

Clearlake Capital (UK) LLP

MIFIDPRU 8 Disclosure

12 November 2025

Introduction

The Financial Conduct Authority (“FCA”) in the Prudential sourcebook for MiFID Investment Firms in the FCA Handbook (“MIFIDPRU”) sets out the detailed prudential requirements that apply to Clearlake Capital (UK) LLP (the “Firm”). As an Alternative Investment Fund Manager under the UK Alternative Investment Fund Management Directive (the “UK AIFMD”), the Firm is also subject to chapter 11 of the Interim Prudential Sourcebook for Investment Business (“IPRU-INV”). Chapter 8 of MIFIDPRU (“MIFIDPRU 8”) sets out public disclosure rules and guidance with which the Firm must comply, further to those prudential requirements.

The Firm is classified for prudential purposes as a Collective Portfolio Management Investment firm (“CPMI Firm”) that is 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 the Firm in accordance with the requirements of MIFIDPRU 8 and reviewed and approved by the Firm’s Managing Board (“the Board”). All figures are for the financial year ended 31 December 2024.

Remuneration Policy and Practices

Overview

As an SNI MIFIDPRU Investment Firm, the Firm 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 Firm, as a CPMI Firm, is also subject to the UK AIFMD Remuneration Code (SYSC 19B).

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

In addition, the Firm recognises that remuneration is a key component in how the Firm attracts, motivates, and retains quality staff and sustains consistently high levels of performance, productivity and results. As such, the Firm's remuneration philosophy is also grounded in the belief that its people are the most important asset and provide its greatest competitive advantage. From a remuneration perspective, performance is determined through the assessment of various factors that relate to these values, and by making considered and informed decisions that reward effort, attitude and results.

Characteristics of the Firm's Remuneration Policy and Practices

Remuneration at the Firm is comprised of fixed and variable components. The fixed component is set in line with market competitiveness at a level to attract and retain skilled staff. Variable remuneration is paid on a discretionary basis and takes into consideration the Firm's financial performance as well as the financial performance of each business unit, and the financial and non-financial performance of the individual in contributing to the Firm's success. All staff members are eligible to receive discretionary variable remuneration.

The ultimate decision as to whether discretionary variable remuneration is to be awarded to staff members is made by the Firm considering its current profits and any future capital required to be put aside for expansion plans or for regulatory capital purposes on the basis of forecasts. The outcome of these considerations will then be used to determine a bonus pool to be distributed to staff members. The amount allocated to an individual is fully in the discretion of the Firm and is subject to the approval of the Board. Any bonus pool is linked to the performance of the Firm as a whole and not individual trading performance. The key financial performance measure used to determine the total variable remuneration pool is the Firm's net profit/loss after all expenses have been paid. This amount is then adjusted by an assessment of other key performance measures and identified risks outlined within the Firm's Internal Capital Adequacy Risk Assessment ("ICARA").

Individual staff performance within the Firm is determined using financial and non-financial criteria on a meritocratic basis that is gender neutral. The performance of staff members is not based upon contribution to investment performance only; it also includes factors such as their adherence to the Firm's compliance policies and risk limits. Any violations of these policies will be considered when determining variable remuneration and may have a negative impact on the amount of variable remuneration awarded.

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 would do in certain situations, such as where the Firm's profitability performance is constrained, or where there is a risk that the Firm may not be able to meet its capital or liquidity regulatory requirements.

Governance and Oversight

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

- 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.

- 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 shareholders, investors and other stakeholders in the Firm.
- Ensures that the overall remuneration policy is consistent with the business strategy, objectives, values and interests of the Firm and its clients.

The Firm's remuneration policy and practices are reviewed annually by the Board.

Quantitative Remuneration Disclosure

For the 2024 financial year, the total amount of remuneration awarded to all staff was approximately £7.6m of which approximately £5.0m comprised the fixed component of remuneration, and approximately £2.6m comprised the variable component. For these purposes, 'staff' is defined broadly, and includes, for example, employees of the Firm itself, directors and secondees.