CGS-CIMB Securities (UK) Ltd
Remuneration Policy – July 2022
Performance Year ending 31 December 2022

Introduction

CGS-CIMB Securities (UK) Ltd Limited (the "firm") is subject to the MIFIDPRU Remuneration Code as set out in SYSC 19 of the FCA handbook. The firm is a small non-interconnected ("SNI") Firm. This policy covers all of the staff at the firm and was approved by the Board of the firm on July 7th 2022. It is reviewed on an annual basis.

Objectives

The firm seeks to provide employees with sufficient remuneration to allow the firm to attract high quality staff and allow them to be appropriately rewarded for their roles. This, without prejudicing the interests of the firm's clients or the long-term sustainability of the firm and its capital base.

This Policy is gender neutral.

Compliance with the MIFIDPRU Remuneration Code

1) *The Firm's remuneration policy must:*

   a) *Be proportionate to the size, scope and complexity of its activities*
   The firm is relatively small with limited scope and complexity. The firm's remuneration policy is similarly simple, with a single remuneration structure applying across the entire firm.

   b) *Be consistent with and promote sound and effective risk management*
   In a business that does not take balance sheet risk, risks are by definition, relatively low. By designing a remuneration structure that applies across the whole firm and is based on value created by the whole firm, the firm promotes a culture of working as a cohesive unit by sharing risk and reward, ensuring that the Board works together to manage and mitigate those risks across the business. This Remuneration Policy should be considered in the round alongside the Firm's Compliance Manual, Conflicts of Interest Policy and appraisal and monitoring programmes as part of an overall risk management structure.

   c) *Be in line with the Firm's business strategy and objectives*
   The firm's strategy is focussed on providing the best possible service to clients of the group across the broad spectrum of their interests in public markets. The Remuneration Policy, by linking the performance of all aspects of the business, supports this client facing approach.

   d) *Contain measures to avoid conflicts of interest, encourage responsible business conduct and promote risk awareness and prudent risk-taking*
   Responsible business conduct is promoted by the review process and the firm's values which together have an impact on variable remuneration awarded to individual members of staff. There are limited opportunities for imprudent risk taking and the whole-firm approach to variable remuneration ensures that

members of the Board consider risk across the whole business in their decision-making processes. The firm has in place a number of existing procedures, specifically within the Compliance Manual, which are structured to avoid and manage conflicts of interests, including but not limited to: material interests, outside activities and compensation, treating clients fairly, gifts and benefits and detailed procedures on managing conflicts of interest. All decisions regarding remuneration are taken in consideration of the long-term interests of the firm, its staff, members and clients, specifically in the context of identifying and managing all potential conflicts of interest.

2) *Governance and oversight:*

a) *Staff with control functions must be independent from business units they oversee and be remunerated according to objectives linked to their functions*
Staff with control functions are limited to the CEO, a director and the Head of Compliance & Risk. In a firm the size of CGS, there is limited potential or requirement to entirely separate these individuals from the business they oversee. However, any risk created by this approach is mitigated by the fact that remuneration for the CEO is approved by the Board in conjunction with the GNRC.

b) *Remuneration of senior staff in risk management and compliance functions must be directly overseen by the remuneration committee*
All risk management and compliance functions are carried out by the CEO and COO. The CEO's remuneration is overseen by the Board in conjunction with the GNRC.

3) *Fixed and variable remuneration:*

Remuneration for all staff is divided into three components: base salary, benefits and participation in the bonus pool. Base salary and benefits are considered fixed remuneration. The award of payments from the bonus pool are considered variable remuneration.

a) *The remuneration policy must make a clear distinction between the criteria applied to determine fixed and variable remuneration*
Fixed remuneration is determined by experience and aptitude for the role and reflects the staff member's professional experience and organisational responsibility as set out in their terms of employment. It is permanent, pre-determined, non-discretionary, non-revocable and not dependent on performance.

Variable remuneration is determined by contribution and performance in the year. It reflects the long-term performance of the staff member as well as performance in excess of the staff member's terms of employment.

b) *Variable remuneration must not affect the Firm's ability to ensure a sound capital base*
The bonus pool provides for a certain proportion of the firm's annual profits to be retained for the maintenance of a sound capital base. In addition, the firm reserves the right to defer or cancel payments from the bonus pool should requirements so dictate.

The firm's policy is that 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 component.

The Board

The Board fully acknowledges its responsibilities with respect to the Remuneration Policy, including its overriding responsibility to ensure that the Firm's remuneration policy follows the requirements of the MIFIDPRU Remuneration Code. The Board reviews this Policy on an annual basis, this being sufficiently frequent given the risks faced by the firm.

Decisions on remuneration are taken in consultation with the Remuneration Committee of the parent company.

The Board considers the current arrangements to be proportionate, given: (i) the low risk nature of the Firm's business; (ii) the small size of the Firm and clear visibility of behaviour and contributions to the organisation that is available to the Board; and (iii) the transparency to the Board of the process for determining remuneration and its outcome.

Remuneration decisions for the Directors, CEO and other employees

The Firm's total bonus pool is agreed by the Board as advised by the CEO in conjunction with the GNRC. In determining the bonus allocation for any staff member, the following are considered:

1. Financial (Profit before tax)
2. Customer Centricity (Internal/External Customer Satisfaction)
3. Governance and Operational Excellence (Audit, risk and compliance ratings
4. People and Culture (Engagement and PACE (People, Accountability, Collaboration & Excellence)

The assessment of staff performance is integral with the firm's appraisal processes.

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Individual and total payments of variable remuneration must not affect the firm's ability to ensure a sound capital base or prejudice the interests of clients.

Summary

The Board believes that its Remuneration Policy is fully aligned with the Firm's clients and that the success of the Firm and subsequent payment of variable remuneration is correlated to the quality of service given and the achievement of the Firm's clients' objectives.

Total fixed remuneration: £2,071,770
Total variable remuneration: £733,429