

Montagu Private Equity LLP

MIFIDPRU 8 Disclosures

Introduction

Montagu Private Equity LLP (FRN 460940) ("Montagu" or the "Firm") is authorised and regulated by the Financial Conduct Authority (the "FCA"). The Firm is a MiFID Investment Firm ("MIFIDPRU") to which the MIFIDPRU prudential sourcebook applies. The Firm is classified as Small Non-Interconnected ("SNI"), and the disclosure has been prepared on this basis.

In accordance with the disclosures outlined in MIFIDPRU 8, the Firm is required to disclose information regarding its remuneration policy and practices.

This document has been prepared by the Firm in accordance with the requirements of MIFIDPRU 8 and is approved by the Legal, Risk and Compliance Committee. Unless otherwise stated, all figures are as of 31 December 2023 (the Firm's accounting reference date).

Remuneration Policy and Practices

The Firm has adopted a Remuneration Policy that complies with the requirements of Chapter 19G of the FCA's Senior Management Arrangements, Systems and Controls Sourcebook. The Remuneration Policy aims to explain the purpose of the policy, e.g. to comply with MIFIDPRU 8.6.2R.

Remuneration Structures

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

The remuneration granted to Staff¹ consists of a fixed remuneration component (being an individual's salary or drawings), and of a variable remuneration component.

The Firm ensures that fixed and variable components of total remuneration are appropriately balanced and that the fixed component represents a sufficiently high proportion of the total remuneration. This ensures complete flexibility regarding the variable remuneration (including the possibility to pay no variable

¹ Officers, members, partners and employees

remuneration component). The total amount of remuneration shall be based on a combination of the performance assessment of the individual, of the Firm or of the Fund concerned. The performance measurement used to calculate variable remuneration also includes a comprehensive adjustment mechanism that integrates all relevant types of current and future risks.

Fixed remuneration

Montagu awards staff competitive fixed remuneration based on the role requirements, individual experience, and industry benchmarking to attract and retain the right calibre of staff.

The fixed remuneration for employees consists of:

- **Base salary:** remunerates for role and position within the Firm and is reviewed annually by the remuneration committee
- **Pension:** A fixed percentage of base salary paid as a defined contribution to ensure an appropriate living standard for retirement employees.
- **Benefits:** Benefits Package supplements such as allowances and benefits in kind.

Variable remuneration

At Montagu, variable remuneration is awarded to promote sound risk management, does not incentivise excessive risk-taking, and aligns the employees with the long-term business strategy and interests of its clients, customers, and investors. Each year, the Firm allocates a percentage of revenues as variable remuneration (the "Bonus Pool") to employees. Such percentage is agreed upon by the Remuneration Committee under the oversight of the Montagu Board. It is evaluated in light of the performance of the Group (including the Firm), its cash position, and any future capital commitments.

Variable remuneration schemes include the following:

- **Short-term incentive:** discretionary annual bonus
- **Long-term incentive:** including carried interest, residual profit share allocation and equity awards and interests
- **Extraordinary payments:** including sign-on bonus and occasionally a retention bonus

Variable remuneration is determined at the end of the relevant performance year following a performance assessment and may be paid at different times during the year.

Variable remuneration is not awarded if it would endanger the prudential soundness of the Firm.

Governance

Under the oversight of the Montagu Board, the Remuneration Committee is responsible for the remuneration principles within the Firm. The committee discusses and approves all recommendations for staff remuneration and profit allocations to members and ratifies promotions. In its function, it is supported by the Legal, Risk and Compliance Committee and other control functions such as Compliance.

Montagu's remuneration policy and practices are reviewed annually by the Compliance team and the Remuneration Committee.

Quantitative Remuneration Disclosure

For the financial year 1 January to 31 December 2023, the total amount of remuneration awarded to all staff was £ 20.340 million, of which £ 15.241 million comprised the fixed component of remuneration, and £ 5.098 million comprised the variable component.