



MIFIDPRU 8 DISCLOSURE

The Remuneration disclosure of Daiwa International Capital Partners Limited (the "Firm") is set out below as required by MIFIDPRU 8. The regulatory aim of the disclosures is to improve market discipline.

The Firm's remuneration policy is designed to encourage the alignment of the risks taken by the Firm's staff, its clients, mandates, and the Firm itself.

When the Firm assesses individual performance to determine the amount of variable remuneration it will consider both financial and non-financial criteria. As conduct is crucial to the compliance culture of the Firm, if an employee shows poor conduct, this may override their performance in financial areas. Conduct is therefore the biggest metric within non-financial considerations.

The Firm's board of directors is responsible for remuneration policy.

The Firm distinguishes between criteria for setting fixed and variable remuneration and ensures that remuneration is clearly categorised as one or the other.

In line with the FCA's guidance, the Firm considers the difference between the two as follows:

- Fixed remuneration primarily reflects a staff member's professional experience and organisational responsibility as set out in the staff member's job description and terms of employment. It should be pre-determined, non-discretionary and not dependent on performance.
- Variable remuneration should be based on performance and should reflect long-term performance, as well as performance above and beyond their job description. It includes discretionary pension benefits, bonuses and carried interest.

The firm assesses performance across the firm, business units and individuals considering the following criteria:

- Financial metrics including contribution to revenue/ sales growth as well as cost reduction; and
- Non-financial metrics including: the building and maintenance of positive customer relationships and outcomes; alignment with our strategy or values, for example by displaying leadership, teamwork or creativity; adhering to our compliance policies & procedures; and meeting other non-financial targets relating to environmental, social and governance factors and diversity and inclusion.

All the above factors in assessing performance are considered at firm, business unit and individual level as applicable. All variable remuneration is adjusted in line with capital and liquidity requirements.

For the financial year 1 April 2022 to 31 March 2023, total remuneration paid to all staff was £9.0m. This was made up of £0.6m in fixed remuneration and £8.4m in variable remuneration. Please note that 'staff' is defined to include, for example, employees of the Firm itself, the Firm's partners and employees of other entities in the group.