk

- 4.8** CPI considers its concentration risk to be acceptable given the stability of fee income from its external clients. The lifespans of the client relationships vary but CPI aims to achieve a long term contracted period. CPI monitors its concentration risk to individual clients on an ongoing basis through, among others, sound administrative and accounting procedures and robust internal control mechanisms such as stress tests, ensuring it has the appropriate operating model for the services provided.

Liquidity Risk

- 4.9** The potential for harm associated with CPI's business strategy, based on CPI's liquid asset requirement, is low. To calculate CPI's liquid asset threshold requirements, CPI identifies and measures the risk of harm applicable to CPI and its business strategy and considers these risks with regard to its ongoing operations and from a wind-down perspective. CPI then determines the extent to which the systems and controls in place mitigate CPI's risks and the potential for a disorderly winddown and thereby determines the appropriate amount of additional own funds and liquid assets required to cover the residual risks. CPI retains an amount it considers suitable for providing sufficient liquidity to meet the working capital requirements under various conditions. CPI has always had sufficient liquidity within the business to meet its obligations and there are no perceived threats to this given the cash deposits it holds are not pledged or subject to charge. Additionally, it has historically been the case that all debtors are settled promptly, thus ensuring liquid resources are available to CPI on a timely basis. The cash position of CPI is monitored by the Finance team on a regular basis.

5. OWN FUNDS (MiFIDPRU 8.4)

- 5.1** CPI is a limited liability company. Its capital comprises share capital and audited reserves.
- 5.2** As at the date of this disclosure CPI's regulatory capital position is:

Table 1: Composition of regulatory own funds			
	Item	Amount (GBP 000s)	Source based on ref. numbers/letters of the balance sheet in the AFS
1	OWN FUNDS		
2	TIER 1 CAPITAL	2,449	
3	COMMON EQUITY TIER 1 CAPITAL		
4	Fully paid-up capital instruments	287	See Note 18 to the Balance sheet (excluding Class C shares)
5	Share premium	-	
6	Retained earnings	2,162	Profit & loss account on the balance sheet
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	-	

5.3 The following table sets out a reconciliation of CPI's own funds to the balance sheet in CPI's audited financial statements:

Table 2: Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial Statements				
		A	B	C
	Amount (£'000)	Balance sheet as in published/audited financial statements	Under regulatory scope of consolidation	Cross-reference to Table 1
		As at period end	As at period end	
Assets – Breakdown by asset classes according to the balance sheet in the audited financial Statements				
1	Tangible fixed assets	91	-	
2	Debtors falling due after more than 1 year	104	-	
3	Debtors falling due within one year	2,335	-	
4	Cash at bank	735	-	
xxx	Total Assets	3,265	-	
Liabilities – Breakdown by liability classes according to the balance sheet in the audited financial Statements				
1	Creditors falling due within one year	(549)		
2	Deferred tax liability	(3)		
xxx	Total Liabilities	(552)		
Shareholders' Equity				
1	Ordinary share capital – Tier 1	287		Item 4
2	Ordinary share capital - other	100		
3	Share premium account - other	164		
4	Profit and loss account	2,162		Item 6
xxx	Total Shareholders' equity	2,713		

6. OWN FUNDS REQUIREMENT (MiFIDPRU 8.5)

6.1 CPI's own funds requirement includes the following components:

	GBP 000s
Permanent Minimum Capital Requirement	75
K-factor requirement:	
Sum of the K-AUM requirement:	247
TOTAL K-factor requirement:	247
Fixed overheads requirement	563
Own Funds Requirement	563

6.2 CPI is required to assess the adequacy of its own funds in accordance with the overall financial adequacy rule. This requires CPI to hold financial resources that are adequate for the business it undertakes. This is designed to achieve two key outcomes for CPI:

1. To enable it to remain **financially viable** throughout the economic cycle, with the ability to address any potential material harms that may result from its ongoing activities (including both regulated activities and unregulated activities); and
2. To enable it to conduct an **orderly wind-down** while minimising harm to consumers or to other market participants, and without threatening the integrity of the wider UK financial system.

6.3 The adequacy of the ICARA process will be assessed at least on an annual basis, or more frequently if there is a material change in the business model/risk profile.

6.4 CPI achieves this via its Internal Capital Adequacy and Risk Assessment ("ICARA") process. CPI sets out:

- A clear description of CPI's business model and strategy and how this aligns with CPI's risk appetite
- The activities of CPI, with a focus on the most material activities
- Whether or not the ICARA process is 'fit-for-purpose'. Where this is the case CPI must explain why it has reached this conclusion. Where this is not the case, CPI must set out the improvements needed, the steps needed to make the improvements and the timescale for making them, and who within CPI is responsible for taking these steps
- Any other changes to CPI's ICARA process that have occurred following the review and the reasons for those changes
- An analysis of the effectiveness of CPI's risk management processes during the period covered by the review
- A summary of the material harms identified by CPI and any steps taken to mitigate them
- An overview of the business model assessment and capital and liquidity planning undertaken by CPI
- A clear explanation of how CPI is complying with the overall financial adequacy rule ("OFAR") (i.e. the obligation to hold adequate own funds and liquid assets) vis-à-vis CPI's ongoing business activities and wind-down arrangements
- A summary of any stress testing carried out by CPI
- The levels of own funds and liquid assets that, if reached, may indicate that there is a credible risk that CPI will breach its threshold requirements

- The potential recovery actions that CPI has identified
- An overview of CPI's wind-down planning.

Additional Own Funds Requirement

- 6.5** The additional own funds requirement is the amount of capital identified by CPI that is necessary to mitigate risks to ensure the viability of CPI throughout economic cycles and to ensure it can be wound down in an orderly manner. CPI's own funds threshold requirement is the higher of:
- CPI's PMCR;
 - The sum of CPI's FOR and its additional own funds required for winding down; and
 - The sum of CPI's K-Factor Requirement and its additional own funds required for ongoing operations.

This is the amount of own funds that CPI is required to maintain at any given time to comply with the OFAR.

- 6.6** To determine CPI's own funds threshold requirement, CPI identifies and measures the risk of harm faced by CPI and considers these risks in light of its ongoing operations and also from a wind-down planning perspective. As mentioned above, in the ICARA, CPI assesses and evaluates the potential risks and harms CPI might encounter, taking into account its current operations and wind-down strategy. CPI then assesses how effectively its systems and controls can mitigate these risks and prevent a disorderly wind-down. CPI conducts this assessment independently.
- 6.7** This ICARA process is documented and presented to and ratified by the Board on at least an annual basis.

Ongoing Operations

- 6.8** As a non-SNI MiFIDPRU Investment Firm, CPI has assessed all material harms posed to clients, the market and itself resulting from its ongoing operations, taking into consideration the existing controls in place. CPI concluded under each risk that it does not consider that any additional capital is required to mitigate the harm arising from these risks.

Wind Down

- 6.9** As part of the wind-down plan, CPI has considered no reliance on the Capricorn Group. CPI concluded that there would be a minimum of 3 months' revenue during the wind down period resulting in a net wind down cost of £nil. As a result, CPI has concluded that no additional capital is required for wind-down purposes, hence the additional own funds required for an orderly wind down is £nil.

OFAR

- 6.10** CPI adopts a 10% buffer ('early warning indicator') over its own funds requirement in order to maintain a healthy own funds surplus above the requirement. If CPI triggers this warning, then the FCA would expect a dialogue to take place between themselves and CPI based on the information provided in the notification to understand the reason for decline in CPI's own funds and CPI's future plans to rectify this.

7. REMUNERATION POLICIES AND PRACTICES (MiFIDPRU 8.6 & SYSC 19A)

- 7.1** The following disclosures are made in accordance with the requirements of MiFIDPRU 8.6. These disclosures provide information on CPI's remuneration policies and governance, as well as quantitative information on the remuneration of those categories of staff whose professional activities are considered by CPI to have a material impact on its risk profile or on the client assets that it manages ("material risk takers" or "MRTs") in respect of the 12-month period ending 30 June 2025.

- 7.2** For the purposes of the FCA's remuneration rules under the Investment Firms' Prudential Regime (SYSC 19G) (the "Remuneration Code"), the company is categorized as a non-SNI MiFIDPRU Investment Firm. It does not meet the conditions under MiFIDPRU 7.1.4R.

7.A. Qualitative Information

7.3 CPI must establish, implement and maintain remuneration policies, procedures and practices that are consistent with and promote effective risk management and do not encourage excessive risk taking.

7.4 CPI ensures that the remuneration policy and its practical application are consistent with CPI's business strategy, objectives and long-term interests.

Remuneration Policy

7.5 CPI's remuneration policy (the "Remuneration Policy") sets out the remuneration policies and practices for all of CPI's employees, partners and members, as well as the temporary employees, contractors and secondees who provide services to CPI as applicable (together, the "Staff").

7.6 The Remuneration Policy is designed to ensure that CPI's remuneration arrangements:

- align risk and reward appropriately;
- do not create conflicts of interest;
- comply with regulatory requirements and reflect good governance practice;
- are in line with CPI's business strategy, objectives, values and long-term interests; and
- are gender neutral and respect the principle of equal pay for male and female Staff for equal work or work of equal value.

Approach to governance

7.7 The Board of Directors of CPI is responsible for defining and approving the remuneration policy and supervising remuneration practices for the Staff. CPI does not have a remuneration committee and, as a non-SNI MiFIDPRU Investment Firm, is not required to establish one under the Remuneration Code.

Material Risk Takers

7.8 CPI is required to disclose the types of staff it has identified as material risk takers: these are individuals whose professional activities have a material impact on the firm's risk profile.

7.9 Material risk takers are subject to additional requirements regarding variable remuneration, including provisions related to guaranteed variable remuneration, retention awards, severance pay, buy-out awards, performance adjustment, discretionary pension benefits and personal investment strategies.

7.10 CPI has developed an internal framework of qualitative criteria for identifying its MRTs. The framework is in accordance with the criteria set out in SYSC 19G.5 of the Remuneration Code. The types of staff that have been identified as material risk takers at the Company are:

- I. Members of the Board of Directors;
- II. Staff with managerial responsibilities for the activities of a control function (risk management, compliance and/or internal audit)
- IV. Staff with managerial responsibilities for the prevention of money laundering and terrorist financing;
- V. Staff responsible for managing a material risk within the firm (as set out in CPI's internal risk documentation); and,
- VI. Staff members responsible for the management of information technology, information security and/or critical or important outsourcing arrangement.

General Structure of Remuneration

7.11 CPI seeks to ensure that its remuneration remains competitive within the market, and rewards performance and best practice, taking proper account of good governance practice and applicable regulatory requirements, to enable CPI to attract and retain skilled and talented staff.

- 7.12** Given the nature and small size of our business, remuneration for all employees is set by CPI's Board of Directors.
- 7.13** Apart from the Board, other categories of staff may also receive variable remuneration, such as an annual bonus, where the individual operates within the risk appetite of the company and has demonstrated appropriate behaviour.
- 7.14** Variable remuneration is intended to reflect contribution to CPI's overall success. Staff are assessed throughout the year and rated based on company, and individual performance. The performance assessment considers both financial measures, such as earnings and profit margin and non-financial measures such as productivity/efficiency and quality, risk management, people and culture, customer focus and growth and innovation.
- 7.15** CPI's linkage between variable remuneration and performance is based upon the following tenets:
- I. Ensuring an appropriate balance of financial results between staff and shareholders
 - II. Attraction and retention of staff members
 - III. Aligning the interest of senior staff members via long-term incentive awards
 - IV. Link a proportion of a staff member's total compensation to CPI's performance
 - V. Discourage excessive risk-taking
 - VI. Ensure client interests are not negatively impacted

Performance adjustment

- 7.16** CPI takes into account current and future financial (e.g., economic profit and economic capital) and non-financial (e.g., reputation, conduct, customer outcomes, value and strategy) risks when measuring performance and when allocating variable remuneration to eligible staff. When making adjustments in relation to risk, CPI determines the level at which adjustments will be applied (i.e., firm, team or individual level), which risks are relevant and which adjustment technique is the most appropriate.
- 7.17** As well as considering making appropriate adjustments on the basis of risks, CPI also ensures that any variable remuneration is paid only if it is sustainable according to the financial situation of CPI as a whole and justified on the basis of the performance of CPI, team and individual.
- 7.18** In addition, in circumstances where CPI determines that a staff member:
- has participated in or was responsible for conduct which resulted in, or in the cases of fraud or other conduct with intent or severe negligence which led to, significant losses; and/or
 - has failed to meet appropriate standards of fitness and propriety,
- 7.19** CPI may reduce any variable remuneration awarded to that staff member for a period in which they were an MRT and/or may seek to claw back up to 100% of any such variable remuneration already paid to the MRT and/or to be awarded for the current performance period.
- 7.20** In addition to the above, reductions may also be made to any variable remuneration awarded to that Staff for a period in respect of which they were an MRT where:
- There is reasonable evidence of an MRT's misbehavior or material error;
 - CPI suffers a material downturn in its financial performance; and/or
 - CPI suffers a material failure of risk management.

Guaranteed Variable Remuneration ('GVR')

- 7.21** GVR is not typically awarded by CPI. An MRT would only be offered GVR in the context of hiring where such a payment may be made in their first year of service. Any payment would be on the condition that CPI has a strong capital base.

Severance Pay

- 7.22** CPI does not award early termination payments to staff that exceed their statutory and contractual entitlements save where there are overriding business reasons for doing so. In such cases, CPI would ensure that any such payment:
- does not reward failure or misconduct;
 - does not materially impact CPI's ability to meet its capital requirements; and,
 - in respect of an MRT, reflects their performance over time and is determined on a case-by-case assessment of legal risk and any applicable reputational risk posed by the termination.

7.B. Quantitative Information

- 7.23** The following quantitative information is with respect to the financial year ended 30th June 2025, the most recently completed financial year. It is assumed that the remuneration period is the same as the financial year period.

Number of material risk takers:	7		
Aggregated remuneration: GBP 000s			
CPI has aggregated the data for material risk takers for reasons of confidentiality/privacy, including to prevent individual identification of a material risk taker.			
	Fixed remuneration	Variable remuneration	Total remuneration
Material risk takers	965	307	1,272
Other staff	175	20	195
Guaranteed variable remuneration and severance payments:			
CPI has aggregated the data for material risk takers for reasons of confidentiality/privacy, including to prevent individual identification of a material risk taker.			
	Total amount of awards made during the financial year	Number of material risk takers receiving awards during the financial year	
Guaranteed variable remuneration awards:			
Material risk takers	0	0	
Severance payments:			
Material risk takers	0	0	
The amount of the highest severance payment awarded to an individual material risk taker			0