

# Verition Advisors (UK Partners) LLP

## MIFIDPRU 8 Disclosure

September 2024

### *Introduction*

The Financial Conduct Authority (“FCA” or “regulator”) in the Prudential sourcebook for MiFID Investment Firms in the FCA Handbook (“MIFIDPRU”) sets out the detailed prudential requirements that apply to Verition Advisors (UK Partners) LLP (“Verition” or the “Firm”). Chapter 8 of MIFIDPRU (“MIFIDPRU 8”) sets out public disclosure rules and guidance with which the Firm must comply, further to those prudential requirements.

Verition 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 Verition in accordance with the requirements of MIFIDPRU 8 and is verified by the Management Committee. Unless otherwise stated, all figures are as at the Firm’s financial year-end 31 December 2023.

### *Remuneration Policy and Practices*

#### **Overview**

As an SNI MIFIDPRU Investment Firm, Verition is subject to the basic requirements of the MIFIDPRU Remuneration Code (as laid down in Chapter 19G of the Senior management arrangements, Systems and Controls sourcebook in the FCA Handbook (“SYSC”)).

The purpose of the remuneration requirements is to:

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

The objective of Verition'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 services that it provides to its clients.

In addition, Verition recognises that remuneration is a key component in how the Firm attracts, motivates, and retains quality staff.

Verition makes considered and informed remuneration decisions that reward staff based on their effort, attitude, and results.

## **Characteristics of the Firm's Remuneration Policy and Practices**

### **Fixed and variable remuneration**

The Firm categorises all components of remuneration as either fixed or variable remuneration.

In allocating individual remuneration components to fixed or variable remuneration, the Firm considers the quality and purpose of the remuneration component as follows:

- fixed remuneration is based on a staff member's professional experience and organisational responsibility and is permanent, pre-determined, non-discretionary, non-revocable and not dependent on performance; and
- variable remuneration is discretionary and based on the staff member's performance.

Staff remuneration principally comprises salary, benefits, and a discretionary bonus or a percentage payout and is subject to certain conduct and compliance gateways. Further details of the Firm's variable remuneration arrangements are summarised below.

The Firm ensures that:

- the fixed and variable components of total remuneration are appropriately balanced taking into account the staff member's role and the Firm's business activities and associated prudential and conduct risks; and
- the fixed component represents a sufficiently high proportion of the total remuneration to enable the operation of a fully flexible policy on variable remuneration, including the possibility of paying no variable remuneration. No member of staff will receive only variable remuneration.

### **Variable remuneration arrangements**

#### **Performance assessment**

The decision to pay variable remuneration to staff members is made on a staff member by staff member basis solely at the discretion of the Firm. The decision will be based on the performance assessment criteria in this section. The Firm may take into account a staff member's tenure if they have worked at the Firm for less than one year as at calendar year end.

For all staff, when assessing individual performance to determine the amount of variable remuneration to be paid to an individual, the Firm takes into account financial as well as non-financial criteria. The non-financial criteria considered includes compliance with all applicable Firm risk management, compliance, and conduct-related policies, and/or having completed all mandatory compliance-related training.

### **Paying variable remuneration**

Any discretionary bonuses or percentage payouts awarded will be paid to staff members during the first quarter of the performance year immediately following the performance year for which the discretionary bonus is being awarded.

In order to be eligible to be considered for a discretionary bonus or a percentage payout, staff members must be actively employed/active members and not under notice during the bonus year. In addition, the staff member must be employed/a member on the date the discretionary bonus or percentage payout, if any, is paid and not have either received or given notice to terminate their employment or membership.

Subject to any guaranteed variable remuneration which may be agreed from time to time, because bonus payments are discretionary, no staff member has any express or implied right to receive any discretionary bonus in the current performance year or for a future performance year.

Bonuses are paid in accordance with the Firm's practices at the time of award and the rules of the applicable bonus scheme. The Firm reserves the right to amend, withdraw and/or replace any annual discretionary variable remuneration scheme at any time and for any reason without giving rise to any claim for damages or compensation as a result.

### **Governance and Oversight**

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

- Is appropriately staffed to enable it to exercise competent and independent judgment on remuneration policies and practices and the incentives created for managing risk, capital, and liquidity.
- Considers 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 public interest and the long-term interests of stakeholders in the Firm.
- Ensures that the overall remuneration policy is consistent with the business strategy, objectives, values, and interests of the Firm and of its clients.

Verition's remuneration policy and practices are reviewed annually by the Management Committee.

## **Quantitative Remuneration Disclosure**

For the financial year 1 January to 31 December 2023, the total amount of remuneration awarded to all staff was £60,368,764, of which £12,407,567 comprised the fixed component of remuneration, and £47,961,197 comprised the variable component. For these purposes, 'staff' is defined broadly, and includes, for example, employees of the Firm itself and its members.