Cenkos Securities Plc
Remuneration Disclosure

Dated 18 March 2022

The following disclosures are made in accordance with the UK version of article 450 of the Capital Requirements Regulation ("CRR"), EBA Guidelines on sound remuneration policies, the Financial Conduct Authority's ("FCA") IFPRU Remuneration Code set out in Chapter 19A of the Senior Management Arrangements Systems and Controls Sourcebook ("SYSC") of the FCA Handbook (the "Remuneration Code") and any associated regulations and guidance including the FCA's General Guidance on Proportionality (FG17/6, the "'Proportionality Guidance").

The Remuneration Code recognises that not all Remuneration Principles apply to firms equally. The concept of proportionality exists in order to take account of a firm's individual size, internal organisation and the nature, scope and complexity of its activities known as the 'remuneration principles proportionality rule'. Currently there is a 3-tier level of proportionality defined by the FCA which applies to firms based on the type of firm under the CRR and their total assets. Under the Proportionality Guidance, Cenkos Securities Plc ("Cenkos" or the "Company") falls into the lowest tier, namely proportionality tier 3. The following disclosures reflect the requirements for such tier 3 firms.

Decision-making process for remuneration policy

Cenkos is not a significant institution as such term is defined in the UK version of article 131 of the Capital Requirements Directive. Nevertheless, the Board of Cenkos considers in the interests of all stakeholders and in order to demonstrate sound internal governance, the establishment of a Remuneration Committee is necessary for the purposes of establishing and maintaining policies and practices that are consistent with and promote sound and effective risk management. The Remuneration Committee is responsible for advising on, approving and assisting with the implementation of the Remuneration Policy for the Company. The Remuneration Committee takes advice on remuneration, prudential and regulatory issues from its external advisers and internally as appropriate including from the Finance, Compliance and Human Resources functions.

The Remuneration Committee also monitors, reviews and makes recommendations to the Board in respect of the remuneration of the Executive Directors of the Company, and monitors and makes recommendations in respect of the Executive Committee, senior employees and high earning employees of the Company identified pursuant to the UK version of Regulation (EU) No 604/2014 ("Code Staff"). No individual is included in decisions regarding their own remuneration.

The Remuneration Committee reviews the adequacy and effectiveness of the Remuneration Policy with the aim of monitoring the impact of it on the financial position of the Company, its business strategy and long-term corporate objectives. The Remuneration Policy was last reviewed in March 2021 and will be reviewed again in 2022.

The members of the Remuneration Committee at 17 March 2022 are the company's Non-Executive Directors, Andrew Boorman, Lisa Gordon and Jeremy Miller. The Remuneration Committee meets as and when required to ensure that it discharges its duties as set out in its Terms of Reference established in accordance with the EBA Guidelines and in order to ensure compliance with the Company's Remuneration Policy and informs shareholders and others via the Directors' Remuneration Report within the Annual Accounts, the latest copy of which is available on the website.

Link between Pay and Performance

The Company's remuneration policy is designed to attract and retain individuals of the highest calibre and probity and reward them so that they are motivated to grow and share in the long-term development and success of the business. The Remuneration Committee considers the need to balance all stakeholders' interests and to be flexible in its approach to determining the remuneration policy. A substantial proportion of the total remuneration is performance related and therefore aligned to performance measures that benefit all shareholders. A significant component of variable compensation is also deferred over three years or more and subject to malus, clawback and customary good/bad leaver provisions.

Remuneration consists of two components, fixed remuneration consisting of a base salary together with benefits and variable remuneration based on a performance (financial and non-financial) related bonus award and share option awards. The performance related bonus award is a discretionary award which reflects the extent of the Company meeting its targets and objectives and is, therefore, substantially reflective of the Company's overall financial performance. The quantum of the discretionary bonus pool is determined by the Committee considering the corporate financial performance, overall Company culture, attitude to risk as well as having regard to the need to balance all stakeholder interests. All individual awards are made at the discretion of the Remuneration Committee reflecting the individual's performance, after risk factors (including behaviour and conduct) have been considered. This policy applies to all revenue generating and non-revenue generating staff. All variable remuneration is subject to the terms and conditions of the Company's bonus share deferral scheme whereby a portion of variable remuneration is deferred and vests in shares or cash over a three-year period. The Committee has also agreed to introduce a bonus clawback scheme going forward, to apply to all client-facing staff and certain material risk takers, whereby the Company has, in certain circumstances, the option to seek repayment of a percentage of bonuses.

A review of the Firm's Remuneration Policy is undertaken annually. To ensure that every employee had an equity share interest in the Company, thereby aligning their interests with the shareholders, awards were made under the under the existing Company Share Option Plan to all staff and also under a newly established Long Term Incentive Plan for Executive Directors' and senior managers. All the awards contain a performance hurdle and the purpose of the awards under the Long-Term Incentive Plan is to incentivise the new management team in delivering increased shareholder value.

Code Staff

As well as Cenkos reviewing its various businesses and reporting lines Cenkos has also considered the identification of Code Staff as those whose activities have a material impact on the Company's risk profile taking into account the qualitative and quantitative criteria in accordance with the UK version of Regulation (EU) No 604/2014. Cenkos has determined that as at 31 December 2021 these are:

1. members of the Board;
2. members of the Company's Executive Committee;
3. certain heads of business units where these have not already been identified above (and where applicable certain of their deputies) and key control functions responsible for assessing and managing the Company's risk; and
4. any other employee whose total remuneration is €500,000 or more.

The first three categories have been designated Senior Management Code Staff. The fourth category has been designated as Other Code Staff.

Aggregate Remuneration cost for Code Staff

During 2021 there were 23 employees who served either during (for at least a period of three months) or throughout the year who were categorised as Code Staff (2020:24). Of these 19 were classed as Senior Management Code Staff and 4 as Other Code Staff.

The aggregate remuneration expenditure in respect of Code Staff was £14.33m (2020: £12.38m)

Fixed/Variable Remuneration

	31 December 2021	31 December 2020
Total number of Code Staff	23	24
Fixed Remuneration	£2.90m	£2.58m
Variable Remuneration	£11.43m	£9.80m