

Remuneration Disclosure

Last updated: 30 June 2021

Regulatory background

Visor Capital (UK) Limited ('VCUK') complies with the relevant prudential rules contained in the FCA Handbook:

- Prudential Sourcebook for Banks, Building Societies and Investment Firms ('BIPRU') and
- Senior Management Arrangements, Systems and Controls Sourcebook ('SYSC'). The European regulatory framework consists of three 'Pillars':
- **Pillar 1** sets out the minimum capital required to meet the firm's credit, market and operational risk;
- **Pillar 2** requires the firm to assess whether its Pillar 1 capital is adequate to meet its risks and makes this subject to annual review by the Financial Conduct Authority ('FCA'); and
- **Pillar 3** requires disclosure of specified information about the firm's underlying risk management controls and capital position, including disclosure requirements for remuneration.

The rules in BIPRU 11 set out the requirements for Pillar 3 disclosure and this document is designed to meet those requirements.

Pillar 3 remuneration disclosure

Please note that the following disclosures are in respect of those required under BIPRU 11.5.18R – 11.5.21G only.

Application to VCUK

VCUK is authorised and regulated by the FCA to provide investment advisory and execution of orders to professional clients and eligible counterparties as a BIPRU firm. In providing these services, VCUK ensures that it has robust governance arrangements in place in line with its regulatory obligations, including a clear organisational structure with transparent lines of responsibility and effective risk management, monitoring and reporting systems.

VCUK is subject to the remuneration rules, which are contained in the FCA's BIPRU Remuneration Code (the 'Code') within SYSC Chapter 19C. The Code applies to its activities (to include regulated activities and unregulated activities in a prudential context). The Code covers all aspects of remuneration, including both fixed and variable remuneration. VCUK understands that fixed remuneration consists of payments or benefits without consideration of any performance criteria, whilst variable remuneration refers to additional payments or benefits depending on performance or, potentially, contractual criteria. Ancillary payments or benefits that are part of a general, non-discretionary firm-wide policy and pose no incentive effects in terms of risk assumption are not considered to fall within the definition of remuneration.

VCUK has a Remuneration Policy (the 'Policy'), which is designed to ensure that its remuneration practices:

- are consistent with and promote sound and effective risk management;
- do not encourage excessive risk taking;
- include measures to avoid conflicts of interest; and
- are in line with the business strategy, objectives, values and long-term interests.

Remuneration disclosure requirements

BIPRU provides that VCUK must comply with its remuneration disclosure requirements in a manner that is appropriate to its size, internal organisation and the nature, scope and complexity of its activities. This disclosure takes into account these proportionality considerations.

VCUK is required to disclose certain information, on at least an annual basis, concerning the Policy and remuneration practices in place for the staff of VCUK whose professional activities have a material impact on its risk profile.

Governance and design of the policy and remuneration practices

The Policy and remuneration practices are overseen by the Board of Directors of VCUK. The Board is responsible for decisions on remuneration, particularly in relation to:

- setting and approving the annual incentive remuneration pool;
- periodically reviewing and approving the remuneration practices and the Policy; and
- determining the remuneration of employees and senior management.

Policy and remuneration practices of VCUK

The Policy and remuneration practices are intended to attract, retain and motivate employees and consultants to use their knowledge, expertise, business acumen and leadership skills to serve its clients effectively. In addition, the Policy and remuneration practices are intended to:

- promote sound risk management practices and align with its risk management principles;
- discourage risk taking that is inconsistent with its risk appetite or risk management policies and principles;
- control fixed costs by ensuring that remuneration expense varies with profitability and does not constrain its ability to strengthen its capital base;
- link a significant portion of an employee's total remuneration to its financial and operational performance, the performance of the business unit as appropriate, as well as individual performance; and
- provide competitive, but not excessive, levels of remuneration compared to peer firms of appropriate size, business scope, geography, complexity and profitability.

The Policy and remuneration practices are intended to support the VCUK business strategy, long term interests and values, and to ensure that risk taking does not exceed its tolerated level of risk. Periodic benchmarking ensures that incentive remuneration at the individual level is not unreasonable or disproportionate to the amount, nature, quality and scope of the work performed.

Base salaries are intended to provide regular cash flow to employees throughout the year, irrespective of company or individual performance. Base salaries and benefits linked to salary have traditionally constituted the bulk of total remuneration for a significant majority of employees.

For senior professional, managerial and executive roles, annual incentive awards can represent a significant percentage of total remuneration, as is typical in the broader financial services industry in which VCUK competes. By placing a strong emphasis on annual incentive awards, VCUK can limit fixed remuneration expenses whilst rewarding employees for their individual contributions and the achievement of annual financial and non-financial goals.

Aggregate remuneration at VCUK

The aggregate remuneration for remuneration code staff for the financial year ended 31 December 2020 was £198,458. The total number of its remuneration code staff was 2.

VCUK has made no omissions on the grounds of data protection.