

## **Threadmark LLP MIFIDPRU 8.6 Disclosure**

Threadmark LLP (“Threadmark” or “the Firm”) is authorised and regulated by the Financial Conduct Authority (the “FCA”). The Firm is a UK registered Limited Liability Partnership and collectively with Threadmark Partners Limited provides financial advisory and acts as placements agents focusing on raising capital for investment opportunities for a global investor base.

The Firm is classified as a ‘small and non-interconnected MIFIDPRU investment firm’ (SNI firm) under the MIFIDPRU Handbook. Accordingly, these disclosures have been prepared as per the requirements contained within MIFIDPRU 8.6. The relevant rules and guidance for the Firm’s remuneration code is contained within the FCA’s SYSC 19G Sourcebook of the FCA’s Handbook.

The Remuneration Code (the “RemCode”) covers an individual’s total remuneration - fixed and variable. The Firm incentivises staff through a combination of the two.

Threadmark’s remuneration policy is designed to ensure that it complies with the RemCode and that its compensation arrangements:

1. Are consistent with and promote sound and effective risk management;
2. To encourage responsible business conduct;
3. To limit risk-taking and to avoid potential conflicts of interest;
4. Are in line with the Firm's business strategy, objectives, values, and long-term interests; and
5. Are on a gender-neutral basis.

### **Proportionality**

The FCA has sought to apply proportionality with respects to the Firm's disclosures. Threadmark’s disclosure is made in accordance with its size, internal organisation and nature of the firm, and the scope and complexity of the activities it undertakes.

### **Application of the Requirements**

The Firm completes the remuneration disclosure annually on the date the Firm publishes its annual financial statements. As appropriate, this disclosure will be made more frequently if there is a significant change to the Firm’s business model.

### **A summary of the Firm’s approach to remuneration for staff, including the decision-making procedures and governance in adopting the remuneration code:**

- Threadmark’s remuneration policy has been developed internally and agreed by the Firm’s Management Committee, in line with the remuneration principles laid down by the FCA.
- The policy is reviewed at least annually or at any time the Firm’s Management Committee considers it appropriate or necessary.
- Due to the size, nature, and complexity of the Firm, it is not required to appoint an independent remuneration committee.
- The policy is gender neutral and quality objectives are considered when awarding variable remuneration.

- Remuneration awards are determined by the Management Committee of the Firm. No individual has the ability to set their own remuneration.
- Control Function staff are independent from the business units they oversee and are remunerated in line with the achievement of the objectives of their functions. The determination of the level of remuneration of such staff is independent of the performance of the business areas they oversee.
- When assessing individual performance, both financial and non-financial criteria must be taken into account.
- Threadmark's ability to pay a variable remuneration is based on the Firm's overall financial result to ensure a sound capital base, as variable remuneration is based on the 'Bonus Pool'.

### **Qualitative characteristics of the remuneration policies and practices:**

- Effective risk management is core to the business and is considered as part of any remuneration awards.
- The Firm's evaluation and remuneration criteria are based on staff assessments under the Firm's performance management process on an ongoing basis. The semi-annual and annual performance assessment outcome is used as a contributing factor in the determination of total compensation.
- All staff receive fixed remuneration and are considered for discretionary variable remuneration where they are eligible.
- Variable remuneration is dependent on the Firm's overall financial result to ensure a sound capital base. In the event the minimum level necessary to maintain the prudential soundness of the Firm, bonuses will generally be curtailed. The bonus pool will take into consideration all types of current and future, financial and non-financial risks.
- The various components of remuneration are as follows:
  - Fixed remuneration, including base salary and pension.
  - Variable remuneration, including bonuses.

### **Quantitative information on remuneration:**

With respect to the financial year ended 31 December 2022 the total amount of remuneration awarded to all staff interpreted under SYSC 19G.1.24G was split between fixed and variable elements. The fixed component amounted to £0.9mm and the variable component totalled £0.6mm.