

**Terra Firma Capital Partners Limited**  
**Public Remuneration Disclosures – October 2023**

**1. REMUNERATION**

**1.1 Remuneration governance**

The Governing Body has overall responsibility for the Firm's remuneration policies and procedures, which have been adopted by the Governing Body and are reviewed annually.

The Governing Body has allocated responsibility for overseeing the implementation of the Firm's remuneration policy to the Firm's board of directors (the "**Board**"). The Firm's remuneration policies and practices are operated on a day-to-day basis by the Human Resources Department with support from the Compliance Department.

**1.2 Material Risk Takers**

The Firm's material risk takers ("**MRTs**") are those individuals whose professional activities have a material impact on the Firm's risk profile. The Firm's MRTs comprise:

- Members of the Board;
- The Firm's Compliance and Money Laundering Reporting Officer; and
- The most senior professional in the deal team.

During the course of the year, the Firm identified 4 MRTs in total.

**1.3 Remuneration structure**

The Firm's remuneration arrangements seek to ensure effective risk alignment between the Firm's staff, the Firm itself, the Funds advised by the Firm and the Firm's clients.

The Firm awards both fixed remuneration (typically an annual salary, together with salary-linked pension contributions and benefits such as private medical insurance) and variable remuneration (typically a form of annual bonus and, where applicable, the award of shadow carried interest points).

Fixed remuneration is determined primarily by the market rate for the role performed, having regard to the skills, expertise and experience demonstrated by the particular individual.

Variable remuneration is determined by reference to the performance of the individual, based on the Firm's performance assessment criteria, and the performance of the Firm as a whole. Eligibility for the two types of variable remuneration (annual variable bonus and shadow carry points) is linked to positions held within the Firm.

The Governing Body determines the total available pool of variable remuneration by reference to the Firm's financial performance, taking into account the Firm's regulatory capital and liquidity requirements, future working capital needs and any reasonably foreseeable liabilities or obligations. Individual performance is assessed by reference to both financial and non-financial criteria, including whether an individual has adhered to the Firm's internal compliance policies and procedures and demonstrated behaviours consistent with the Firm's corporate values.

The Firm does not typically offer non-standard forms of variable remuneration. The Firm hires individuals into roles conferring MRT status only rarely. In exceptional circumstances, the Firm may offer guaranteed variable remuneration to MRTs joining the Firm in the form of a 'lost opportunity bonus', provided the Firm's capital position is sufficiently sound at that time.

The Firm has obtained legal advice in relation to the requirements in SYSC 19G but does not use external consultants in the development of its remuneration policies and practices.

#### 1.4 Risk adjustment

The Firm's variable remuneration arrangements are fully discretionary, and the Firm is able to apply in-year adjustments to reduce (including to zero) the amount of variable remuneration that would otherwise have been paid to any member of staff (including MRTs).

Variable remuneration awarded to MRTs is subject to additional adjustments. In specific circumstances where an MRT has (i) participated in or been responsible for conduct which has resulted in significant losses to the Firm and/or (ii) failed to meet appropriate standards of fitness and propriety, the Firm may take one or more additional measures including malus (reducing the amount of variable remuneration awarded to an MRT) and/or clawback (requiring the MRT to make a payment to the Firm equal to all or some variable remuneration received within a specified time period).

The Firm ensures that any payments to MRTs relating to the early termination of an employment contract reflect the individual's performance over time and do not reward failure or misconduct.

The Firm maintains policies and procedures governing its approach to risk adjustments and severance payments, including how the Firm takes into account current and future risks when adjusting remuneration and awarding severance pay.

#### 1.5 Quantitative disclosures

Total remuneration to <u>all</u> staff		Severance payments made to MRTs <sup>1</sup>		Guaranteed variable remuneration awarded to MRTs	
Total fixed remuneration	(GBP)	Total payments made	(GBP)	Total payments made	(GBP)
Senior management	1,275,744	Senior management	-	Senior management	-
Other MRTs	432,505	Other MRTs	-	Other MRTs	-
Other staff	5,183,912	<b>TOTAL</b>	-	<b>TOTAL</b>	-
<b>SUB-TOTAL</b>	6,892,161	<b>Amount of highest severance payment awarded</b>	-		-
Total variable remuneration	(GBP)	Awards of severance payments made	No. of MRTs	Awards of guaranteed variable remuneration made	No. of MRTs
Senior management	-	Senior management	-	Senior management	-
Other MRTs	28,000	Other MRTs	-	Other MRTs	-
Other staff	1,520,804				
<b>SUB-TOTAL</b>	1,548,804				
<b>GRAND TOTAL</b>	8,440,965				