

## Remuneration Disclosure (Performance Period Ended 31<sup>st</sup> March 2025)

### Introduction

The Remuneration disclosure of **Covale Capital (UK) LLP** ("the Firm") is set out below as required by MIFIDPRU 8. The regulatory aim of the disclosures is to improve market discipline.

Disclosure Item	Firm Disclosure
<p>Summary of:</p> <ul style="list-style-type: none"><li>• The approach to remuneration for all staff;</li><li>• The objectives of its financial incentives; and</li><li>• The decision-making procedures and governance surrounding the development of the remuneration policies and practices the firm is required to adopt in accordance with the MIFIDPRU Remuneration Code, to include, where applicable:<ul style="list-style-type: none"><li>a) the composition of and mandate given to the remuneration committee; and</li><li>b) details of any external consultants used in the development of the remuneration policies and practices.</li></ul></li></ul> <p>In making the above disclosures, a firm may consider it appropriate to disclose:</p> <ol style="list-style-type: none"><li>1. the principles or philosophy guiding the firm's remuneration policies and practices;</li><li>2. how the firm links variable remuneration and performance;</li><li>3. the firm's main performance objectives; and</li><li>4. the categories of staff eligible to receive variable remuneration.</li></ol>	<p>The overarching approach is designed to encourage the alignment of the risks taken by the Firm's staff, its clients, mandates, and the Firm itself.</p> <p>When the Firm assesses individual performance to determine the amount of variable remuneration it will consider both financial and non-financial criteria. As conduct is crucial to the compliance culture of the Firm, if an employee shows poor conduct, this may override their performance in financial areas. Conduct is therefore the biggest metric within non-financial considerations.</p> <p>The Governing Body is responsible for the Firm's remuneration policy.</p>
<p>Key characteristics of its remuneration policies and practices in sufficient detail to provide the reader with:</p> <ol style="list-style-type: none"><li>1. an understanding of the risk profile of the firm and/or the assets it manages; and</li><li>2. an overview of the incentives created by the remuneration policies and practices.</li></ol> <p>In doing so, a firm must disclose at least the following information:</p> <ol style="list-style-type: none"><li>1. the different components of remuneration, together with the categorisation of those remuneration components as fixed or variable;</li><li>2. a summary of the financial and non-financial performance criteria used across the firm, broken down into the criteria for the assessment of the performance of:<ul style="list-style-type: none"><li>a) the firm;</li><li>b) business units; and</li><li>c) individuals.</li></ul></li></ol>	<p>The Firm distinguishes between criteria for setting fixed and variable remuneration and ensures that remuneration is clearly categorised as one or the other.</p> <p>In line with the FCA's guidance, the Firm considers the difference between the two as follows:</p> <ul style="list-style-type: none"><li>• Fixed remuneration primarily reflects a staff member's professional experience and organisational responsibility as set out in the staff member's job description and terms of employment. It should be pre-determined, non-discretionary and not dependent on performance.</li><li>• Variable remuneration should be based on performance and should reflect long-term performance, as well as performance above and beyond their job description. It includes discretionary pension benefits and/or performance fee allocations.</li></ul> <p>For employees of the Firm:</p> <ul style="list-style-type: none"><li>• Fixed remuneration is salary.</li></ul>

	<ul style="list-style-type: none"> <li>• Variable remuneration is a discretionary bonus.</li> </ul> <p>For LLP members:</p> <ul style="list-style-type: none"> <li>• Fixed drawings are generally considered fixed remuneration.</li> <li>• Discretionary year end profit share is usually considered variable remuneration.</li> <li>• A proportion or all discretionary year end profit share may be considered a return on investment rather than remuneration. This will generally be determined with reference to the members involvement in the day-to-day business of the LLP. The more significant the role and time commitment the higher proportion of discretionary year end profit share will be considered remuneration for services rendered to the LLP as opposed to a return on investment.</li> </ul> <p>The firm assesses performance across the firm, business units and individuals considering the following criteria:</p> <ul style="list-style-type: none"> <li>• Financial metrics including contribution to revenue/ sales growth as well as cost reduction.</li> <li>• Non-financial metrics including: the building and maintenance of positive customer relationships and outcomes; alignment with our strategy or values, for example by displaying leadership, teamwork or creativity; adhering to our compliance policies &amp; procedures.</li> </ul> <p>The above factors are considered at firm, business unit and individual level as applicable. Overall, greater weight is placed on non-financial metrics when assessing performance. All variable remuneration is adjusted in line with capital and liquidity requirements.</p>
<p>Quantitative information for the financial year to which the disclosure relates including the total amount of remuneration awarded to all staff, split into:</p> <p>a) fixed remuneration; and b) variable remuneration.</p>	<p>Fixed Remuneration:</p> <p>£484,293.20</p> <p>Variable Remuneration:</p> <p>£3,158,114.51</p>