



CLEARBRIDGE INVESTMENT MANAGEMENT LIMITED

MIFIDPRU 8 DISCLOSURE

For the financial period ended 30 September 2025

1. BACKGROUND

ClearBridge Investment Management Limited ("CIML") is authorised and regulated by the Financial Conduct Authority and is registered as an investment adviser with the U.S. Securities and Exchange Commission. CIML operates under the global ClearBridge Investments brand alongside ClearBridge Investments, LLC ("CBI") and other affiliated ClearBridge entities, all of which are indirectly, wholly owned subsidiaries of Franklin Resources, Inc., a publicly traded company listed on the New York Stock Exchange (NYSE:BEN).

ClearBridge Investment Management Limited ("CIML") is a wholly owned subsidiary of Martin Currie Limited ("MCL"), which is an indirect wholly owned subsidiary of Franklin Resources, Inc. CIML is regulated by the Financial Conduct Authority ("FCA") and subject to MIFIDPRU rules.

MIFIDPRU 8.1.1 requires non-SNI MIFIDPRU investment firms to disclose the below information annually.

1. Risk management objectives and policies – MIFIDPRU 8.2
2. Governance arrangements – MIFIDPRU 8.3
3. Own funds – MIFIDPRU 8.4
4. Own funds requirement – MIFIDPRU 8.5
5. Remuneration policies – MIFIDPRU 8.6

1.1 Verification, media and location of disclosure

These disclosures have been produced to describe the adopted approach for the management of risk and disclose certain capital requirements. They are not subject to audit except where information is equivalent to that prepared under accounting requirements for inclusion in group financial statements.

These disclosures are published on the CIML website: [Home | ClearBridge Investments](#).

1.2 Firm overview

ClearBridge Investments is an active equity manager offering a broad range of strategies across global developed and emerging markets, local markets, and real assets and income. Our local market capabilities serve clients in the U.S., U.K., Canada and Australia. The firm manages \$212bn in assets as of December 31, 2025.

ClearBridge manages diversified, high-conviction portfolios through collaborative fundamental research to meet the needs of some of the world's largest asset owners and financial intermediary platforms. We invest as long-term, risk-aware business owners and seek to deliver consistency of process and performance for our clients through market cycles. A focus on durability drives everything we do; from the business models of the companies we own, to the holding periods of our portfolios, to the stability and longevity of our investment professionals.

As Franklin Templeton's largest equity specialist, ClearBridge operates with investment autonomy from headquarters in New York and offices in Baltimore, Calgary, Edinburgh, Fort Lauderdale, Leeds, London, Melbourne, and Sydney.

Substantial business resources

A collaborative approach designed to support portfolio management



As of December 31, 2025, ClearBridge Investments consists of ClearBridge Investments, LLC (CBI) and its affiliated managers whose businesses have been operationally integrated with CBI's, including ClearBridge Investments Limited and its subsidiary in Australia, a part of Franklin Templeton Australia Limited doing business as ClearBridge Investments in Australia, a part of Franklin Templeton Investments Corp. doing business as ClearBridge Investments in Canada and ClearBridge Investment Management Limited in the United Kingdom. The business of Franklin Real Asset Advisors has been aligned with ClearBridge Investments.

CLEARBRIDGE'S RELATIONSHIP WITH FRANKLIN RESOURCES

Franklin Templeton provides global distribution and invests in growth through core strategic services including capital allocation for product development, investing in existing Investment Groups and making new acquisitions.

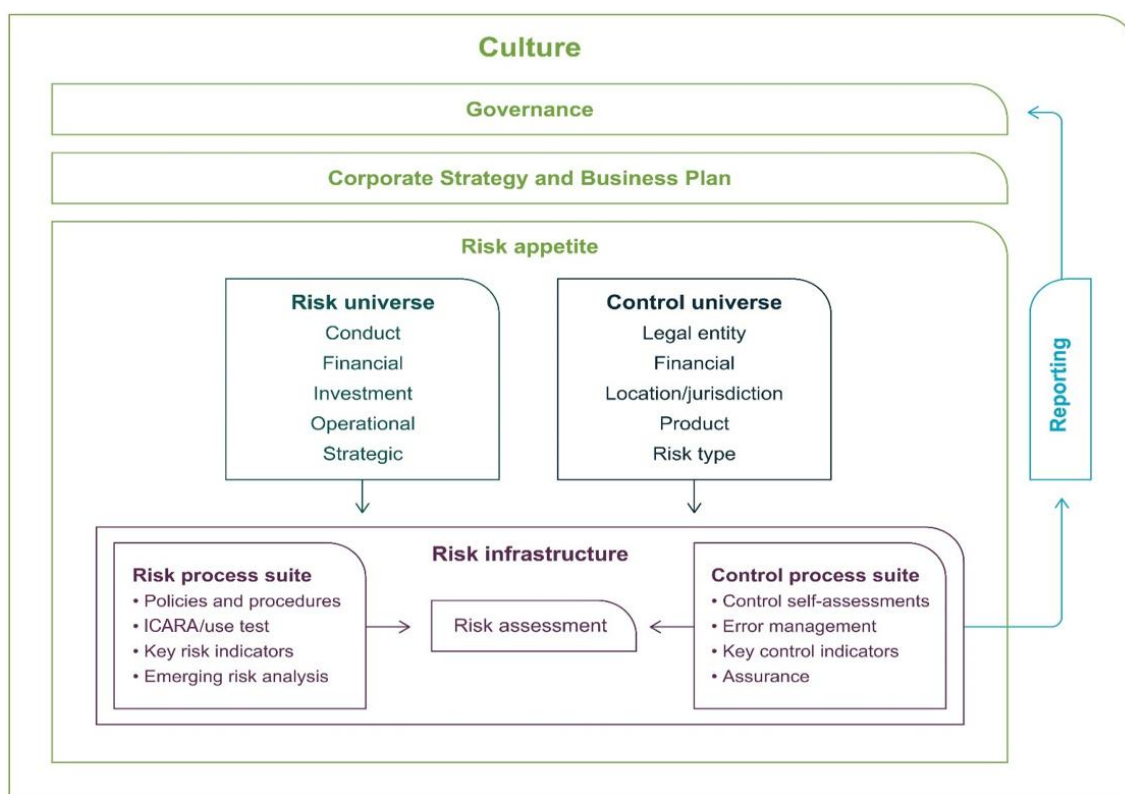
The partnership provides opportunities for CIML to access clients in global markets through Franklin Templeton's global wealth-management distribution proposition. To ensure resilience and scale to allow for future growth, CIML leverages some of the shared services of its parent company. Risk, Compliance, Legal and Commercial Finance operate as part of the broader Franklin Templeton functions, allowing CIML to access deeper and wider pools of expertise.

2. RISK MANAGEMENT FRAMEWORK AND KEY POLICIES

2.1 Risk management policy

Risk is an inherent part of CIML's business and the extent to which risks are properly identified, assessed, managed and monitored is critical to CIML's reputation and commercial success, ensuring good outcomes for CIML's clients and mitigating the risk of potential harm to its clients and markets it operates in.

To achieve this, a robust risk management framework is in place that includes the design, by management, of suitable systems and controls that facilitates informed risk-based decision making, as depicted in the following diagram:



At CIML, the objective of effective risk management is not to eliminate risk altogether but to ensure that risk is taken or accepted knowingly and within the limits of the group’s tolerance or appetite for risk. Further, the decision to accept / tolerate risk should be informed by an understanding of how those risks align with CIML’s business strategy and the associated rewards, so that risks are appropriately ‘priced’.

The Board has ultimate responsibility for the governance of risk in CIML, including the design of the group’s risk management framework.

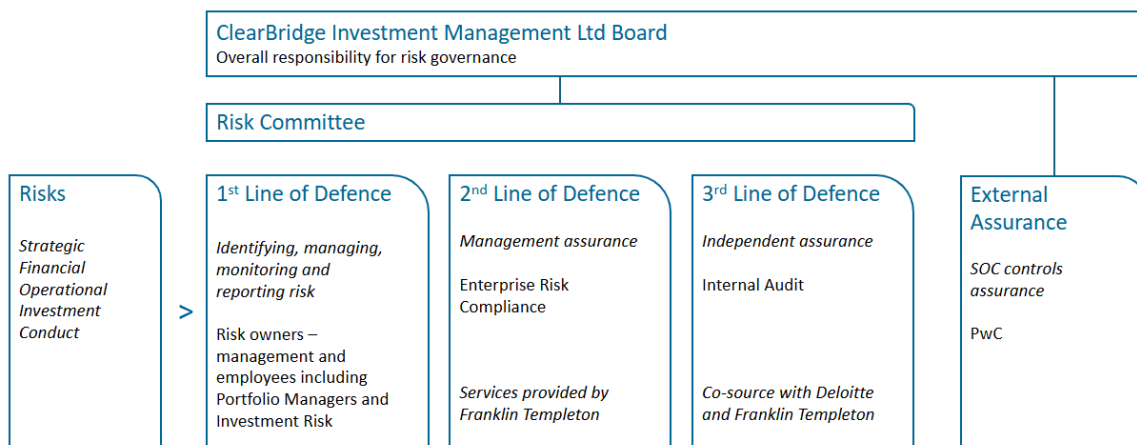
The firm’s risk appetite statements, which have been approved by the Board, cover a number of broad risk types inherent in the firm’s business strategy. Risk appetite statements define the types and aggregate level of risk the firm is willing to assume to achieve its strategic objectives and business plan.

The Board receives reporting regarding key measures of the firm’s risk profile including revenue, profitability, and capital. The Risk Committee also receives reporting from the investment risk framework which includes measures of tracking error, volatility, VaR and liquidity limits. The Enterprise Risk team provide information covering top risks, risk assessments, risk culture and framework effectiveness on a quarterly basis so that the Board is apprised of the main issues facing the firm. In summary, CIML has a low tolerance of risk which may result in harm to clients. However, risk is accepted when necessary to deliver the long-term strategic objectives within the business plan.

Overall, the Board is satisfied that the risk management framework employed adequately manages the risk profile of the firm.

2.2 Risk governance model

In support of the risk management framework, the Board has established a ‘three lines of defence’ risk governance model providing clear assignment of responsibilities with respect to risk, as described below:



The firm’s risk management policy outlines responsibilities with respect to the identification and management of risks associated with business activities. The Board is responsible for developing a risk management infrastructure alongside the business strategy, including mitigating strategies for all risks. Managers and senior professionals within each business area are charged with the operation of business processes, the identification of the risks inherent in each and to implement internal controls designed to mitigate risks. The internal control framework is overseen by the second line of defence, which includes a programme of assurance activity and a six-monthly review of key controls by business owners to confirm the continued and effective operation to manage risk and negate harms.

FIRST LINE OF DEFENCE

The Board of Directors and relevant sub-committees are responsible for the day-to-day management of the control environment. Clearly defined reporting lines ensure the appropriate segregation of responsibilities between investment management, trading, and operations.

SECOND LINE OF DEFENCE

Oversight of the adequacy and effectiveness of the risk management arrangements put in place by the business is the responsibility of the various ‘second line of defence’ functions. The second line of defence comprises Enterprise Risk and Compliance functions that are outsourced to our parent, Franklin Templeton. These functions provide advice and support to the ‘first line’ business areas in the execution of their risk management responsibilities, but also to provide, on behalf of the Board, oversight of the adequacy and effectiveness of the arrangements in place to manage risk.

THIRD LINE OF DEFENCE

As an Investment Group of Franklin Resources Inc. (that operates globally as Franklin Templeton), CIML falls within the remit of the Franklin Resources Inc. group internal audit process. This function has a co-source agreement with Deloitte LLP who undertake the audit reviews for all Specialist Investment Managers. It is independent of CIML operations and reporting lines.

INVESTMENT RISK

Portfolio Managers have responsibility for managing portfolios in a risk-aware manner. The Investment Risk function operates independently from the investment teams, performing the first line of defence.

It is separated from the investment decision making process. Remuneration is unrelated to the specific performance of strategies.

Investment Risk ensures that client assets are managed with an appropriate level of risk, in line with regulatory, client, and internal expectations. It also ensures that appropriate investment risk frameworks are in place, that products are run in line with objectives, risk appetite, and in accordance with the stated investment process and that comprehensive reporting and analytics are available to help understand all relevant aspects of risk within our portfolios, and that effective risk conversations are taking place.

Adherence to thresholds on exposures, risk metrics, and liquidity (including prescribed client or regulatory limits) is monitored on an ongoing basis. Investment Risk reports on a quarterly basis to relevant governance committees, where any issues or concerns are escalated.

2.3 Assessment of appropriateness of risk management process

The ICARA document has been prepared in accordance with MIFIDPRU 7.8 and appropriately covers all risks relevant to the business.

The ICARA content and processes are aligned with risk management documentation, and harms (risk to firm, risk to client, risk to market) considered when performing risk assessments and management thereof. Maintaining sufficient regulatory capital reserves is actively monitored and managed by the Board with any major deviation from budget or capital forecasts investigated and considered when making material decisions. On a day-to-day basis, the Finance team are responsible for ensuring that business change is reflected in the capital maintained and that the company continues to have sufficient reserves to satisfy the regulatory requirements. In addition, all business functions are responsible for appropriately managing their risks and considering the impact on capital as part of decision-making.

Other key prompts for use of the ICARA include:

- capital and cash flow analysis
- capital projections based on business events (a material client leaving was modelled for capital purposes)
- new product considerations
- changes in personnel
- business disruption events
- significant business change

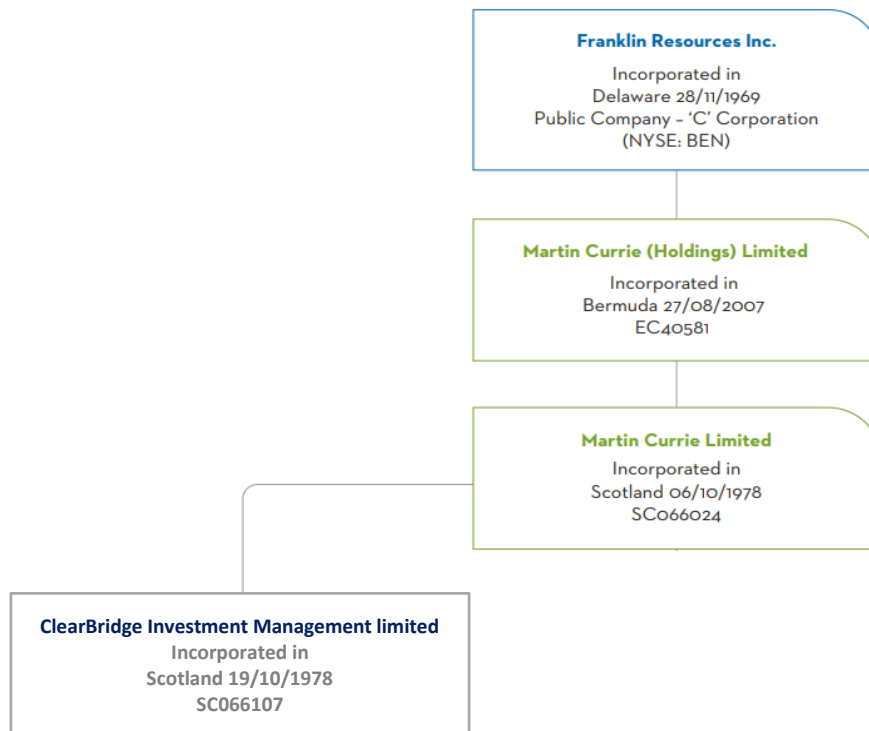
The content of the ICARA document is reviewed and approved annually by the Board, which includes review and approval of the key assumptions underlying the ICARA document.

3. GOVERNANCE STRUCTURE

3.1 Corporate governance

The following chart illustrates CIML's corporate structure. The immediate parent company of the 'U.K. consolidation group' company of Martin Currie Limited is the offshore 'holding company', Martin Currie (Holdings) Limited, whose board of directors are charged with the responsibility for providing

oversight of the activities and internal controls within the company. Martin Currie (Holdings) Limited is a wholly owned, Investment Group of Franklin Resources Inc., which operates globally under the brand of Franklin Templeton. Franklin Resources, Inc., is listed on the New York Stock Exchange (NYSE: BEN).



Martin Currie (Holdings) Limited (MCHL) is the parent company of Martin Currie Limited (MCL), the UK holding company of two wholly owned subsidiaries. MCL has no other trading purpose.

ClearBridge Investment Management Limited ("CIML") is the main operating company of the group. CIML performs investment management, trading, investment support, sales and marketing and platform functions for the ClearBridge group. CIML is a limited company regulated by the FCA.

ClearBridge embraces good practice in corporate governance and has appointed a Board of Directors charged with the responsibility for providing oversight of the activities and internal controls within the company ('Board'). The Board meets at least quarterly to review financial performance and strategy.

The key responsibilities for each committee are as follows:

RISK COMMITTEE

- Maintaining the effectiveness of the firm's risk management and risk culture
- Overseeing the procedures in place to identify and control risks
- Advising the Board on the firm's risk profile and risk appetite
- Oversight of internal audit function (provided by a professional services firm)

REMUNERATION COMMITTEE

- Advising the Board on appointment of new board directors
- Succession planning at Board level
- Determining executive directors' pay and bonuses
- Reviewing the ongoing appropriateness of the firm's remuneration policy

The Risk Committee meets on a quarterly basis. The Remuneration Committee meets annually.

3.2 Management information

The management body and committees described above receive on a regular basis a suite of management information so that they can discharge their responsibilities as set out in their terms of reference. Management information is provided in line with their schedule of meetings and on an ad hoc basis should the need materialise. Actions arising from these meetings are minuted and followed up to conclusion.

3.3 Board composition and diversity

BOARD COMPOSITION

Board membership and succession planning draws upon a range of criteria including relevant collective knowledge, skills and expertise, to understand the firm's activities and risks, and is mindful of the business benefits of diversity to maintain a balanced board capable of discharging its responsibilities effectively. All new members of the Board undergo induction training on appointment.

The directorships of CIML and the number of other directorships held that are in scope for MIFIDPRU 8.3.2 at the disclosure date by each are listed below:

<i>Director</i>	<i>Position</i>	<i>Directorships Held</i>
Nigel Anderson	Head of Enterprise Risk (EMEA)	None
Andrew Ashton	Head of UK and Chair of Canada	None
Katrina Dudley	Senior Vice President, Public Markets Investments	None
Stuart Davidson	Chief Operating Officer – UK	None

DIVERSITY

At ClearBridge we are committed to providing equal opportunities in all aspects of employment and in the management and governance of our business. The company is an equal opportunities employer and considers qualified applicants for employment without regard to race, sex, religion, colour, national origin, disability, medical condition, marital status, age, sexual orientation or any other basis protected by local employment legislation. Appointment to the Board follows this equal opportunity policy and is based on the individual's position held within the Franklin Group, knowledge, skills and expertise.

We are committed to fostering a clear and inspiring culture and we recognise that diversity of thought is hugely beneficial. It's a characteristic often associated with highly innovative organisations - the ability to challenge assumptions and conventional thinking, through actively promoting differing ideas and experiences. Consequently, without having set targets in place, those responsible for appointments to our Boards and business assess the qualities, attributes, knowledge, qualifications, experience and understanding of our business held by candidates in the context of the specification of the role and business with a view to ensuring the right recruitment decision is reached.

4. OWN FUNDS

Composition of regulatory own funds

	Value £'000
1 Own Funds	23,953
2 TIER 1 Capital	23,953
3 Common Equity TIER 1 Capital	
4 Fully paid up capital instruments	311
5 Share Premium	49,570
6 Retained Earnings brought forward	(25,928)
7 Retained Earnings current period	-
8 Accumulated other comprehensive income	-
9 Other reserves	-
10 Adjustment to CET 1 due to prudential filters	-
11 Other funds	-
12 (-) Total deductions from common equity TIER 1	-
13 CET 1: Other capital elements, deduction and adjustments	-
14 Additional TIER 1 Capital	-

Reconciliation of own funds to balance sheet in audited financial statements

	As at 30 Sept 25
Fixed assets	
Tangible assets	11
	<u>11</u>
Current assets	
Debtors	13,831
Cash at bank and in hand	27,500
	<u>41,331</u>
Creditors: amounts falling due within one year	(14,069)
	<u>27,262</u>
Net current assets	27,262
Total assets less current liabilities	<u>26,273</u>
Provision for liabilities	(3,320)
Net assets	<u><u>23,953</u></u>
Capital and reserves	
Called up share capital	311
Share premium account	49,570
Retained earnings	(25,928)
	<u>23,953</u>
Total equity	<u><u>23,953</u></u>

5. OVERALL FINANCIAL ADEQUACY RULE

Per MIFIDPRU 7.4.7, overall financial adequacy rule, a MIFIDPRU investment firm must hold funds that are adequate in both amount and quality to ensure that:

- it is able to remain financially viable throughout the economic cycle, with the ability to address any material potential harm that may result from its ongoing activities; and
- its business can be wound down in an orderly manner, minimizing harm to consumers or to other market participants.

The own funds threshold requirement ("OFTR") is the amount of own funds a firm must hold at all times in order to comply with the overall financial adequacy rule. The OFTR is the higher of the following assessments:

- a. Own funds required for ongoing operations, higher of:
 - K-Factors requirement ("KFR") under MIFIDPRU 4.6. CIML is subject to the following K-Factors:
 - K-Assets Under Management ("K-AUM")
 - K-Trading Counterparty Default ("K-TCD")
 - Any additional own funds requirement for ongoing activities – where the firm determines that KFR alone is insufficient to cover the risks arising from its ongoing activities.

- b. Own funds required for orderly wind-down, being the higher of:
- The fixed overhead requirement ("FOR") under MIFIDPRU 4.5; and
 - The wind-down requirement, where the firm determines that FOR is insufficient to and additional own funds are necessary for the orderly wind down of its business with minimal adverse impact on its clients, counterparties or the wider markets.
- c. Permanent minimum requirement ("PMR"), CIML satisfies the conditions in MIFIDPRU 4.4.4, therefore its PMR is £75k.

Summary of own funds held, own funds threshold requirement and surplus, in £'000

a. Own funds requirement ("OFR") based on FOR of FY25 audited results	6,418
b. Wind down 12 months – based on FY25 audited results	2,965
Higher of OFR and wind-down	6,418
a.ii. Additional own fund requirement for ongoing operations	4,626
c. PMR	75
Higher of above a, b and c	6,418
Own funds threshold requirement	6,418
Own funds held – as at September 30, 2025	20,534
Own funds surplus – ICARA reporting date	14,116

5.1 Own funds requirement

	Ongoing operations
Fixed Overhead Requirement ("FOR") – based on FY25 audited results	6,418
K-Assets Under Management ("K-AUM")	776
K-Client Orders Handled ("K-COH")	-
K-Client Money Handled ("K-CMH")	-
K-Asset Safeguarding and Administering ("K-ASA")	-
K-Net Position Risk ("K-NPR")	-
K-Clearing Member Guarantee ("K-CMG")	-
K-Trading Counterparty Default ("K-TCD")	18
K-Concentration ("K-CON")	-
Sum of above K-factors, as at 30 September 2025:	794
Permanent minimum requirement ("PMR")	75
Higher of FOR, K-factors and PMR	6,418

5.2 Assessment of own funds for ongoing operations

When assessing potential material harm from its ongoing operations, CIML has considered the following:

- An assessment of CIML's business and operating model to identify all material harms that could result from the firm's ongoing business.
- An assessment of CIML's full risk taxonomy.
- Considered the current economic cycle and ensuring no new risks have emerged.

- Considered future operational changes which could alter the risk taxonomy.

CIML has considered the below risks for its ongoing operations.

Credit risk: The credit risk of CIML is 8% of the total of its risk weighted exposure amounts. The calculation has been prepared in accordance with BIPRU 3, standardised credit risk assessment as this approach has been deemed as remaining appropriate for CIML. The credit risk assessment includes all internal and external debtors, including any intercompany loan debtors.

Market risk: CIML has elected to apply the standardised approach for market risk on its foreign currency exposure, i.e. apply an 8% requirement to all foreign currency balances.

Operational risk: Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. It is assumed that operational risk will be broken down into six categories, trading error, conduct risk, mandate compliance risk, cyber risk, portfolio manager loss and third-party system failure.

£'000	September 30, 2025		
	Additional risks	K-Factors	Higher of additional risks and K-Factors
Credit risk	522	-	522
Market risk	88	-	88
Trading error / K-DTF	41	18	41
Conduct risk	216	-	216
Mandate compliance breach	475	-	475
Cyber incident	799	-	799
Portfolio Manager loss / K-AUM	1,966	776	1,966
3rd party systems failure	519	-	519
Total additional own funds required for ongoing operations	4,626	794	4,626

5.3 Wind-down

Under MIFIDPRU 7.5.7, CIML as part of ICARA process is required to ensure the orderly wind-down and termination of business in realistic timescale. CIML is required to evaluate the potential harms arising from the winding down of its business and identify how to mitigate them.

The FCA also requires investment firms to have a detailed plan, outlining the process while considering all the financial and non-financial resources, constraints, and potential material harm. An effective wind-down plan aims to enable a firm to cease its regulated activities and achieve cancellation of its permission with minimal adverse impact on its clients, counterparties, or the wider markets. This includes scenarios where the firm undertakes a strategic exit as well as unexpected crisis or insolvency

which makes the firm unviable. CIML wind-down requirement is £3.0m. CIML has sufficient own funds and liquid assets to meet this requirement.

6. REMUNERATION POLICY AND PRACTICES

6.1 Background

CIML's remuneration policy is designed to reward every employee's performance and contribution, both as individuals and as team members. Employees are assessed against criteria that are relevant to their role and in all cases non-financial measures are a significant part of the assessment. Specific investment management market data, provided by an independent 3rd party on an annual basis, is used as a reference for determining base salaries and total compensation throughout the company.

There are a number of principles and regulatory obligations which apply to CIML, which ensure that our Remuneration Policy and practices are:

- Consistent with, and promote sound and effective, risk management in line with the business strategy, objectives and long-term interests of the firm. This includes consideration of the firm's risk appetite and strategy, including environment, social and governance risk factors and the firm's culture and values.
- Encourage responsible business conduct and promote risk awareness and prudent risk taking.
- Are gender neutral. In particular, ensuring the allocation of fixed and variable compensation awards do not discriminate on the basis of an individual's protected characteristics, including gender and ethnicity.
- Aligned with the interests of clients; and enable potential conflicts of interests to be identified and managed fairly.

CIML applies the Remuneration Code principles set out in SYSC 19 of the FCA Handbook, and this is reflected throughout this policy.

Appropriate governance and oversight is in place to ensure that remuneration awards do not impact CIML's ability to maintain an adequate capital base. CIML does not operate vehicles or methods which may facilitate non-compliance with the remuneration rules it is subject to. No remuneration is paid to Non-Executive Directors (NEDs) by CIML in respect of their role on the company's boards or Remuneration Committee.

6.2 Remuneration Code Staff ("Material Risk Takers")

Under the FCA's Remuneration Code, firms are required to apply certain measures to the remuneration of employees (designated as "Material Risk Takers") who under qualitative and/or quantitative criteria are designated as Material Risk Takers ('MRTs') and whose professional activities have a material impact on the risk profile of the firm. The Remuneration Committee has agreed that the following employees are IFPR Material Risk Taker staff through the criteria set out under the FCA's MIFIDPRU Remuneration Code:

- Members of the CIML Board of Directors
- Certain other senior managers
- Employees engaged in control functions

The Investment Firm Prudential Regime ('IFPR') remuneration rules permit firms to apply the requirements in a manner which is proportionate to their size and scope. ClearBridge Investment Management Limited is a subject to the 'standard' remuneration requirements under IFPR and is not required to apply some of the more onerous requirements to its Material Risk Taker Staff. The general principles which do apply however are reflected throughout this policy and in relation to the Variable pay schemes operated by the firm. All disclosures in this document are made on that basis.

6.3 Remuneration Governance

The Martin Currie Holdings Remuneration Committee is responsible for the review and approval of CIML's Remuneration Policy, with input and advice from time to time provided by Deloitte on best practices in defining the firm's Remuneration Policy. The Remuneration Committee also exercises independent oversight of how CIML implements the Remuneration Policy.

The Remuneration Committee is constituted in majority by external members of CIML to enable it to exercise independent oversight of the implementation of remuneration policy. The composition of the Committee is reviewed by the Chairman to ensure that the Committee has the skills and experience to fulfil its duties.

The Committee also approves the overall remuneration spend and salary increases and bonus awards for all employees as part of the annual review process.

6.4 Remuneration Process

The remuneration process has been built on a number of core principles and promote risk management throughout the process. The principles are that remuneration should be:

- In line with the business strategy, objectives, values and long-term interests of CIML and its clients.
- Performance focused.
- Benchmarked to the market.
- Designed to avoid conflicts of interest.

Remuneration is comprised of fixed pay (salary), variable pay (performance-related bonus) and workplace benefits.

Fixed Pay

Fixed pay (salary) is benchmarked against the market each year. CIML obtains independent investment management sector market data which enables the company to compare its salaries against typical pay for similar roles in peer firms. CIML's policy is to pay all employees competitively within what the market suggests is an appropriate range for the role, subject to affordability and profitability. Salary reviews generally take place annually.

Benefits

Employee benefits generally will vary in line with local market practice and regulatory requirements, in the different geographies in which we operate. In most locations, employees are provided with access to Life Assurance, Income Protection / Salary Continuation and access to Healthcare benefits. There may be other supplementary benefits provided which are specific to each local market, and in some cases, benefits may be provided via plans operated by our parent company, Franklin Templeton.

Pension

Retirement benefits vary in line with local market practice and regulatory requirements, in the different geographies in which we operate. For staff in the UK, the Self Invested Pension Plan (SIPP) is the auto-enrolment scheme for all UK permanent employees over the age of 18. The SIPP enables employees to choose from a wide range of investments and an external provider administers the SIPP on the company's behalf, providing governance and expertise and enabling employees to save for retirement.

Variable Pay (performance-related bonus)

Variable pay is designed to reflect individual and/or team performance against specific targets. The targets vary by function and role. Generally, however, there are three types of bonus scheme operated by CIML:

- **Investment professionals** – bonus based on contribution towards investment excellence, taking into account revenues generated.
- **Distribution professionals** – bonus typically based on achievement of sales as well as delivery of qualitative goals.
- **Support professionals** – bonus based on delivery of individual objectives which support overall business objectives (typically qualitative goals).

Across all of the bonus schemes above, an element of the individual outcome will be determined based on risk and compliance behaviours and living our CIML values. The management of sustainability risks and other ESG factors is an integrated aspect of the firm's investment process and is considered in the performance measurement of each member of our investment teams. Compliance with the firm's ESG policies, which govern the monitoring and management of sustainability risks, is among the non-financial metrics which determine compensation outcomes. The Remuneration Committee may exercise judgment to apply a risk-based adjustment to team or individual bonus based on the assessment of risk, compliance or values performance. The bonus schemes operated by CIML provide a sufficient level of flexibility within the process to take account of both individual and company performance and for external events beyond the company's control. This includes the ability not to pay any variable remuneration.

To assist the Committee in exercising any such judgement, the Enterprise Risk function provides an annual report to the Committee which provides confirmation of the assessment undertaken jointly by Enterprise Risk, Compliance and HR, with recommendations on whether any such adjustment should be applied at company, team or individual level. This recommendation also considers whether the application of malus or clawback is appropriate, which would allow for awards to be reduced, cancelled, or recovered and for further conditions to be imposed in the event of (but not limited to):

- A material misstatement of the Company's or any Group Member's audited financial results;
- Material error in the information or assumptions on which any Award was granted or vests;
- A material failure of risk management by the Company, any Group Member, or a relevant business unit;
- A material sustained downturn in performance of the Group;
- A material error by the Participant which results in a Group Member suffering material financial loss;
- Gross misconduct of the Participant
- Material corporate failure of the Company, any Group Member or a relevant business unit; or
- Material reputational damage to the Company, any Group Member or a relevant business unit as a result of the Participant's misconduct or otherwise.

Bonus schemes in CIML are non-contractual and 20% to 50% of variable remuneration will typically be subject to a 3-year deferral schedule into Restricted Stock Units and/or CIML-managed Funds, thus further aligning employee reward with the long-term interests of the company and its clients.

6.5 Non-standard forms of variable remuneration

CIML's approach to non-standard variable remuneration is intended to follow guiding principles:

- Guaranteed variable remuneration is generally restricted to new hires within the first year of service and would typically be structured to be conditional on the employee demonstrating satisfactory performance over the relevant period, and the recipient remaining in employment at the agreed payment date.
- Where a 'Buy-Out' of deferred awards is included as part of a new hire package, any such awards would typically be subject to vesting periods which are no shorter than those which applied to unvested variable remuneration under the previous contract of employment, where practicable.
- Evidence would be required of the awards due to be forfeited upon leaving their current employer, and any new awards would be subject to the standard provisions which apply under the relevant plan, including applicable malus and claw-back provisions.
- While CIML do not operate a standard severance pay approach, any award of severance pay (including those to Material Risk Takers) which relates to the early termination of an employment contract should reflect the individuals performance and are not intended to be used to reward failure or misconduct.
- Any non-standard forms of variable remuneration proposed for Material Risk Taker roles would be subject to oversight and approval by the Remuneration Committee and would be included in fixed to variable ratio calculations.

6.6 Aggregate Remuneration for Material Risk Takers

A total of 14 CIML employees were identified as Material Risk Takers during the reporting period. The aggregate remuneration of CIML's Material Risk Takers for the 12-month period 1 October 2024 to 30 September 2025 was £8.6m. Total variable remuneration was £5.7m, of which £1.4m was deferred.

	Senior Management staff	Other Material Risk Taker staff	Total
Number of Employees	3	11	14
Fixed remuneration	£0.7m	£2.2m	£2.9m
Variable remuneration	£0.7m	£5.0m	£5.7m
<i>Of which, Cash</i>	<i>£0.5m</i>	<i>£3.8m</i>	<i>£4.3m</i>
<i>Of which, Deferred</i>	<i>£0.2m</i>	<i>£1.2m</i>	<i>£1.4m</i>
Guaranteed remuneration	Nil	Nil	Nil
Severance	Nil	Nil	Nil
Total Remuneration	£1.4m	£7.2m	£8.6m

Fixed remuneration includes base salary, allowances and benefits. Variable remuneration reflects the award value of variable pay during the reporting period, including any deferred awards. All deferred variable remuneration is awarded in the form of parent company Restricted Stock Units or as a deferral into Fund units, which would ordinarily be due to vest over a 3-year period. No awards of Guaranteed remuneration were made to Senior Management or other Material Risk Taker staff during the period. There was one award of severance made to a Material Risk Taker staff member during the period.

6.7 Deferred Remuneration received in previous performance periods

For the 14 CIML's employees identified as Material Risk Takers during the reporting period, aggregate remuneration of £2.5m vested during the period as a result of Deferred remuneration received in previous performance periods. No awards were withheld or reduced during the period as a result of any performance adjustment. Total deferred remuneration of £3.7m in respect of awards granted in this period and in previous performance periods would ordinarily be due to vest to this Material Risk taker population across 2026-2028.

	Senior Management staff	Other Material Risk Taker staff	Total
Number of Employees	3	11	14
Deferred remuneration vested this year	£0.3m	£2.2m	£2.5m
Deferred remuneration due to vest in future years	£0.5m	£3.2m	£3.7m
Total Deferred Remuneration	£0.8m	£5.4m	£6.2m