

Investcorp Securities Limited

Remuneration Disclosure

For the Financial Year Ended 30 June 2022

1. Company Profile

Investcorp Securities Limited (“ISL”) is a private, UK incorporated company, authorised and regulated by the Financial Conduct Authority (“FCA”) under firm reference number: 139122.

Effective from 01 January 2022, as a UK investment firm undertaking activities within the scope of the UK Markets in Financial Instruments Directive (“MIFID”), ISL was classified as a Small Non-Interconnected (“SNI”) MIFIDPRU firm under the Investment Firms Prudential Regime (“IFPR”).

ISL is a wholly owned subsidiary of Investcorp International Limited. The ultimate parent company of ISL is Investcorp Holdings B.S.C.(c).

ISL’s business is comprised of:

- Sourcing potential European-based private equity and real estate investments, performing due diligence on such potential investments and, if a decision is made to proceed with such investment, making arrangements to complete such investment (including arranging debt financing, if applicable);
- Seeking potential buyers for a European -based private equity and real estate investment if a decision is made to exit from such investment and making arrangements in relation to such exit;
- Managing collective investment undertakings (“AIFs”) as a Small AIFM;
- Promoting investments in AIFs in compliance with the EU Alternative Investment Fund Managers’ Directive (“AIFMD”);
- Managing private equity and real estate investments in managed accounts;
- Promoting investments in Investcorp Group deal by deal private equity and real estate investments (“Deal by Deal Investments”).
- ISL also engages in the unregulated activity of providing post-acquisition business management services.

2. Remuneration Policy and Practices

ISL operates a financial year running from 01 July to 30 June.

In accordance with the public disclosure requirements applicable to SNI MIFIDPRU firms under MIFIDPRU 8 and the transitional provisions contained in rule 12.8 of MIFIRDPRU TP12, ISL continues to comply with the FCA's IFPRU Remuneration Code (the "Remuneration Code") contained within SYSC 19A, for the financial year that ended on 30 June 2022. ISL will be required to comply with MIFIDPRU 8.6 (Remuneration Policy and Practices) for the subsequent accounting years.

ISL does not hold client money or assets and does not deal as principal in transactions. As such, ISL falls within the FCA's third (and lowest) proportionality tier. This allows ISL to disapply the following Remuneration Code requirements:

- Remuneration Principle 12(d), which requires a firm to set an appropriate ratio between the fixed and variable components of total remuneration;
- Remuneration Principle 12(f), which requires a firm to pay at least 50% of variable remuneration in the form of shares, non-cash instruments or other share-equivalent instruments;
- Remuneration Principle 12(g), which requires a firm to defer at least 40% (or 60% for very senior or highly paid individuals) of variable remuneration for a period of not less than three years (vesting no more quickly than on a pro rata basis; and
- Remuneration Principle 12(h), which requires a firm to ensure that variable remuneration is subject to clawback.

In addition, the following principles are disapplied by ISL on the basis that they are irrelevant:

- Principle 7: Exceptional government intervention (SYSC 19A.3.20R); and
- the establishment of a remuneration committee under Principle 4, on the basis that the Firm does not qualify as a Significant IFPRU Firm (SYSC 19A.3.12R and 19A.3.12BR).

Decision-making Process for Remuneration Policy (Article 450(1)(a))

As a consolidated subsidiary of Investcorp Holdings B.S.C.(c), the ISL is also subject to the Investcorp Group Remuneration Policies.

The ISL's Remuneration Policies are intended to be aligned with both the IFPRU Remuneration Code and the Investcorp Group Remuneration Policies and are based upon the objectives of:

- Attracting and retaining top talent;
- Delivering pay for sustainable long-term performance on a risk-adjusted basis;
- Aligning executive remuneration with shareholders' and clients' interests; and
- Mitigating excessive risk taking and incentivizing top-quartile risk-adjusted returns.

Annual remuneration for employees is comprised of two key elements (in addition to health and welfare benefits):

- A fixed base salary; and
- A variable remuneration component that is based on the ISL's performance and individual performance factors.

The determination of whether an employee is entitled to an award of variable remuneration in respect of any year will be based upon an evaluation of that employee's performance during that year. This evaluation will include an assessment of both (i) the employee's performance of his or her objectives that were established for the year and (ii) a range of performance competencies, including:

- Business acumen
- Judgement and maturity
- Leadership
- Teamwork and culture
- Commitment
- Adherence to process

If an employee's performance warrants an award of variable remuneration, the variable remuneration generally is awarded as a mix of an upfront cash bonus and deferred long-term incentives. A significant percentage of variable remuneration is subject to vesting requirements and cancellation risk, with the amount deferred depending on the amount of the award, which typically reflects the seniority and/or responsibility of the employee.

The only circumstances under which deferred remuneration may be paid out before the end of the relevant vesting period are the death or permanent disability of the employee.

The mix of remuneration will vary depending upon employees' functions and the mix must be consistent with risk alignment.

Individuals performing a control function (risk management, internal audit, operations, financial controls, anti-money laundering, legal and compliance) must be remunerated in a manner that will attract qualified and experienced staff and they must be remunerated in a manner that is independent of the business areas they oversee. A significant portion of the remuneration paid to these individuals will be fixed and they will be compensated based on their performance versus the objectives and targets of their functions.

As required by SYSC 19A.3.30R, ISL employees are required to commit themselves not to use personal hedging strategies or remuneration and liability related insurance

that undermines the risk alignment embedded in the Investcorp Group's remuneration programs and policies.

Pay and Performance (Article 450(1)(b))

ISL's variable remuneration pool is linked to the overall financial performance of the firm and individual remuneration awards are linked to the financial and non-financial contribution of an individual employee to the business.

Variable remuneration awards are reduced or deferred in the event of poor financial performance by a line of business or by ISL as whole.

Contractual payments related to a termination of employment are aligned with long-term value creation and prudent risk-taking. Such payments are related to performance achieved over time and designed in a way that does not reward failure or misconduct.

Disclosures (Articles 450(1)(g), (h), and (i))

Under IFPRU, ISL is required to disclose certain quantitative information regarding remuneration broken down;

- by business area;
- by senior management and members of staff whose actions have a material impact on the risk profile of the Firm (see Remuneration of Code Staff section below) ; and
- the number of individuals being remunerated EUR 1 million or more per financial year, for remuneration between EUR 1 million and EUR 5 million broken down into pay bands of EUR 500 000 and for remuneration of EUR 5 million and above broken down into pay bands of EUR 1 million.

Business area

ISL considers that it has one business area, fund management services. All remuneration information disclosed in this disclosure is from this business area.

Remuneration of Code Staff

ISL's Remuneration Code Staff are its employees and officers whose professional activities have a material impact on the ISL's risk profile and are comprised of senior managers and other staff.

Pursuant to SYSC 19A.3.5R(1), ISL maintains record of its Remuneration Code Staff

and take reasonable steps to ensure that they understand the implications of their status as such.

Twenty-five (25) Remuneration Code Staff have been identified in total for this performance year. This includes employees who have been Code staff for any part of the year. The aggregate remuneration paid to such persons for the financial year ended 30 June 2022 was:

- Senior Management = £ 10,534,187
- Other Material Risk Takers = £ 4,192,774

Seven (7) of the Remuneration Code Staff received remuneration of €1M or more for the 12-month financial period ending 30 June 2022.

- Three in €1.0 M to €1.5M pay band.
- Four in €1.5 M to €2.0M pay band.

