

INVESTMENT FIRM PRUDENTIAL REGIME REMUNERATION POLICY AND PRACTICES DISCLOSURE

INTRODUCTION

The MIFIDPRU policy and Practices code (“the Code”) applies to MIFIDPRU Investment firms. For the purposes of this Code, London and Capital is a UK Consolidation Group containing London and Capital Asset Management Ltd (LCAM), London and Capital Wealth Advisers (LCWA).

The Code is applied in a proportionate manner subject to the regulated firms type and size, which applies different sets of remuneration requirements in this regard. In connection with London and Capital, each entity as listed above is categorized as a non-SNI MIFIDPRU Investment firm.

LONDON AND CAPITAL REMUNERATION APPROACH AND GOVERNANCE

The Remuneration Policy for London and Capital is underpinned by principles which regulate decisions relating to compensation across the business and ensures that these are applied and followed consistently. The Remuneration Policy is designed to appropriately reward performance and align remuneration with prudent risk management, compliance and client outcomes. The policy is aligned to the London and Capital business strategy, objectives, values and long terms success of the firm and the interests of our clients and various stakeholders.

The firm’s Remuneration Committee is responsible for annually reviewing and making recommendations to the Board regarding the remuneration policy, reviewing compliance with the policy in so far as it relates to Executive Committee members and those deemed to be Senior Managers and those identified employees within London and Capital.

The Remuneration Committee responsibilities include ensuring that:

- the framework and policy for London and Capital’s remuneration doesn’t encourage undue risk taking and promotes sound and effective risk management;
- any major changes in the remuneration structure are considered and advised on;

- the terms and conditions of any new incentive schemes are compliant and consider appropriate targets for any performance-related remuneration schemes;
- appropriate consideration and recommendations are made in regard to senior employees of London and Capital, considering the appropriate mix of fixed and variable remuneration.

IMPLEMENTATION OF THE POLICY AND ALIGNMENT TO RISK MANAGEMENT

The execution of the Remuneration Policy ensures a strong link between pay and performance and is consistently upheld and ensures that employees are incentivised to deliver long term, sustainable objectives within appropriate risk parameters. The policy considers inappropriate risk practices and the display of poor conduct and behaviour, and when setting remuneration takes into account the risk and compliance data in relation to any breaches or issues towards compliance, treating customers fairly (TCF), conduct risk and complaints. Within the policy's approach to risk management, in the case of an early termination of a contract, any award is considered in light of performance and behaviours within a relevant time period and ensures failure is not rewarded.

The policy and practices supporting the policy are gender neutral. This reflects the firm's position as an equal opportunities employer and its active support and adherence to the Equality Act 2010. The policy seeks to ensure all job applicants and employees are treated fairly and on merit regardless of their race, gender, marital status, age, disability, religious belief, gender identity or sexual orientation.

COMPONENTS OF REMUNERATION

The policy outlines the distinction between fixed and variable remuneration. The components of pay are made up as:

Fixed remuneration

This primarily reflects an employee's professional experience and organisational responsibility, as set out in their job description and terms of employment. Fixed remuneration is considered permanent, pre-determined, non-discretionary, non-revocable and not dependent on the employee's performance. Fixed remuneration is made up of base salary, pension and benefits.

Variable remuneration

Is based on performance and reflects the long-term performance of the employee, their performance over and above the requirements of their job description and terms of employment, as well as their contribution to the overall performance of the company. Variable remuneration will reflect the financial performance of London and Capital and as such will be reduced where subdued or negative financial performance occurs. London and Capital does not make any variable remuneration awards that would result in a breach of the firm's capital base, either from the need to retain required regulatory capital or where the firm has identified the need to build its capital base.

Variable pay is made up of an annual discretionary cash bonus and long-term incentive. The award of the annual cash bonus and long-term incentive is wholly at the firm's discretion.

The annual cash bonus is determined based on performance, assessed on a multi-year framework, with consideration of prior performance as well as financial and non-financial criteria. Non-financial criteria form a significant part of the assessment and where appropriate overriding financial criteria. The assessment of non-financial criteria includes metrics relating to a staff member's conduct, such as:

- measures relating to building and maintaining positive customer relationships and outcomes, such as positive customer feedback;

- performance in line with London and Capital's strategy or values;
- adherence to the London and Capital's risk management and compliance policies; and
- where applicable achieving targets relating to environmental, social, governance, diversity, and inclusion factors.

The long-term incentive is offered to eligible employees in order to encourage alignment of interests, of those participants with that of stakeholders. Conditions attached to the long-term incentive include long term performance as well as the individual meeting certain compliance and regulatory obligations. The eligibility of participation as well as allocation of award is governed by the Remuneration Committee which also has the authority to apply malus or clawback/adjustments to all or a portion of the award based on upfront agreed criteria.

On occasion the firm may award either joining incentives to new hires to replace awards forfeited as a result of joining London and Capital or award exceptional retention incentives. Retention awards are conditional upon the eligible individual(s) meeting agreed performance objectives and are subject to continual employment conditions as well as provisions of malus and clawback. Severance pay takes into account a number of factors as well as legal obligations and is subject to the principles of the Remuneration Policy.

Non-standard forms of variable remuneration are used in exceptional cases only and only with thorough and robust challenge and due consideration by the relevant Executive member(s) and are subject to Remuneration Committee approval and may be restricted to the first year of service.

LINK BETWEEN PAY AND PERFORMANCE

London and Capital remuneration packages reward employees and Executives based on an individual's professional experience, qualifications, responsibility and capability. The consistent performance of the individual against set objectives (financial) as well as non-financial objectives (as outlined above) and adherence to compliance and regulatory objectives, are taken into account as well as the potential of the individual to contribute.

The company undergoes annual benchmarking with the intention of recognising the market value of each role within a competitive market.

Any variable portion of an individual's package is dependent on both their own performance as well as the overall performance of the company as well as their specific business function. The variable portion is subject to Remco approval and is discretionary and may be subject to performance adjustment.

Malus and clawback provisions through redress of pre-vesting forfeiture of remuneration and repayment of vested remuneration will be applied where defined trigger events have taken place. In assessing whether defined trigger events have taken place, the Remuneration Committee will make recommendations (post a due diligence process) to the Board in respect of findings and malus and clawback policy application.

MATERIAL RISK TAKERS

Consistent with SYSC 19G.5 London and Capital have considered the following groups of individuals as Material Risk Takers (MRTs) and whose professional activities are deemed to have a material impact on the firm's risk profile:

- Partners and Senior Management (SM);
- Employees responsible for managing a material risk within the firm;
- Employees engaged in control functions and employees whose professional activities has a

material impact on the firm's risk profile

The full list of MRTs is considered to be the same across all the entities within the London and Capital Group (as listed above) and the list is maintained by both the compliance and HR functions within London and Capital and reviewed by the HR and Remuneration Committee on an annual basis. All necessary remuneration requirements are applied to those identified MRT employees, taking into account the size and complexity of the business.

Across the full reporting period (1 July 2023 to 31 June 2024), 23 individuals were identified as Material Risk Takers. Included below is a table outlining the amounts paid to the MRTs and all other employees with data for both groups shown as aggregate amounts.

	Non MRT	MRT	SM	Total
*HeadCount	119	15	8	142
**Total Fixed Remuneration	8,579,065	2,173,546	2,148,798	12,901,409
Total Variable Remuneration	1,906,842	911,711	50,225	2,868,779
Total Remuneration	10,485,908	3,085,257	2,199,023	15,770,187
Notes				
*Headcount is inclusive of all those employed in the period of review.				
**Fixed remuneration includes base pay, employer's pension contributions, employer NI for fixed pay elements and benefits paid by the company.				
***Variable remuneration includes bonus and other ad hoc payments, such as ex gratia, termination payments, notice pay and employer NI for variable pay elements.				

During the period under review the company made a severance payment to one MRT totalling £49,429.