Disclosures
For the year ended December 31st 2025

Capital Com (UK) Limited

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1. Overview

1.1 Introduction

The disclosures within this document are prepared in accordance with the Financial Conduct Authority (FCA) MIFIDPRU 8 requirements.

Capital Com (UK) Limited is a non-SNI MIFIDPRU investment firm and is a wholly owned subsidiary of Capital Com Investments Limited (“CCINV”).

In accordance with MIFIDPRU 8.1.7, the disclosures are compiled on an individual basis for the year ended 31 December 2025. Any references to “the Group” are to the Capital Com Group together with all its subsidiary undertakings.

1.2 About Capital Com (UK) Limited

Capital Com (UK) Limited ("CCUK", "Firm" or "Company") is incorporated in England and Wales (company number 10506220) and is authorised and regulated by the FCA (FRN 793714). CCUK provides access to financial markets for retail and elective professional clients as an execution-only brokerage platform. The Firm operates on a strictly non-advised basis and does not provide investment advice, portfolio management or discretionary services.

Through its trading platform, CCUK offers over-the-counter ("OTC") derivatives in the form of two key products: Contracts for Difference ("CFDs") and Financial Spread Bets. The markets offered in these products are Equities, Indices, Commodities, Forex pairs, Bonds & Interest Rates, and Cryptocurrencies. Cryptocurrency-referenced derivatives are only made available to elective professional clients. CCUK also offers non-leveraged "1x" CFD accounts, under which clients deposit the full notional value of the position and no leverage is applied. CCUK also maintains a legacy share dealing service for existing clients.

CCUK acts as principal under a matched principal framework, under which client positions are hedged on a back-to-back basis with a Group entity. As a result, CCUK does not carry directional market risk on client positions. CCUK remains exposed to residual market risk, principally foreign exchange movements on balance sheet items, which is captured by the K-NPR requirement. Because client positions are hedged with a Group entity, CCUK is also exposed to counterparty risk on that entity, which is captured by the K-TCD requirement and, where applicable, the K-CON requirement (see Section 5.2).

1.3 Group Structure and Its Regulated Entities

CCUK is a wholly owned subsidiary of CCINV, a holding company incorporated in Cyprus. The Capital Com Group operates regulated entities across multiple jurisdictions, including the United Kingdom, Cyprus, Australia, the Bahamas and the UAE.

CCUK retains full legal and regulatory responsibility for its UK regulated activities. Its Board and senior management oversee its governance, risks and prudential position, including where other Group entities are involved.

1.4 Frequency of Disclosures

The disclosures are published on an annual basis, together with the financial statements, and are publicly available on CCUK's corporate website (Capital.com).

1.5 Significant Changes Since the Previous Disclosures

The structure of these disclosures is consistent with the previous period. The principal changes compared with the disclosures for the year ended 31 December 2024 are an increase in the K-factor requirement, mainly driven by K-TCD, and the inclusion of K-CON as an applicable K-factor. The presentation of principal risks has been updated to show risks by Level 2 category, and the governance and remuneration sections have been updated to reflect current arrangements.

2. Risk Management Objectives and Policies

2.1 Risk Management Framework

The Risk Management Framework ("RMF") acts to ensure effective risk management practices across the Firm. CCUK undertakes risk management processes to understand the risks posed to the Firm, and proactively manage and mitigate these risks to acceptable levels.

This Framework sets out the principles and methods used to identify, assess, report, and mitigate the risk of harm to CCUK's clients, to the Firm or to the financial markets. The Framework also enables the Company to continually align its business objectives against a background of changing risks and uncertainty.

The Risk Management Framework:

- Enables the Company to proactively manage its risks in a systematic manner.
- Ensures that appropriate measures are in place to mitigate risks of harm.
- Helps drive a culture of risk awareness within the Company.
- Ensures that risk management is an integral part of the Company's decision-making process.

The Board of Directors ("Board") sets CCUK's strategic business objectives, in line with delegated authority from the shareholder, whilst having overall oversight of and responsibility for ensuring risk controls and systems are robust and fit for purpose in pursuit of its strategic aims.

The Board is ultimately responsible for the Risk Management Framework of the Company and for reviewing the effectiveness of the Firm's risk management arrangements and the operating effectiveness of the underlying internal controls. These are designed to mitigate the risks of not achieving business objectives, and, as such, offer reasonable assurance against harm, fraud, material misstatement and loss.

The Board has responsibility for the Firm's governance and setting the risk appetite, understanding that risk is an inherent part of CCUK's business model, and that the Firm's objective is not to eliminate risk but to manage risk to an acceptable level within this defined risk appetite.

2.2 Risk Culture

CCUK's risk culture is built on four pillars set out in the Culture Strategy, being purpose, leadership, governance and performance management. Together these establish the behavioural standards and values that are expected of all staff, providing the foundation for an effective Risk Management Framework.

The Board and senior management are responsible for visibly modelling the Firm's values and fostering an environment in which open dialogue, personal accountability, and ethical escalation are integral to leadership and organisational processes.

A strong risk culture is central to CCUK's ability to protect its clients, its business and its reputation. The Firm is committed to ensuring that all staff understand not only what is expected of them but also the regulatory and ethical rationale behind those expectations. The Board recognises that a weak or deteriorating risk culture is itself a material risk, capable of driving poor client outcomes, regulatory breaches and reputational harm. Accordingly, the Board receives information on risk culture and expects management to take action where weaknesses are identified.

Central to the company's culture is a commitment by all staff members to act with integrity and to follow the principles of responsible decision making. Business ethics refer to CCUK's approach to conduct risk and consumer duty in particular with regards to anti-competitive practices, corruption and bribery, anti-money laundering, fraud, political stance and lobbying, intellectual property rights and sanctions. As a group, the Firm ensures high standards of business ethics by conducting thorough risk assessments, ensuring robust and appropriate policies and procedures and via staff training.

CCUK aims to be proactive in terms of providing timely, open and honest regulatory and public disclosures reflecting both company successes and points of failure and the Firm aims to avoid being misleading in all internal and external reporting, marketing and communications.

2.3 Risk Appetite

The purpose of the Risk Appetite Statement (“RAS”) is to articulate the level and types of risk the Firm is willing to accept in pursuit of its strategic objectives, ensuring alignment with its regulatory obligations, stakeholder expectations, and overall business model. It serves as a foundational component of the Firm’s Risk Management Framework, providing structured guidance to decision-makers across the organisation. The RAS enables the identification, measurement, monitoring, and reporting of risk exposures relative to defined thresholds and tolerances, thereby supporting effective risk oversight and control. Its scope encompasses all material risk categories, including but not limited to financial, operational, conduct, legal, regulatory compliance, technology, and strategic risks, and is embedded across the Firm’s governance, policy-setting, and operational execution to ensure a consistent, informed approach to risk-taking across all levels of the business.

The Firm employs a dual-pronged approach to clearly articulate its Risk Appetite, encompassing both qualitative statements and quantitative thresholds. The Firm's appetite for various risks is expressed through a scale of No Appetite, Low, Moderate or High. No appetite signifies that the Firm has an absolute intolerance to specific outcomes or events that are likely to have severe consequences. A high risk appetite suggests that the risk is generally permissible, yet nevertheless is subject to thorough understanding and monitoring.

The RAS is supported by management-level metrics and Key Risk Indicators ("KRIs") which are being further developed and are designed to translate Board-level appetite statements into quantifiable operational thresholds and early warning indicators. These are intended to support timely identification of emerging risk concentrations or appetite breaches, and structured escalation to the appropriate governance forum. Risk appetite is calibrated to remain consistent with CCUK's ongoing ability to meet its regulatory capital and liquidity requirements and its regulatory obligations, including the Consumer Duty.

2.4 Three Lines of Defence Overview

The Firm has adopted a three lines of defence risk management model to help establish a system of checks and balances to protect against various risks and to ensure the Firm has effective governance.

The first line of defence consists of all team members involved in the day-to-day running of the business (e.g. Dealing, Operations, Sales, Marketing, Product, Technology, Finance, Human Resources and Legal Teams), and includes all principal risk owners who have the primary responsibility for the first line day-to-day risk management activities to ensure that the level of risk in their respective area remains within risk appetite. First line risk owners are accountable for identifying and assessing their risks, operating and evidencing controls, and reporting risk events. Each of these teams, though separately managed in their respective areas of the business,

contributes to the holistic view of the organisation's risk management through their reporting responsibilities via the ARCC, Group Risk Committee and relevant Executive Committees with overarching Board-level oversight and responsibility.

The second line of defence consists of the Risk and Compliance functions, which are independent of the business activities they oversee and provide guidance and oversight of the first line. They monitor first line risk management activity by setting standards, independently overseeing, reviewing, and challenging the effectiveness of the first line controls and act in a risk advisory capacity to the business. Ultimate accountability for the control environment and responsibility for implementing recommended management actions lies with first line risk and control owners. The second line is responsible for challenging and reviewing whether the processes are fit for purpose and does not perform or own first line controls. The second line's functions are as follows:

- The Risk function sets the standards for and oversees and challenges the first line's implementation of effective risk management practices, and reports risk related information (e.g. to the Executive Committee ("ExCo") and the Board). The Risk function provides an independent challenge to the first line's assessment of its risk exposures against appetite.
- The Compliance Function advises the business on, and monitors and reports on, compliance with applicable rules and regulations, and provides oversight of regulatory compliance risk. Legal risk is owned by the first line, supported by the Legal team.

The third line of defence is the Internal Audit Function and seeks to provide independent assurance on whether the first and second lines are operating effectively. The Internal Audit function is provided on a management led and outsourced basis and reports to the ARCC. The function helps to safeguard the Firm's assets and reputation by providing independent, objective assurance to the Board, shareholders, and to the Executive management team on whether all internal policy controls, procedures, and governance structures are suitable and functioning effectively to support the long-term sustainability of the business. The Internal Audit function achieves this by providing assurance reviews, recommendations on ways to enhance risk management and control effectiveness and updates to the Committees and Board as part of its risk-based audit plan.

2.5 Risk Statement of the Firm's Governing Body

The Board is ultimately responsible for the Risk Management Framework of the Company and for embedding a strong, healthy risk management culture across the Firm. The Framework is designed to ensure that the Firm has adequate systems, structures, policies, processes, and people within the Company that identify, assess, mitigate, and monitor all internal and external sources of risk that could have a material impact on the Company's operations.

In identifying its principal risks, CCUK has considered the potential for harm that its business strategy and activities could cause to clients, to the markets in which it

operates and to the Firm itself. Harm to clients may arise mainly through financial promotions, the safeguarding of client money and custody assets, client onboarding and risk acceptance, and the boundaries of its execution-only service. Harm to the Firm arises mainly from reliance on intragroup counterparties and service providers, and on its banking and payment partners.

Given the scale of CCUK's activity relative to the markets in which it operates, and as it is not a direct participant in any clearing exchange, its potential for harm to markets relates mainly to market integrity, including financial crime and market abuse surveillance. The table below sets out these principal risks, categorised by Level 2, together with their appetite and the key actions taken to mitigate them.

2.6 Principal Risks

CCUK applies a risk taxonomy to support consistent identification, classification and reporting of risks. Level 1 comprises five principal risk categories used for Board-level reporting and risk appetite articulation: Conduct Risk, Operational Risk, Technology and Cybersecurity Risk, Financial and Prudential Risk, and Commercial Risk. Level 2 provides sub-categories used to support management oversight, allocate risk ownership and inform KRI design. Risks are assigned to business owners.

The principal risks set out below have been identified from CCUK's Risk Register, which is informed by the Risk and Control Self-Assessment ("RCSA") process, internal workshops, operational risk event trends and regulatory requirements. Appetite is set by the Board at Level 1 in the RAS and is shown below on a scale of No Appetite, Low, Moderate or High. The appetite shown for each Level 2 risk is that of its Level 1 category or lower. The controls listed are not exhaustive.

Risks of harm are categorised into three areas: harm to clients, harm to markets, and harm to the Firm. Liquidity, concentration and own funds risk are assessed further below.

L2 Taxonomy	Description	Appetite	Key Mitigating Actions (controls not limited to):
Conduct Risk		**Low**	
Firm Conduct Risk	The risk of the firm failing to act in the best interests of clients and in line with relevant regulatory requirements, which can result in financial harm, regulatory breaches, and reputational damage. This includes risks arising from mis-selling, poor client trading management, and misleading marketing practices.	**Low**	● Staff training on the scope and limits of the execution-only service. ● Call recording and quality assurance monitoring of client interactions. ● Maintains comprehensive and regularly updated standard operating policies and procedures.
Client Conduct Risk	The risk of clients intentionally engaging in misconduct, unethical behaviour, abuse or process exploitation, taking advantage of weaknesses in the Firm's systems or acting in breach of its T&Cs.	**Low**	● Market abuse policy and procedures, supported by staff training on market abuse and personal account dealing. ● Automated trade surveillance, with suspicious activity investigated and escalated in line with regulatory requirements. ● Periodic assurance over personal account dealing and suspicious transaction reporting.
Client Asset Safeguarding	The risk of failing to protect client funds or assets, including improper segregation, misuse, or delays in returning client money.	**Low**	● CASS policies and breach escalation procedures, supported by staff training. ● Ongoing oversight and independent assurance of key CASS controls, including client money reconciliations. ● Due diligence on banks and custodians holding client money and assets.
Operational Risk		**Moderate**	
People	The risks arising as a result of insufficient capacity, capability or performance, leading to loss to the organisation.	**Moderate**	● Documented procedures for critical processes. ● Cross-training, knowledge-sharing and continuity arrangements to reduce key-person dependency.
Regulatory Compliance	The risks of failing to implement or monitor regulatory requirements, leading to non-compliance penalties or reputational harm.	**Low**	● Financial promotions training, with marketing materials approved by Compliance prior to publication. ● Regulatory horizon scanning, with relevant changes assessed and implementation planned. ● Second-line monitoring of regulatory reporting and permissions.

L2 Taxonomy	Description	Appetite	Key Mitigating Actions (controls not limited to):
Financial Crime[1]	The risk that the Firm is used to facilitate money laundering, terrorist financing, sanctions evasion or other financial crime.	**Low**	● Board-approved financial crime risk appetite and customer risk assessment methodology. ● AML transaction monitoring, with alerts reviewed by specialist teams and suspicious activity reported.
Internal Fraud	The risks associated with internal fraud committed by employees, directors or insiders within the Firm. This could involve abuse of position, access or authority for personal gain or to deceive the organisation.	**Low**	● Authority over bank accounts and payment mandates restricted to authorised signatories. ● Ongoing monitoring of account activity, with unexplained items escalated to senior management.
External Fraud	The risks associated with fraud committed by individuals or entities outside of the Firm, including customers, third parties, or cybercriminals. It involves deception, theft, or manipulation to unlawfully obtain money, data, or other assets from the company.	**Low**	● Client onboarding, identity verification and payment controls designed to detect and prevent client-related fraud. ● Multi-level authorisation of outgoing payments and verification of supplier payment details. ● Role-based access to finance and banking systems, with segregation of duties. ● Ongoing monitoring of funds, with unexplained variances escalated. ● Mandatory cybersecurity and phishing-awareness training.
Process	The risk of operational failures or inefficiencies arising from poorly designed, implemented, or executed internal processes, leading to errors or delays.	**Moderate**	● Segregation of duties and multi-level approval across payment and payroll processes. ● Documented finance policies and procedures, subject to periodic review and approval, supported by staff training. ● Reconciliation of key balances, subject to independent review. ● Senior oversight of key accounting judgements, with external input where appropriate.

[1] Financial Crime is a Level 3 risk sitting under the Level 2 category of Regulatory Compliance. It is shown separately here because it is one of CCUK's principal risks.

L2 Taxonomy	Description	Appetite	Key Mitigating Actions (controls not limited to):
Third Party and Vendor Risk	The risks arising from third-party service providers or outsourced activities failing to meet contractual, regulatory, or performance expectations, resulting in operational, financial, or reputational impact.	**Moderate**	● Due diligence on prospective affiliates prior to engagement. ● Contractual requirement for Compliance approval of affiliate content prior to publication. ● Compliance monitoring of affiliate activity. ● Intra-group service agreements, with defined ownership and governance oversight of outsourced functions. ● Third-party Risk Management Framework, including criticality assessment of service providers.
Change Management	The risk of operational disruption, errors, or failures due to poorly planned, implemented, tested or monitored changes related to new product or business development.	**Moderate**	● IT change management policy, with changes logged and approved prior to deployment. ● Structured stakeholder engagement and change communication. ● New product approval process, including impact assessment and appropriate governance approval. ● Testing in a dedicated environment, with user acceptance testing of client-facing changes.
Technology and Cybersecurity Risk		**Moderate**	
Service Availability	The risk of service disruption due to failures in IT infrastructure, networks, or third-party services, as well as insufficient resilience or delayed recovery capabilities. Such events may impact business continuity, operational performance, customer experience, and reputation.	**Moderate**	● Controlled technology procurement, with new software tested prior to implementation. ● Internal fallback capabilities to reduce reliance on individual third-party tools. ● Restricted access to critical infrastructure.
Cyber Risk	The risk of unauthorised access to, or loss, corruption or disclosure of, the Firm's systems or client data as a result of cyber-attack or inadequate information security controls.	**Moderate**	● Privileged access management, with access to critical systems restricted and monitored. ● Vulnerability management, with remediation tracked against defined timeframes. ● Information security incident monitoring and escalation. ● Mandatory cybersecurity and phishing-awareness training.

L2 Taxonomy	Description	Appetite	Key Mitigating Actions (controls not limited to):
Financial and Prudential Risk		**Low**	
Credit Risk	The risk of loss as a result of the inability or failure of a counterparty to meet its contractual obligations in accordance with agreed terms.	**Low**	● Due diligence and credit assessment of banking counterparties, subject to periodic reassessment and governance oversight. ● Approved counterparty exposure limits, with breaches escalated to senior management and the relevant committee. ● Ongoing monitoring of exposures and concentration against approved limits, including expected credit loss assessment. ● Monitoring of intra-group exposure, including in stress testing and wind-down planning.
Liquidity Risk	The risk of the Firm being unable to meet its short-term obligations when they fall due, or the risk of not having sufficient liquid assets to meet regulatory minimum requirements.	**Low**	● Ongoing monitoring of cash positions and pending transactions, with unresolved items escalated. ● Due diligence on banking counterparties. ● Liquid assets monitored against regulatory requirements and internal early warning thresholds.
Capital Adequacy Risk	The risk of having insufficient capital to meet the Company's capital requirements which may result in the Firm no longer being able to continue its business activities. This could include falling below the required amount for both the own funds and the liquid assets requirement or having insufficient funds for ongoing operations.	**Low**	● Ongoing monitoring of own funds against regulatory requirements, with escalation procedures in place. ● Governance calendar to ensure statutory and regulatory deadlines are met.
Commercial Risk		**High**	
Business Strategy	The risk from poor planning or execution of the business strategy. During business cycles, given market condition fluctuations over time and competitor risk factors this could be further constrained by capacity and capability needs as the business continues to grow and is required to spend time and resource on ensuring strategy is relevant and embedding newly and appropriately designed control and process improvements alongside these change initiatives.	**High**	● CCUK executive representation on Group executive and risk committees, providing the Board with visibility of Group decisions affecting the Firm. ● Defined project governance, supplemented by approved external agencies where required.

L2 Taxonomy	Description	Appetite	Key Mitigating Actions (controls not limited to):
External Risk	The threats that originate outside of the Firm's control which can significantly impact operations, financial performance, or stability. This risk can be unpredictable and require proactive risk management strategies such as contingency planning and insurance coverage to minimise the impact.	**High**	● CCUK executive representation on Group executive and risk committees, supporting Board oversight of external and Group developments affecting the Firm.

2.6.1 Liquidity Risk

CCUK's liquidity risk arises from the Firm being unable to meet its short-term obligations when they fall due or does not hold sufficient liquid assets to meet regulatory requirements. CCUK monitors its corporate liquid assets against regulatory requirements and internal early warning thresholds, and any material concerns are escalated to senior management and the Board. CCUK evaluates its resilience under severe but plausible stress scenarios and maintains contingency arrangements, including its wind-down plan, to address potential liquidity stress.

2.6.2 Concentration Risk

CCUK's concentration risk is the risk of loss from large exposures to a single client, group of connected clients or counterparty. If not managed, a large exposure or the failure of a key counterparty could reduce CCUK's capital and liquidity. CCUK monitors its exposures against the concentration limits in MIFIDPRU 5. Any breach is escalated so that actions can be taken to bring exposures back within limits.

2.6.3 Own Funds Risk

CCUK's capital adequacy risk is the risk that it holds insufficient own funds to meet its own funds requirement or its own funds threshold requirement, or to support an orderly wind-down. CCUK monitors its own funds against regulatory requirements and internal early warning indicator thresholds, with breaches escalated to senior management and the Board in line with defined escalation procedures. Through the ICARA process, CCUK assesses the own funds required to cover potential material harms not fully captured by the K-factor requirement, and the own funds required to wind-down in an orderly manner. This supports CCUK in remaining financially viable through the economic cycle and, if required, winding down in a way that minimises harm to clients and other market participants.

3. Governance Arrangements

3.1 Board of Directors

The Firm ensures that the Board and senior management define, oversee and are accountable for the implementation of governance arrangements that ensure effective and prudent management of the Firm, including the segregation of duties in the organisation and the prevention of conflicts of interest, and in a manner that promotes the integrity of the market and the interests of clients.

Regarding the potential risk of conflicts of interest, the Firm operates a policy which sets out how the Firm approaches the requirements and arrangements for the prevention, identification, management and monitoring of conflicts of interest, in its clients' best interests and in compliance with its legal and regulatory responsibilities. This policy also seeks to identify potential conflicts of interest that may arise in the Firm's business, establish the relevant steps to prevent or manage these conflicts and determine how the risks arising will be managed. The Firm ensures individual accountability with roles and responsibilities clarified. A three lines of defence model is used within the Firm to help establish a system of checks and balances to protect against various risks and to ensure the Firm has effective governance.

CCUK ensures that the Board:

- has overall responsibility for the Firm;
- approves and oversees implementation of the Firm's strategic objectives, risk strategy and internal governance;
- ensures the integrity of the Firm's accounting and financial reporting systems, including financial and operational controls and compliance with the regulatory system;
- oversees the process of disclosure and communications;
- has responsibility for providing effective oversight of senior management;
- monitors and periodically assesses:
    - the adequacy and the implementation of the Firm's strategic objectives in the provision of investment services and/or activities and ancillary services;
    - the effectiveness of the Firm's governance arrangements; and
    - the adequacy of the policies relating to the provision of services to clients, and takes appropriate steps to address any deficiencies; and
- has adequate access to information and documents which are needed to oversee and monitor management decision-making.

The persons proposed for appointment to the Board should commit the necessary time and effort to fulfil their obligations. The main factors influencing the decision to propose the appointment of potential Directors include whether they:

- are of sufficiently good repute;
- possess sufficient knowledge, skills, and experience to perform their duties;
- possess adequate collective knowledge, skills, and experience to understand the Firm's activities, including the main risks;
- reflect an adequately broad range of experiences;
- commit sufficient time to perform their functions in the Firm; and
- act with honesty, integrity, and independence of mind to effectively assess and challenge the decisions of senior management where necessary and to effectively oversee and monitor management decision-making.

As at 31 December 2025, the Board comprises two executive directors and one non-executive director. The table below excludes directorships held within Capital Com Group.

Full name of Director	Number of executive directorships	Number of non-executive directorships
Rupert Simon Toby Osborne	2	-
Sheena Kanabar	1	-
Philip John Anderson	-	0

In accordance with MIFIDPRU 8.3.2, the above directorships are out of scope for this analysis:

- *Executive and non-executive directorships held in organisations which do not pursue predominantly commercial objectives; and*
- *Executive and non-executive directorships held within the same group or within an undertaking (including a non-financial sector entity) in which the Firm holds a qualifying holding*

3.2 Governance Committees

CCUK maintains a range of governance committees that aim to achieve a level of robust governance oversight to adequately monitor CCUK's operational effectiveness and its potential risks.

Audit, Risk and Compliance Committee - CCUK meets the conditions in MIFIDPRU 7.1.4R(1) and is therefore not required to establish a risk committee under MIFIDPRU 7.3.1R. The Audit, Risk and Compliance Committee ("ARCC") performs this role and supports the Board in overseeing the Firm's internal control and risk management systems, including its credit, market, liquidity and operational risks, financial reporting, legal and regulatory compliance, and internal and external audit arrangements. Its remit also covers Consumer Duty, client outcomes, product governance, fair value assessments and arrangements for vulnerable customers. The ARCC reviews the Firm's ICARA and these Disclosures and recommends both to the Board for approval. The Board retains ultimate accountability for the Firm's governance, risk management and compliance with the Consumer Duty.

CCUK's other committees are:

- **Executive Committee** - responsible for the effective day-to-day management of the Firm and the coordinated execution of the Board-approved strategy, business plan and regulatory obligations. The Committee is accountable to the Board within the limits of its delegated authority, ensures that the Firm's obligations under the Consumer Duty are embedded within day-to-day operations, and escalates material regulatory, conduct, CASS or out-of-appetite matters to the ARCC or the Board. The Committee maintains a standing Risk, Incidents and Decisions Log.
- **CASS Committee** - assists the Board in respect of all CASS-related risks that may affect the business. The Committee oversees the maintenance of effective systems and controls for the holding of client money and assets in accordance with the FCA's CASS and SYSC rules and Principle 10, including the diversification of client money banks, oversight of third-party custodians, the CASS Breaches Register, monthly CMAR submissions and the Prudent Segregation Buffer.
- **Breaches Working Group** - reviews open operational and regulatory breaches, evaluates the status of each breach, agrees any necessary remedial actions and oversees their implementation. The Working Group ensures breach notifications are communicated to the FCA where required, and reports to the ARCC and the CASS Committee as appropriate.

The Group also has the following committees to steer and control matters pertaining to each committee's area: a Group Remuneration Committee, Group Risk Committee, Group Technology Committee, and Group Pricing Committee.

The CCUK Board is kept informed of decisions of these Group committees that are relevant to CCUK. Group-level decisions, policies or initiatives that may have a material impact on CCUK are considered by CCUK senior management and, where appropriate, escalated to the CCUK Board, having regard to regulatory, conduct, operational resilience, capital and liquidity considerations and consistency with UK regulatory requirements.

3.3 Diversity

The Firm recognises the importance of skilled, diligent and accountable leadership in a diverse and inclusive workplace that represents the interests of all key stakeholders and the Board. The Group Diversity, Equity and Inclusion ("DEI") Policy applies to any employee, contractor, or Non-Executive Director ("NED") working for or engaged by any Group Company. The purpose of the policy is to encourage and promote DEI in all aspects of our work and business and promote an internal culture that values difference and recognises that people from different backgrounds and experiences can bring valuable insights to the workplace.

CCUK commits to encouraging and promoting DEI in the workplace; ensuring it does not discriminate in its recruitment processes and procedures; creating and maintaining a working environment free of bullying, harassment, victimisation and discrimination; taking all complaints seriously; providing opportunities for training, development and progression for all staff; making decisions concerning team members based on ability and merit; working to avoid and eliminate unconscious bias, and reviewing employment practices.

Diversity in the workforce is of great importance to the Group. Mental Health & Wellbeing Champions are available across the company, Since the end of the reporting period, the Group has rolled out intercultural awareness training and introduced new standards for managers, including expectations that every team member is treated with respect and that remote and distributed team members receive the same quality of attention as those in the office.

CCUK is committed to fostering a diverse and inclusive workplace. Key points relating to Diversity include:

Diversity of the management body

CCUK has a policy promoting diversity in its management body. The policy aims to make sure the Board has a broad range of skills, experience and perspectives, which supports effective challenge and sound decision-making. The Board considers diversity in its widest sense, including gender, nationality, age, and educational and professional background.

Objectives and targets

CCUK has not set a numerical target. The Board considers diversity in every appointment and as part of succession planning.

Progress

As at 31 December 2025, the management body had three members. One (33.3%) was a woman and none (0%) held non-British nationality.

Where objectives or targets have not been met

The shortfall reflects a small size of the Board, where a single appointment changes the gender balance by around a third. To address it, CCUK will require diverse shortlists for all Board appointments and build a pipeline of senior internal talent. The Board will review progress each year.

4. Own Funds

CCUK's own funds consist entirely of common equity tier 1 capital ("CET1"), comprising share capital and retained earnings. Further detail is set out in the tables below.

Table 1: Composition of regulatory own funds			
	Item	**Amount (£'000)**	Source based on reference numbers/letters of the balance sheet in the audited financial statements
1	**OWN FUNDS**	**9,314**	
2	**TIER 1 CAPITAL**	**9,314**	
3	**COMMON EQUITY TIER 1 CAPITAL**	**9,314**	
4	Fully paid up capital instruments	5,699	i
5	Share premium		
6	Retained earnings	3,615	ii
7	Accumulated other comprehensive income		
8	Other reserves		
9	Adjustments to CET1 due to prudential filters		
10	Other funds		
11	(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1		
12	CET1: Other capital elements, deductions and adjustments		
13	**ADDITIONAL TIER 1 CAPITAL**		
14	Fully paid up, directly issued capital instruments		
15	Share premium		
16	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1		
17	Additional Tier 1: Other capital elements, deductions and adjustments		
18	**TIER 2 CAPITAL**		
19	Fully paid up, directly issued capital instruments		
20	Share premium		
21	(-) TOTAL DEDUCTIONS FROM TIER 2		
22	Tier 2: Other capital elements, deductions and adjustments		

Table 2: Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements			
		Balance sheet as in published/audited financial statements	**Cross-reference to template OF1**
		As at 31.12.25 (£'000)	
ASSETS			
Non-current assets			
1	Property, plant and equipment	31	
2	Right-of-use assets	-	
Current assets			
1	Trade and other receivables	2,904	
2	Cash and cash equivalents	10,932	
TOTAL ASSETS		**13,866**	
LIABILITIES			
Non-current liabilities			
1	Lease liabilities	-	
2	Deferred tax liability	8	
Current liabilities			
1	Trade and other liabilities	4,545	
2	Lease liabilities	–	
TOTAL LIABILITIES		**4,552**	
SHAREHOLDERS' EQUITY			
1	Share capital	5,699	i
2	Retained earnings	3,615	ii
TOTAL EQUITY		**9,314**	
TOTAL EQUITY AND LIABILITIES		**13,866**	

Figures are presented in £'000 and are rounded to the nearest thousand. As a result, totals may not equal the sum of their component parts.

Table 3: Own funds: main features of own instruments issued by the Firm		
	Features of own instruments	**Cross-reference to template OF1**
Share capital	Instrument type: Ordinary share Amount recognised in Regulatory Capital (£'000): 5,699 Nominal amount of instrument: GBP 1 Accounting classification: Ordinary share capital	i

5. Own Funds Requirements

5.1 Own Funds Requirement

In accordance with MIFIDPRU 4.3.2, CCUK must at all times maintain own funds that are at least equal to its own funds requirement.

The own funds requirement of a non-SNI MIFIDPRU investment firm is the highest of:

- Its permanent minimum capital requirement (PMR);
- Its fixed overhead requirement (FOR); or
- Its K-factor requirement (KFR).

The below table shows the own funds requirement in further detail:

Table 4: Own Funds Requirement	
Permanent minimum requirement	£470k (transitioning to £750k by Jan 2027)[2]
Fixed overheads requirement	£3.8m[3]
K-factor requirement	£1.1m

5.2 K-factor Requirement

The K-factor requirement considers the Risk of Harm to Clients (RtC), Markets (RtM) and the Firm (RtF) and these are broken down as follows:

Table 5: K-factor requirement	**Amount (£'000)**
The sum of the K-AUM, K-CMH and K-ASA requirements	79
The sum of the K-COH and K-DTF requirements	72
The sum of the K-NPR, K-CMG, K-TCD and K-CON requirements	917
TOTAL	1,068

**Assets Under Management ("K-AUM"), Client Orders Handled ("K-COH") and Clearing Margin Given ("K-CMG") are not applicable to CCUK*

The K-factor requirements applicable for the Firm are:

- Client Money Held ("K-CMH")
- Assets Safeguarded and Administered ("K-ASA")
- Daily Trading Flow ("K-DTF")
- Net Position Risk ("K-NPR")
- Trading Counterparty Default ("K-TCD")
- Concentration Risk ("K-CON")

[2] MIFIDPRU TP2 Own funds requirement as at 31.12.2025: transitional provision 2.18

[3] Calculated in accordance with MIFIDPRU 4.5 as one quarter of the Firm's relevant expenditure, based on CCUK's 2025 audited financial statements.

5.3 Assessment of Own Funds

In addition to the own funds requirements, CCUK must at all times hold own funds and liquid assets which are adequate, both as to their amount and their quality, to comply with the Overall Financial Adequacy Rule (OFAR) in MIFIDPRU 7.4.7 to ensure that:

- The Firm can remain financially viable throughout the economic cycle, with the ability to address any material potential harm that may result from its ongoing activities; and
- The Firm's business can be wound down in an orderly manner, minimising harm to consumers or to other market participants.

CCUK conducts an annual ICARA process to ensure that it has appropriate systems and controls in place to identify, assess and monitor potential material harms which may not be fully accounted for under the K-factor requirement or basic liquid assets requirement. The ICARA is reviewed and challenged by the ARCC and approved by the Board and is reviewed at least annually and following any material change to the business model, operating structure or risk profile.

This includes the calculation of the Own Funds Threshold Requirement ("OFTR") and Liquid Asset Threshold Requirement ("LATR"), core elements of the OFAR, whereby CCUK considers the amount of capital and liquidity required from ongoing operations and the amount required to wind down in an orderly manner. The higher of the two assessments is used to determine the amount CCUK is required to hold at any point in time to comply with the OFAR.

CCUK has a framework for monitoring the adequacy of liquidity and financial resources. The regulatory requirements and early warning indicators are monitored and reported to the Executive Committee, Executive Directors and the second line of defence, with management information provided to the relevant committees and the Board, which considers it when assessing risk strategy and risk appetite. If there are any material changes in the Firm's business model or operating model, the ICARA is reviewed and updated.

6. Remuneration Policy and Practices

This section describes CCUK's remuneration policies and practices for the financial year ended 31 December 2025 in accordance with MIFIDPRU 8.6.

6.1 Remuneration Approach and Governance

CCUK applies its Remuneration Policy in accordance with the MIFIDPRU Remuneration Code. The policy is intended to support sound risk management, sustainable performance and good client outcomes. It applies to CCUK staff, with the scope of "staff" interpreted in accordance with SYSC 19G.1.24G.

The CCUK Board approves and oversees the policy. CCUK does not have a separate Remuneration Committee. Managers and business leaders contribute to remuneration assessments and recommendations, while the Board oversees the policy's application and may adjust the variable remuneration pool and individual awards.

The Group undertakes practices under appropriate internal procedures, taking into account the interest of all of the Employees of the Group, with a view to ensure they are treated fairly, and a balanced approach is applied to -

- Financial and non-financial remuneration; and
- Fixed and variable remuneration.

The Framework is unbiased considering both individual employee and business performance, so that the remuneration does not favour the interest of the Group or any one individual employee. No external parties are used in the development of the remuneration policies and practices. The Group Remuneration Policy aims to:

- Provide for sufficient incentives so as for all individuals, to achieve their agreed objectives in line with the Group's strategy; and
- Deliver an appropriate link between reward and performance whilst at the same time become a comprehensive, consistent, and effective risk management tool that prevents excessive risk taking and/or mis-selling practices considering financial incentives schemes, which could lead to compliance risks for the Group in the long-run.

The Group ensures fair remuneration in line with local standards for all geographies where it has a presence. The following aspects are taken into consideration:

- Place of employment and costs of living;
- Level and responsibilities of each individual;
- Local market (overall and with regard to specific roles);
- Qualifications and certifications; and
- Overall remuneration package.

The Board directly oversees remuneration for staff in control functions. Their performance is assessed against the objectives of their functions, independently of the performance of the business areas they oversee. Non-executive directors do not receive variable remuneration.

6.2 Risk Management

The Company recognises the importance of promoting sound and effective risk management which promotes responsible staff behaviour linked to risk adjusted performance.

In accordance with SYSC 19G (the MIFIDPRU Remuneration Code), CCUK applies its remuneration policies and practices on a proportional basis, taking into account the size, internal organisation, and the nature, scope and complexity of its activities. CCUK is a non-SNI MIFIDPRU investment firm that meets the conditions in SYSC 19G.1.1R(2) and is therefore not required to apply the requirements on deferral, retention and payment of variable remuneration in instruments. The Firm ensures that its remuneration framework is appropriate to its business model and risk profile, with a focus on aligning incentives to sound and effective risk management, the prevention of excessive risk-taking, and the delivery of good outcomes for clients in line with the FCA's Consumer Duty.

Performance scorecards for relevant staff include non-financial metrics alongside financial performance indicators which is designed to reinforce accountability for fair treatment of clients. Material Risk Takers and senior management are assessed not only on commercial delivery but also on their contribution to delivering positive client outcomes.

6.3 Remuneration Components and Incentives

CCUK's remuneration comprises fixed remuneration, principally base salary, and variable remuneration in the form of discretionary bonuses or payments under applicable sales commission plans. Staff participating in a sales commission plan are not eligible for the discretionary annual bonus scheme.

Base salary reflects the responsibilities of the role, relevant experience, internal pay comparisons and market practice. CCUK seeks an appropriate balance between fixed and variable remuneration. Where variable remuneration is expected to exceed fixed remuneration, the policy requires Board review and approval.

Variable remuneration is intended to reward performance that supports CCUK's business objectives. Awards take account of financial and non-financial criteria and are subject to CCUK's financial position, including its capital and liquidity resources.

Eligible sales staff may receive commission under role-specific plans. These plans assess performance against defined objectives and take account of conduct, compliance, required training and client service. Other eligible staff may be considered for a discretionary annual bonus.

CCUK provides benefits and pension contributions in line with its employment arrangements. Benefits are offered on a non-discretionary basis to eligible staff and do not depend on individual performance, so they form part of fixed remuneration. The package includes a workplace pension, with employer contributions made under the applicable scheme rules and auto-enrolment requirements. CCUK does not award discretionary pension benefits. Some benefits, including private medical insurance and discounted wellbeing products, are taxable benefits in kind. They are reported to

HMRC in line with applicable requirements, and the employee pays any income tax due. Other benefits may be provided from time to time and are set out in the relevant benefits documentation.

6.4 Performance Assessment and Risk Management

CCUK assesses performance at Firm, business unit and individual level.

Level	**Principal Criteria**
CCUK	Financial performance, capital and liquidity resources, risk and regulatory compliance
Business unit	Performance against objectives and adherence to risk management and compliance requirements
Individual	Role objectives, conduct, compliance, training, risk management and client outcomes

Poor performance against non-financial criteria may override financial performance when variable remuneration is determined. Before making awards, CCUK considers current and future financial and non-financial risks when setting the variable remuneration pool and individual awards.

CCUK's policy also provides for subsequent adjustments, including malus and clawback where applicable. Relevant circumstances include significant financial deterioration, risk management failure, misconduct, fraud or serious negligence.

The policy permits guaranteed variable remuneration and buyout awards during recruitment or in exceptional circumstances, subject to Board oversight. Severance payments take account of individual performance and must not reward failure or misconduct.

6.5 Performance Review and Remuneration Cycle

CCUK's performance cycle runs from January to December. Staff performance is reviewed annually against the financial and non-financial criteria relevant to their roles. Variable remuneration decisions also take account of CCUK's performance and, where applicable, the performance of the relevant business unit.

6.6 Decision Making Process

The CCUK Board approves and periodically reviews the Remuneration Policy and oversees its application, including remuneration for staff in control functions. Managers and business leaders contribute to remuneration assessments and recommendations. The Board may adjust the variable remuneration pool and individual awards.

6.7 Material Risk Takers and Quantitative Disclosure

CCUK identifies material risk takers at least annually in accordance with SYSC 19G.5. Its assessment considers whether an individual's responsibilities or decision-making authority could have a material impact on CCUK's risk profile.

The following remuneration was awarded for the financial year ended 31 December 2025:

	No. of Staff	Fixed Remuneration for 2025 (GBP)	Variable Remuneration for 2025 (GBP)	Total Remuneration for 2025(GBP)
Senior Management & Material Risk Takers	8	1,890,973	888,733	2,779,706
Other staff members	43	1,876,307	256,894	2,133,201

CCUK identified eight material risk takers under SYSC 19G.5 for the year ended 31 December 2025, including senior management.

In accordance with MIFIDPRU 8.6.8R(7)(a), CCUK has aggregated the information for senior management and other material risk takers. This is because disclosing these categories separately would result in the disclosure of information about one or two individuals. CCUK relies on this exemption to prevent the individual identification of a material risk taker.

Severance payments are determined in accordance with CCUK's Remuneration Policy and must not reward failure or misconduct. In 2025, CCUK did not award any guaranteed variable remuneration or severance to senior managers or other material risk takers.

7. Investment Policy

In accordance with MIFIDPRU 8.1.1R(4), the investment policy disclosure requirements in MIFIDPRU 8.7 apply only to a non-SNI MIFIDPRU investment firm that does not meet the conditions in MIFIDPRU 7.1.4R(1). As CCUK meets these conditions, it is not required to make disclosures in relation to its investment policy.

8. Further Information

Questions regarding this report should be addressed to the Compliance Department: compliance.uk@capital.com