

## **Introduction**

The Financial Conduct Authority ("FCA") is the Prudential sourcebook for MiFID Investment Firms in the FCA Handbook ("MIFIDPRU") sets out the detailed prudential requirements that apply to Soho Square Capital LLP ("Soho" or the "Firm"). Chapter 8 of MIFIDPRU ("MIFIDPRU 8") sets out the public disclosure rules and guidance with which the Firm must comply, further to those prudential requirements.

Soho is classified under MIFIDPRU as a small and non-interconnected MIFIDPRU Investment Firm ("SNI MIFIDPRU Investment Firm"). As such, the Firm is required by MIFIDPRU 8 to disclose information regarding its remuneration policy and practices.

The purpose of these disclosures is to give stakeholders and market participants an insight into the Firm's culture and to assist stakeholders in making more informed decisions about their relationship with the Firm.

This document has been prepared by Soho in accordance with the requirements of MIFIDPRU 8 and is verified by the Firm's governing body (the "Executive Committee"). Unless otherwise stated, all figures are from the Firm's 31<sup>st</sup> March 2025 financial year-end.

## **Remuneration Policy and Practices**

### **Overview**

As an SNI MIFIDPRU Investment Firm, Soho is subject to the basic requirements of the MIFIDPRU Remuneration Code (as laid down in Chapter 19G of the Senior management and arrangements, Systems and Controls sourcebook of the FCA Handbook ("SYSC")). Soho is an alternative investment manager, is also classified as a collective portfolio management investment firm, and as such, is also subject to the AIFM Remuneration Code (SYSC 19B). The purpose of the remuneration requirements is to:

- Promote effective risk management in the long-term interests of the Firm and its clients;
- Ensure appropriate alignment between risk and reward;
- Support positive behaviours and healthy firm cultures, and
- Discourage behaviours that can lead to misconduct and poor customer outcomes.

The objective of Soho's remuneration policies and practices is to establish, implement and maintain a culture that is consistent with, and promotes, sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile of the Firm and the service it provides to its clients.

In addition, Soho recognises that remuneration is a key component in how the Firm attracts, motivates and retains high quality staff and sustains consistently high levels of performance, productivity and results.

Soho is committed to excellence, teamwork, ethical behaviour, and the pursuit of exceptional outcomes for its clients. From a remuneration perspective, this means that performance is determined through the assessment of various factors that relate to these values, and by making considered and informed decisions that reward effort, diligence, and results.

### **Remuneration Framework**

The Firm's remuneration is comprised of fixed and variable remuneration.

The Partners of Soho receive fixed drawings which are considered to be fixed remuneration. Additional Profits allocated to the Partners are considered to be variable remuneration and are not guaranteed.

Staff within the Group who are seconded to Soho to provide regulatory activities will receive a portion of their annual salary from Soho. This is considered fixed remuneration.

The fixed and variable components of remuneration are appropriately balanced; the fixed component represents a sufficiently high proportion of the total remuneration to enable the operation of a fully flexible policy on variable remuneration. This allows for the possibility of paying no variable remuneration component, which the Firm may do should a need arise, such as where there is a risk that the Firm may not be able to meet its regulatory capital or liquidity requirements.

The Firm's sole bonus arrangement is fully discretionary. The Firm has discretion to pay bonuses to all staff based on the performance of the Firm as a whole, and the contribution of the individual to the success of the Firm.

The objective of the Firm's Remuneration Policy is to set remuneration at a level that the Firm's staff are fairly and responsibly rewarded in a manner that is appropriately linked to their performance. The size of the bonus pool from which variable remuneration awards are made is assessed in light of the capitalisation and liquidity buffer in place at the Firm, taking into account current and future risks, drawing upon other available resources to make this assessment, such as the Firm's Internal Capital Adequacy and Risk Assessment ("ICARA")

### **Governance and Oversight**

The Executive Committee is responsible for setting and overseeing the implementation of Soho's remuneration policy and practices. In order to fulfil its responsibilities, the Executive Committee :-

- Is appropriately staffed to enable it to exercise competent and independent judgement on remuneration policies and practices and the incentives created for managing risk, capital and liquidity. The Compliance Officer is a member of the Executive Committee and so can ensure that any relevant compliance and risk considerations are taken into account when setting individual remuneration awards;
- Prepares decisions regarding remuneration, including decisions that have implications for the risk and risk management of the Firm;
- Ensures that the Firm's remuneration policy and practices take into account the long-term interests of stakeholders, investors and other stakeholders in the Firm; and
- Ensures that the overall remuneration policy is consistent with the business strategy, objectives, values and interests of the Firm and its clients.

Soho's remuneration policy and practices are reviewed annually by the Executive Committee.

### **Quantitative Remuneration Disclosure**

For the financial year 1 April 2024 to 31 March 2025, the total amount of remuneration awarded to all staff was £735,018 of which £735,018 comprised the fixed component of remuneration, and £0 comprised the variable component. For these purposes, "staff" is defined broadly, and includes, employees, partners and secondees of the Firm.