

REMUNERATION DISCLOSURE

31 May 2025



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1. Introduction

The purpose of this disclosure is to provide information about the Company's remuneration policy and practices and to meet the Company's public disclosure requirement.

The Company is authorised and regulated by the Financial Conduct Authority ("**FCA**") as a MiFID investment firm. The Company is subject to the applicable provisions of the FCA Handbook including the prudential sourcebook for MiFID Investment Firms ("**MiFIDPRU**").

Under MiFIDPRU, the Company is classified as a small non-interconnected MiFIDPRU investment firm ("**SNI**"). This document is designed to meet the provisions of MiFIDPRU 8.6, whereby the Company is required to publicly disclose information regarding its remuneration policy and practices.

This document has been prepared by the Company in accordance with the requirements of MiFIDPRU 8. Unless otherwise stated, all figures are as of 31 December 2024. The Company's performance period runs from 1 January to 31 December each year.

This disclosure is publicly available on the Company's website: www.clarksons.com.

2. Remuneration Policy and Practices

2.1. Overview

As an SNI, the Company is subject to the basic requirements of the FCA Remuneration Code as set out in Chapter 19G of the sourcebook relating to the Senior Management Arrangement, Systems and Controls ("**SYSC**") of the FCA Handbook.

The [aim](#) of the FCA Remuneration Code is to:

- "Promote effective risk management in the long-term interests of the firm and its clients;
- Ensure alignment between risk and individual reward;
- Support positive behaviours and healthy firm cultures; and
- Discourage behaviours that can lead to misconduct and poor customer outcomes".

Accordingly, the objective of the Company's remuneration policies and practices is to establish, implement and maintain 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 Company and the services that it provides to its clients.

In addition, the Company recognises that remuneration is a key component in how it attracts, motivates, and retains quality individuals and sustains consistently high levels of performance, productivity, and results. As such, the Company's remuneration philosophy is based on the belief that its people are the most important asset and provide its greatest competitive advantage.

2.2. Remuneration Policy and Practices

The Company's remuneration policy, procedures and practices align individuals' pay with the interests of our clients and the long-term performance of the business. The remuneration policy aims to motivate senior management and all employees, individuals, or other relevant persons in delivering the Company's strategy while ensuring that the business performance is sustainable over the long-term and aligned with effective risk strategy and appetite and not encouraging excessive risk-taking. It also takes into consideration the size and status of the company, thus avoiding unnecessary constraints.

The key principles that underpin the Company's overall approach to remuneration are:

- Remuneration decisions are based on a sound and effective risk management approach that protects its stakeholders;
- Incentives are designed to encourage behaviour focused on long-term strategic performance and ensure compliance with regulatory and legal frameworks;
- Fair remuneration decisions are based on clear performance assessment data;
- Individuals are valued and rewarded competitively;
- Conflicts of interest are managed to encourage responsible business conduct; and
- Remuneration always maintains a carefully planned balance between fixed and variable components, to mitigate any conflicts of interest between the Company, its staff and its clients.

The Board considers that the Company's remuneration structure is appropriate for its business and the financial services industry sector in which it operates and is efficient and cost-effective in delivering the Company's long-term strategy.

2.3. Definition

Remuneration is defined as any form of payment, including salaries, discretionary bonuses, discretionary pension benefits and benefits of any kind.

2.4. Application

The Company's Remuneration Policy applies to individuals who are able to have a material impact on the service provided and/or corporate behaviour of the Company.

2.5. Remuneration Committee

As an SNI, the Company is not required to have a remuneration committee but has nevertheless decided to establish an informal Remuneration Committee to ensure good governance. The informal Remuneration Committee considers matters relating to remuneration policy and structures and remuneration decisions for its broking staff. The Remuneration Committee ensures that remuneration outcomes take appropriate account of all relevant current and future risks.

2.6. Annual Assessment

The Company will formally review the remuneration of its employees and other relevant persons on at least an annual basis as part of the training and competence assessment process.

2.7. Management Approval and Monitoring

The Company's remuneration policy is subject to annual review by the Remuneration Committee.

Responsibility for ensuring the remuneration policy is implemented appropriately lies with members of the Company's Board of Directors.

2.8. Remuneration elements

Individuals are remunerated based on their individual role, and contribution to the Company and performance. Remuneration comprises the following elements:

- Fixed annual salaries;
- Discretionary bonuses, with appropriate deferral into restricted shares in most cases;
- Pension contributions and life insurance;
- An optional approved share save scheme; and
- Other standard ancillary benefits.

Such financial incentives are designed to:

- Reward individual performance;
- Recognise contribution to the Company's overall performance;
- Attract and retain talent;
- Encourage collaborative teamwork; and
- Motivate employees to achieve the Company's objectives.

2.9. Training

The Company will ensure its employees receive training to ensure they continue to act in accordance with its remuneration policy and practices.

2.10. Determination of variable remuneration

There is no guarantee that variable remuneration, which is discretionary in nature, will be paid in any given year or to any specific individual. For all individuals their adherence to the conduct standards of the Company is a key input to the variable remuneration decision.

3. Components of Remuneration

The Company distinguishes between fixed and variable remuneration:

Fixed remuneration primarily reflects an individual's seniority, professional experience and responsibility as set out in the individual's job description and terms of employment. It is pre-determined, non-discretionary, non-revocable and not dependent on performance.

Variable remuneration is based on a number of factors, including personal performance, Company performance, an individual's non-financial contribution to the business, adherence to regulatory and other legal requirements, client care, business development and compliance with the Company's remuneration policy and practices.

The Company will ensure that the fixed and variable components of an individual's total remuneration are appropriately balanced. In determining this balance, the Company considers the following factors:

- The Company's business activities and associated prudential and conduct risks;
- The role of the individual in the Company;
- The impact that different business units or areas of the Company have on the risk profile of the Company or of the clients it services;
- No individual should be dependent on variable remuneration to an extent likely to encourage that individual to take risks outside the risk appetite of the Company;
- In some circumstances, it may be appropriate for an individual to receive only fixed remuneration (but not only variable remuneration); and
- Any variable remuneration must not affect the Company's ability to ensure a sound capital base.

When assessing individual performance in determining the amount of variable remuneration to be paid to an individual, the Company takes into account financial as well as non-financial criteria. Non-financial criteria will:

- Form a significant part of the performance assessment process;
- Override financial criteria, where appropriate;
- Include metrics on conduct and adherence to the Company's expectations of financial conduct and non-financial conduct; and
- Include how far the individual conforms to effective risk management and complies with relevant regulatory requirements.

4. Quantitative Remuneration Disclosure

As an SNI, and in accordance with MIFIDPRU 8.6.8, the Company is required to disclose the total amount of remuneration awarded to all individuals, split into fixed and variable remuneration – please refer to the table below:

Review period – financial year 1 January to 31 December 2024

Remuneration type	£(000)
Fixed remuneration	4,503
Variable remuneration	8,641
Total amount	13,144

If you have any questions please contact: futurescompliance@clarksons.com