



Clear Street UK Limited

MIFIDPRU 8 Disclosures

Year ended 31 December 2025

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1 SUMMARY AND BACKGROUND

Clear Street UK Limited ('Clear Street UK' or 'CSUK' or the 'Firm') is a Non-Small and Non-Interconnected ('Non-SNI') FCA MIFIDPRU Investment Firm (as defined by the FCA rules) with a permanent minimum capital requirement of £750,000.

This document sets out those disclosures required in accordance with MIFIDPRU 8 covering the following areas:

- Risk management framework
- Governance arrangements
- Own Funds and Own Funds Requirement
- Remuneration

These disclosures have been prepared by the Firm on an individual basis in accordance with MIFIDPRU 8.1.7, and to a level of detail that is considered to be appropriate to its size and internal organisation, and to the nature, scope and complexity of its activities.

These disclosures are published at least on an annual basis following the publication of the Firm's financial statements. Unless otherwise stated, the quantitative elements of this report are as of CSUK's year-end, 31 December 2025, and are denominated in USD Dollars, the Firm's functional and reporting currency.

2 RISK MANAGEMENT

2.1 Overview

As set out in MIFIDPRU 8.2.1, the Firm is required to disclose its risk management objectives and policies for the categories of risk addressed by:

- MIFIDPRU 4 (Own Funds Requirements)
- MIFIDPRU 5 (Concentration risk)
- MIFIDPRU 6 (Liquidity)

The risk management objectives and policies for each of the items listed above must include:

- A concise statement approved by the Firm's governing body describing the potential for harm associated with its business strategy; and
- A summary of the strategies and processes used to manage each of the categories of risk listed above and how this helps to reduce the potential for harm

2.2 Purpose and Objectives

Clear Street UK Limited strives to employ, and continually improve, a good-practice Risk Management ("RM") approach that promotes controlled risk-taking, and consequently creates corporate value, by (1) identifying potential events that may affect the Firm and (2) managing risk within its stated risk appetite. CSUK's RM approach flows from the Company's Board of Directors ('the Board'), which determines the Firm's business strategy and risk appetite, and permeates throughout the Company via:

- Board and Senior Management-driven culture that expects all employees to function as Risk Managers
- A strong governance structure that clearly defines responsibilities
- Delegated authorities for risk control as well as for risk taking
- Documented policies and defined methodologies for risk identification, measurement, control and mitigation.

CSUK defines risk as the exposure to adverse consequences arising from internal or external changes, actions, events, decisions and/or circumstances that have the potential to reduce the Firm's capital.

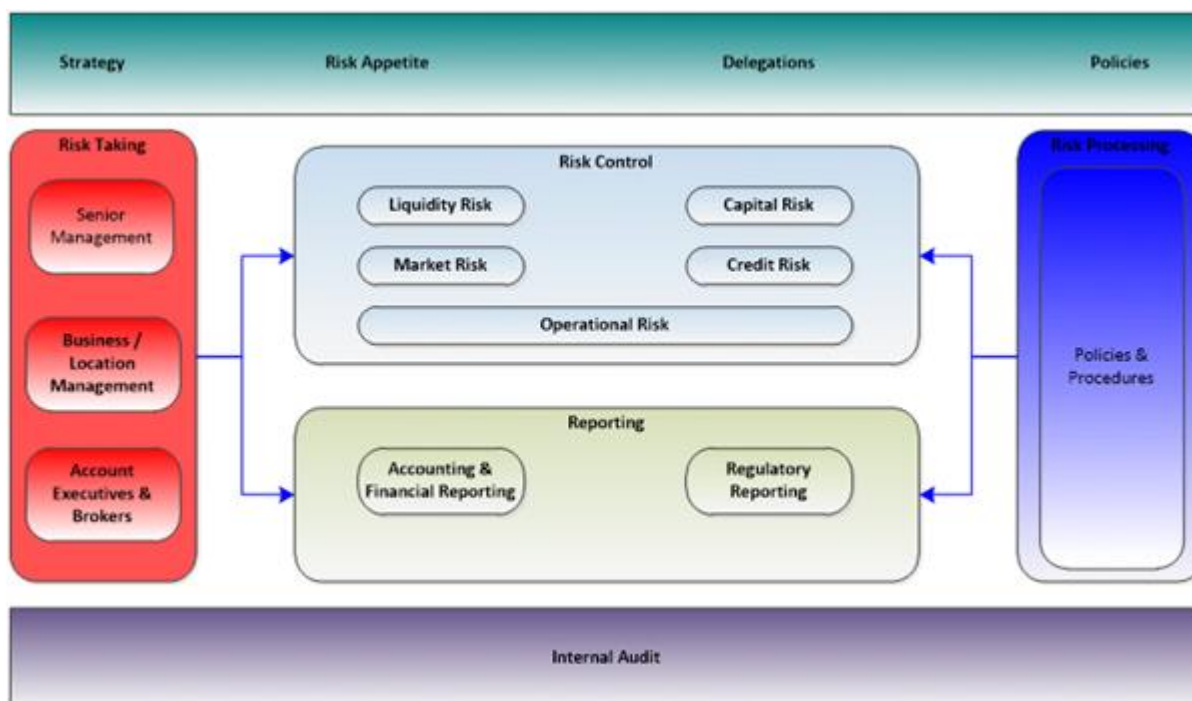
Through enterprise-wide risk identification and management, CSUK's RM framework facilitates strategic and operational decisions that enable the Company to achieve its business objectives while optimising risk-adjusted returns. CSUK has designed its RM framework to meet the needs of businesses and customers, as well as the prudential standards expected by the Firm's regulators. In support of this objective, CSUK at least reviews, develops, refines, and improves its risk management policies and practices to reflect the Firm's changing risk environment.

CSUK has designed its Risk Management framework to:

- Ensure effective governance and management of CSUK's risks within the Board-established risk appetite
- Develop and communicate risk management and risk-control policies that align with and support the Firm's business strategy
- Facilitate objective and consistent identification, assessment, measurement, control, monitoring, and reporting of all significant financial, operational, and business risks across the Firm
- Promote compliance with applicable laws, regulations, and standards (i.e. those set by regulators, exchanges, clearing houses, and associations of which CSUK holds membership or deems pivotal to fulfilling the Firm's business propositions) relating to financial, operational, and business risks
- Maintain policies and procedures that mandate equal or more stringent standards than relevant regulatory risk management requirements
- Promote compliance with Risk owned policies and standards
- Achieve maximum efficiency in the management and planning of both liquidity and capital in relation to risk
- Define the roles and responsibilities required to achieve these objectives.

2.3 Risk Governance

Board oversight, management committees, policies, procedures, and defined delegations of authority combine to create CSUK's interlocking Risk Governance system. The Board-determined risk appetite and strategic objectives translate to defined risk tolerances and, subsequently, delegations of authority and associated controls. The risk management process, via risk identification, assessment, mitigation, monitoring, and reporting, provides senior management and the Board with the necessary oversight tools.



CSUK's Risk Management framework comprises the activities and methods through which the Firm maintains risk within acceptable tolerances. The Risk function identifies, assesses, monitors, and mitigates risks taken in pursuit of business objectives.

The CSUK Board directly oversees CSUK's risk governance. Board responsibilities include:

- Determining the Firm's risk appetite and tolerance levels.
- Articulating CSUK's enterprise-level risk strategy, standards, principles, and values.
- Delegating appropriate authorities to Senior Management.
- Approving the Firm's risk governance framework.

2.4 Risk Management Oversight and Responsibility – Three Lines of Defence

CSUK uses a 'three lines of defence' model which segregates and defines duties for the monitoring and oversight of risk. The Enterprise Risk Three Lines of Defence model separates roles of primary risk takers in front office business areas from independent risk managers, support, and control functions, helping to ensure the integrity and effectiveness of CSUK's Risk Management. The model enables segregation of duties and allows CSUK to structure roles and responsibilities for risk control and decision making.

2.4.1 First Line of Defence

The First Line of Defence includes front office business areas, client facing and front office support operations areas who own and take risk and implement controls. The main responsibilities of the first line include:

- Ownership of risk-taking activities and direct responsibility of CSUK's returns
- Primary accountability for risk identification, ownership, management, and control within approved desk mandates
- Collaboration with second line implementing and improving risk management and controls
- Oversight of the controls environment including implementing standards to meet CSUK risk management policies

2.4.2 Second Line of Defence

The Second Line of Defence includes Risk Management, Finance, Legal, Compliance, Information Technology and Operations to oversee, challenge and monitor risk taking. The main responsibilities of the second line include:

- Defining the Risk Management framework and ownership of risk frameworks or policies impacting the activities of the first line
- Recommending Risk Appetite Statements for approval by the Risk Committee and the Board
- Establishing the control environment and stress testing for CSUK's risk types
- Communicating, educating, and advising the first line on their understanding of the Risk Management Policy and its requirements.
- Collaborating between the first line to support business growth and driving an appropriate balance between risk and reward.
- Monitoring and reporting on the effectiveness of the risk and control environment to executive management and Board committees

2.4.3 Third Line of Defence

The Third Line of Defence is Internal Audit whose role is to provide assurance to executive management and to the Board. CSUK has engaged with an external third party to provide this service. The main responsibilities of the third line include:

- Providing assurance that the Risk Management Policy is fit-for-purpose and implemented as intended
- Providing independent and timely assurance to the Board over the effectiveness of governance, risk management and controls
- Submitting reports directly to the Board

2.5 Risk Governance Committees

The Firm's Governance Structure is supervised by the CSUK Board. Below the Board, there are three standing committees, the Risk Committee ('RC'), the CASS Committee ('CC') and the Management Committee ('MC'):

2.5.1 Risk Committee

The key driver for the Firm's risk management is the RC. The RC is responsible for managing all risks of the business including Operational, Market, Credit, Compliance, Liquidity and Capital risk. The Committee meets quarterly with a standing agenda and formal reporting on all risk types.

2.5.2 CASS Committee

The objective of the CASS Committee is to oversee the control framework that CSUK has implemented in order to achieve compliance with its obligations under the FCA's Client Assets Sourcebook ('CASS'). The CASS Committee is established to ensure robust oversight, governance and assurance over CSUK's compliance with CASS. The Committee promotes a strong control environment and a culture of client asset protection.

2.5.3 Management Committee

Day to day management oversight of CSUK is through the Management Committee. This committee's remit is to provide business review oversight, address key operational issues and set and monitor progress on strategic objectives in relation to the business. Members of this committee are the senior managers of CSUK, including the Chief Executive Officer ('CEO').

2.6 Risk Appetite

The Risk Appetite Statement is the amount and type of risk that the Board is prepared to assume in pursuit of its business strategy. The Risk Appetite Statement and Risk Appetite Tolerances are set by the Board and reviewed annually or sooner if there is a significant change in strategy or the market environment. The Risk Appetite Statement provides the benchmark against which the Firm's risk profile is reported, monitored, and managed by the Board.

CSUK cautiously accepts some risk which may impact earnings and capital usage while achieving corporate objectives. CSUK maintains a minimal appetite for risks which may affect the strategic drivers, and the Firm strives to implement significant controls to mitigate these risks.

2.7 Risks Addressed by MIFIDPRU 4 (Own Funds Requirements)

MIFIDPRU 4 sets out various risks related to the MIFID activities that an investment firm might carry out. In assessing its regulatory capital requirements against these risks, the Firm follows the methodologies set out for the applicable K-factor requirements. Based on this, the key risks associated to the Firm's Own Funds Requirements are as follows:

2.7.1 Credit Risk

Credit risk is defined as the possibility of loss arising from the failure of clients, counterparties, or any other parties to meet or perform their obligations to CSUK at all or in a timely manner, whether such obligations are direct, indirect or contingent.

Exposure arises from execution and clearing of derivative transactions on behalf of clients. Counterparty exposure is also present within open Stock Borrow Loan transactions and Cash Equity activity whilst transactions are pending settlement.

The overarching principle of the credit risk policy is that CSUK should only allow risk commensurate with the creditworthiness of clients and counterparties and the Credit Risk Appetite set by the Board as delineated by the Risk DoA.

The objectives of the credit risk policy are:

- To establish effective control of client and counterparty risk throughout CSUK within the risk tolerances established by the Board and within limits set by the Risk DoA
- To document policies, roles, and responsibilities relating to counterparty risk mitigation that are aligned with and supportive of business strategy
- To establish the requirements for assessing the creditworthiness of counterparties

The Board level delegated credit limits are detailed in the Risk DoA. In order to keep overall risk exposure within the Board's Risk Appetite and Risk DoA limits, the Credit and Risk functions develop and implement appropriate types of limits for clients and counterparties depending on the nature of the business they transact with CSUK.

As part of the risk assessment process, the Risk department establishes and maintains the appropriate credit limits for each counterparty. The limits assigned determine the method(s) by which the exposures are monitored.

2.7.2 Market Risk

Market risk is defined as the risk of loss that arises from fluctuations in the values of, or the income from, assets and liabilities held on CSUK's Balance Sheet. Market risk in the context of this policy is principal risk.

Market risk arises from two main sources:

- Currency mismatches between balances, income and expenditure
- CSUK proprietary trading

Market risk arises in CSUK authorised trading accounts for the specific purpose of client facilitation, hedging and other proprietary trading purposes where CSUK takes a principal position for its own account. These activities are authorised, have limits set for them, and are monitored and reported as per Desk Mandates.

2.7.3 Operational Risk

Operational risk is defined as the risk of loss from inadequate or failed internal processes, people, and systems or from external events.

The Firm has an Operational Risk Management Policy ('ORMP') in place that requires a strong risk and control infrastructure be present at every level of CSUK.

The purpose of the ORMP is to set out the Firm's policy for defining operational risk and its expectations on how operational risk is identified, measured, mitigated, and reported. The ORMP includes:

- Governance, roles, and responsibilities of the three lines of defence for operational risk management
- Collection and analysis of operational risk exposures and potential exposures across the operational risk identification components
- Periodic review and analysis of metrics to identify and recommend control improvements
- Deep dive assessments into internal themes or internal operational risk incidents

CSUK has adopted the Operational Risk Three Lines of Defence model which operates alongside the Risk Management's Three Lines of Defence (described in section 2.4). However, it incorporates front office business areas and support functions in the first line as operational risk is inherent in all business areas and departments.

The Operational Risk Management Policy sets out the approach to managing operational risk which includes:

- Operational Risk Incidents - an operational risk incident is any circumstance where, through the lack or failure of a control, the Company has, or could have, incurred a loss. Such incidents are captured and followed up with analysis of improvements to process or controls. For significant incidents this analysis includes the completion of action plans to mitigate reoccurrence
- Risk and Control Self-Assessments ('RCSA') - all desk and support functions at least annually identify and assess their respective material risks and evaluate the key controls in place to mitigate those risks, providing both an inherent and residual risk score
- The Top-Down Heat Map process involves the Risk Committee to review the highest residual risks identified through the RCSA process. The Risk Committee reviews and validates the risks to agree a final version of the residual operational risk Heat Map to submit to the Board annually. The Board is required to 'accept' or 'request action' upon any risks in the red zone of the Heat Map

2.7.4 Other Risks

The Firm considers other passive risks, for which applicable own funds requirements are assessed in line with the Firm's ICARA process, as follows:

- **Strategic Risk:** the current or prospective risk to earnings and capital arising from changes in the business environment and from adverse business decisions, improper implementation of decisions or lack of responsiveness to changes in the business environment.
- **Business Risk:** the risk that any one individual business line or the Firm fails to meet its stated strategic targets and/or financial forecasts to such a level to cause a material deterioration in expected earnings.
- **Technology Risk:** the risk that the Firm's IT systems and/or infrastructure fail either as a result systems failure or infiltration by external parties. This could be as a result of events such as IT Hardware or System Failure or a Cyber Security Attack.
- **Legal and Regulatory Risk:** a subset of Operational Risk, this is the risk of legal or regulatory sanctions, material financial loss, or loss to reputation CSUK may suffer because of a failure to comply with laws, regulations, rules, related self-regulatory organisation standards, and applicable codes of conduct.

2.8 Risks Addressed by MIFIDPRU 5 (Concentration Risk)

Concentration risk is defined as the risk that a concentration of activities or exposures in a single area may lead to unexpected loss in excess of expectations.

The Market risk function will endeavour to review concentrations and monitor depth of market, liquidity, and other underlying market factors.

Counterparty credit risk is a measure of the amount of exposure CSUK has against every counterparty it faces, whether a Bank holding the firms funds, a PB or SBL Counterparty holding positions and collateral or an Equity DVP bi-lateral counterparty. The Credit risk function allocates credit limits to mitigate these exposures. The Board level delegated credit limits are detailed in the Firm's Risk Delegation of Authority ('DoA'). In order to keep overall risk exposure within the Board's Risk Appetite and Risk DoA limits, the Credit and Risk functions develop and implement appropriate types of limits for clients and counterparties depending on the nature of the business they transact with CSUK.

As part of the risk assessment process, the Risk department establishes and maintains the appropriate credit limits for each counterparty. The limits assigned determine the method(s) by which the exposures are monitored on a daily basis.

2.9 Risks Addressed by MIFIDPRU 6 (Liquidity)

Liquidity risk is defined as the risk that CSUK, although solvent, either does not have sufficient liquid financial resources available to enable it to meet its obligations as they fall due or can secure them only at an excessive cost.

The specific objectives of the Firm's Liquidity risk policy are to ensure that the Firm has sufficient liquid assets to enable it to meet funding requirements arising from:

- Exceptional market (and counterparty) conditions
- Sudden adverse changes in counterparty/client creditworthiness
- Changes in exchange requirements

This policy also establishes the methodology and process for evaluating the possible effects on CSUK's liquidity from potential adverse internal and external events.

In order to evaluate the adequacy of its overall financial resources, CSUK considers an appropriate range of realistic, negative circumstances and events, ('Adverse Scenarios') in which liquidity risk might occur. Such analysis is also useful to ensure the company has adequate controls and mitigation in place or available to ensure CSUK has sufficient liquidity resources to continue business under stressed conditions.

The Risk Department conducts liquidity stress risk scenario analysis, which considers the interaction of different market circumstances on funding requirements in the various operations of CSUK, taking due account of the operational controls in place and possibility of failure. In determining scenario parameters, Risk also incorporates risk scenarios conducted by other risk areas (i.e. operational risk, credit risk, market risk) that may lead to liquidity events. Finance and Risk periodically discuss the components of the stress tests to ensure they remain adequate and appropriate or require revising, considering changes in business practices, new businesses, or changes in the operating environment. If any new situation of concern is identified, it will be raised to Risk Committee.

A review of CSUK's liquidity scenarios is carried out at least annually, with recommendations for amendments and or additions presented to Risk Committee, any material change in the business should necessitate a review.

The results of the analysis will produce Stressed Liquidity Requirement ('SLR'). The SLR is reported to the Risk Committee and the CSUK Board.

The cash flow consequences of each scenario are evaluated based on reasonable assumptions of the likely effect on both liquidity uses and sources.

The following is documented in the Liquidity Risk Policy:

- Derived liquidity requirements
- Identified operational effects on CSUK
- Assumptions used on the effectiveness of operational controls

The Risk Committee or the Board may require additional analysis to be undertaken if it feels that the scenarios do not adequately cover all potential adverse outcomes. The Liquidity Risk Policy also contains the details of the models, including sources of underlying data, used in the adverse scenario analysis as described above.

Finance and Risk provide the independent, objective monitoring of liquidity risk and liquidity resources. These are monitored and measured against the Firm's Risk Appetite and DoA. Daily monitoring of the liquidity position of the business is conducted by the CFO who is responsible for the management of the Firm against limits established in the delegated authorities. Risk provides independent, objective monitoring of liquidity risk on behalf of the Board. The stress liquidity risk approach complements the monitoring undertaken by the CFO.

3 GOVERNANCE

3.1 Overview

Under the FCA's Systems and Controls Sourcebook ('SYSC') 4.3A.1R, a firm must ensure that the management body defines, oversees and is 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 prevention of conflicts of interest, and in a manner that promotes the integrity of the market and the interests of clients.

It further stipulates that the firm must ensure that the management body:

- 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
 - The adequacy of the policies relating to the provision of services to clients
 - Takes appropriate steps to address any deficiencies
- Has adequate access to information and documents which are needed to oversee and monitor management decision-making.

3.2 Governance Framework

The Firm's governance framework is designed to provide effective oversight and sound decision-making, resulting in the reduction of potential harm to consumers and the markets in which it intends to operate. In meeting the requirements of SYSC, the Firm has in place a robust governance framework, which complies with the FCA's Senior Managers & Certificate Regime ('SMCR') requirements, with an effective board, transparency around roles and responsibilities, accountability to, and engagement with stakeholders, and driving sustainable business practices.

Each member of the Board acts honestly and in good faith with a view to always acting in the best interests of the Firm and its clients. The Board has ultimate legal and regulatory responsibility for the business activities of the Firm and is responsible for promoting its long-term success by creating and delivering a client-focused quality service. It leads and provides direction for management by setting strategy and overseeing its implementation.

3.3 Roles and Responsibilities

The Board is also responsible for ensuring the operation of an effective system of internal control so that senior management can maintain an effective risk management and oversight process which delivers growth in a controlled and sustainable way. The Board is accountable for reviewing reports by the management team and overseeing the Firm's performance, its plans, and prospects, as well as any issues faced by the business.

In addition to its general oversight of management, the Board performs several specific functions including, but not limited to:

- Delegation to the senior management any of the powers, authorities, and discretions vested in the Board's directors
- Delegation of such powers, authorities, and discretions to any committee as may exist or be created
- Establishment the overall business strategy
- Direction of organisational and risk management of the business
- Oversight of the assessment of major risks faced by the business and how they can be mitigated
- Organisation of the Firm's governance structure, allocation of appropriate resources with the right skills, knowledge and expertise required
- Ensuring consideration is given to succession planning for the senior management executives
- Establishment, review, and approval of major changes to relevant policies
- Ensuring an adequate budget and planning process exists, that performance is measured against budgets and plans, and approving annual budgets for the Firm
- Consideration and approval of any significant changes proposed in accounting policy or practice
- Consideration and approval of the annual financial statements
- Overseeing, considering, challenging and approving the Firm's ICARA
- Ensuring the integrity of the Firm's accounting and financial reporting systems
- Assessment of the adequacy and accessibility of Management Information
- Ensuring appropriate governance relating to the Firm's CASS environment, framework, policies, processes and controls
- Promoting behaviours consistent with the culture and values of the Firm

In support of the Board, the Firm currently has a Risk Committee, a CASS Committee and a Management Committee, which are considered to be sufficient at the current stage of the Firm's development. In the future, additional committees will be created, as required.

3.4 Directorships

The number of executive and non-executive directorships held by the directors at the year ended 31 December 2025 were as follows:

Director	Number of Executive Directorships	Number of Non-Executive Directorships
Carlos Fernandez	1	
Annie Mills	1	
Chris Pento	1	

Directorships in multiple companies within the Clear Street Group are classified in the above as one directorship

The following directorships are not within the scope of MIFIDPRU 8.3.1R(2):

- 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 in which the Firm holds a qualifying holding.

3.5 Diversity

The Firm recognises the value of fostering an inclusive workplace that reflects a broad range of backgrounds, experiences, and perspectives. We are committed to:

- Promoting equal opportunity in recruitment, development, and advancement
- Encouraging representation from a wide range of backgrounds, including in senior roles
- Cultivating a culture of inclusion where all employees feel valued and empowered to contribute

In support of this commitment, the Firm seeks to:

- Apply inclusive recruitment practices and consider candidates from a broad range of backgrounds
- Raise awareness of unconscious bias among employees
- Reflect on workforce composition as part of ongoing people management

While the Firm continues to make progress in fostering inclusion, it acknowledges that building a diverse workforce is an ongoing effort. Several factors can influence outcomes in this area, including:

- A limited pipeline of diverse talent in highly specialised roles or senior positions
- The time required to develop meaningful career progression pathways
- External market dynamics that affect access to diverse candidate pools
- The small overall size of the Firm's workforce during the period

4 OWN FUNDS

As at 31 December 2025, the Firm's Own Funds was wholly comprised of Common Equity Tier 1 ('CET1') capital. The components of this capital were share capital, revaluation reserve and retained earnings.

MIFIDPRU 8.4.1 of the FCA's Handbook requires the Firm to disclose the following information regarding its Own Funds:

- A reconciliation of common equity tier 1 items, additional tier 1 items, tier 2 items, and the applicable filters and deductions applied in order to calculate the own funds of the Firm
- A reconciliation of the above with the capital in the Balance Sheet in the audited financial statements of the Firm
- A description of the main features of the common equity tier 1 instruments, additional tier 1 instruments and tier 2 instruments issued by the Firm.

4.1 Own Funds

As at 31 December 2025, CSUK only had CET1 items, reconciled as 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	29,971	
2	TIER 1 CAPITAL	29,971	
3	COMMON EQUITY TIER 1 CAPITAL	29,971	
4	Fully paid up capital instruments	50,000	Capital and reserves - 1
5	Share premium		
6	Retained earnings	(20,154)	Capital and reserves - 3
7	Accumulated other comprehensive income	125	Capital and reserves - 2
8	Other reserves		
9	Adjustments to CET1 due to prudential filters		
10	Other funds		
11	(-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1		
19	CET1: Other capital elements, deductions and adjustments		
20	ADDITIONAL TIER 1 CAPITAL	0	
21	Fully paid up, directly issued capital instruments		
22	Share premium		
23	(-)TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1		
24	Additional Tier 1: Other capital elements, deductions and adjustments		
25	TIER 2 CAPITAL	0	
26	Fully paid up, directly issued capital instruments		
27	Share premium		
28	(-)TOTAL DEDUCTIONS FROM TIER 2		
29	Tier 2: Other capital elements, deductions and adjustments		

4.2 Own Funds Balance Sheet Reconciliation

The reconciliation of the above Own Funds to the audited financial statements is as follows:

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 As at 31 December 2025 £000	Under regulatory scope of consolidation As at 31 December 2025 £000	Cross-reference to Table 1
	Non-current assets			
1	Investments	1,250		
	Current assets			
2	Financial assets held for trading	32,382		
3	Debtors	236,032		
4	Cash at bank	17,473		
	Total Assets	287,137		
	Current liabilities			
1	Creditors falling due after more than 12 months	257,125		
	Non-current liabilities			
2	Deferred tax liability	41		
	Total Liabilities	257,166		
	Net Assets	29,971		
	Capital and reserves			
1	Share capital	50,000		Ref 4
2	Revaluation reserve	125		Ref 7
3	Retained earnings	(20,154)		Ref 6
	Shareholder's funds	29,971		

4.3 Main features of capital instruments

The Firm's share capital comprises 50,000,000 ordinary shares of £1 each. During the financial year, the Firm issued an additional 4,000,000 shares on 6 May 2025, 6,000,000 shares on 12 August 2025 and 5,000,000 shares on 30 December 2025, all also at par. These are classified as share capital within the Firm's shareholder's funds in the audited financial statements.

5 OWN FUNDS REQUIREMENT

As at 31 December 2025, CSUK's Own Funds Requirement was as follows:

Own Funds Requirement	Amount (£000)
<i>K-Factor requirement</i>	
Sum of K-AUM, K-CMH and K-ASA	1
Sum of K-COH and K-DTF	47
Sum of K-NPR, K-CMG, K-TCD and K-CON	5,799
Total K-Factor requirement	5,847
Fixed Overhead Requirement	3,992

6 REMUNERATION POLICY AND PRACTICES

The Firm is subject to the requirements of the SYSC 19G MIFIDPRU Remuneration Code ('MIFIDPRU Code'), and CSUK complies with this MIFIDPRU Code in a manner that is appropriate to the size and internal organisation and to the nature, scope and complexity of its activities.

The below disclosures meet those requirements that are stipulated in MIFIDPRU 8.6.

6.1 Remuneration Governance

The Board of the Firm is responsible for maintaining a robust Remuneration Policy in adherence with the MIFIDPRU Code and the wider Clear Street Group's remuneration practices. The period under review represented the Firm's first year of account and thus the first period for performance appraisals.

For 2025, the Compensation process was run in coordination with the Global Chief People Officer. Proposals for each individual eligible for a bonus for the respective period were made in conjunction with the managers of these employees. These proposals were then calibrated across the matrix management structure to ensure that people were appropriately benchmarked relative to their peers globally. This calibration took place in December 2025 to validate that the proposed remuneration structure/split was commensurate with the Firm's risk appetite, profitability and capital position and to ensure that proposed remuneration packages equally considered the conduct, performance and alignment of these employees with the Group's cultures and principles.

6.2 Remuneration Policy

Clear Street believes in a transparent, fair, and competitive approach to compensation that aligns with its core values and business objectives. Our compensation philosophy is built on the following principles:

6.2.1 *Transparency and Fairness*

CSUK prioritises transparency in its compensation practices, ensuring its employees clearly understand how their pay is determined and how they can advance and develop in their careers. The Firm strives for fairness in distributing its financial resources to support equitable compensation across CSUK and Clear Street as a whole.

6.2.2 *Meritocracy and Value*

CSUK embraces meritocracy as a core value proposition, recognising and rewarding the value that each employee brings to the Firm. Its compensation structure is designed to reflect individual contributions, skills, and performance, ensuring that those who deliver exceptional results are appropriately rewarded and recognised.

6.2.3 *Competitive Pay and Shared Success*

CSUK's goal is to attract and retain top talent by offering competitive compensation packages. The Firm aims to match or exceed market rates for base salaries and bonuses while providing additional upside through equity.

CSUK and Clear Street as a whole believe in sharing their success with their employees. By offering equity as part of its compensation packages, the Firm provides opportunities for employees to benefit from the long-term growth and success of Clear Street, fostering a sense of ownership and alignment with its goals.

Through this compensation philosophy, CSUK aims to create a motivated, high-performing workforce that feels valued, compensated, and invested in the long-term success of the Firm.

6.3 Remuneration Structure

CSUK creates remuneration practices that are transparent and fair and designed to reflect individual contributions, skills, and performance, also taking into account market benchmarks. The Firm strives to maintain a balance between fixed and variable compensation, ensuring that each employee's total compensation reflects their role, experience, and impact. Compensation is reviewed and adjusted on at least an annual basis depending on changes in market conditions, individual and business performance.

6.3.1 Fixed Remuneration

The fixed remuneration offered to employees represents the base salary an employee receives for performing their role. Base salary reflects the employee's role, experience, qualifications, and market benchmarks, and serves as the foundation of their total compensation package, which includes benefits appropriate to the market.

6.3.2 Variable Remuneration

Variable remuneration is earned based on performance and business results. When determining variable compensation, managers assess performance and behaviours as part of the end of year performance review process. Variable salary is designed to motivate and reward high performance, align employee efforts with the Firm's and Group's goals and promote a pay-for-performance culture. The variable remuneration offered includes the following:

Annual Bonus

The annual bonus is a performance-based, discretionary component of compensation that is directly tied to both individual contributions and the overall performance of the Firm, serving as a key mechanism to reward and reinforce the achievement of business objectives and personal impact.

Quarterly Bonus

This is calculated as a percentage of trading contribution earned by the respective business line after deducting costs specified in the relevant employment contracts. Payments are made quarterly following an assessment of individual performance within each relevant business line.

Restricted Stock Units

Some employees may be eligible to receive equity incentive awards, including restricted stock units, options or other awards. Such awards, which are subject to vesting requirements, serve as a retention tool and are designed to align employees' economic interests with those of Clear Street.

Severance pay

Severance payments may be provided in some situations. When considered, these payments are evaluated individually, with guidance from Human Resources, Compliance, Legal and the CEO. If required, external counsel may also be consulted to ensure the decision is compliant with applicable requirements.

6.4 Malus and Clawback

The Firm must apply malus and clawback requirements to Material Risk Taker variable remuneration and ex-post risk adjustment and, where the Firm deems it appropriate, it will enact these arrangements to protect the viability and sustainability of the business to ensure individuals do not profit from a relevant crystallised risk.

The clawback period will span at least the combined length of any deferral period and retention period. Where clawback applies to awards where there is no deferral, a minimum of three years from grant is deemed appropriate.

‘Malus’ refers to the ability of the Firm to reduce or cancel any unvested deferred element of variable remuneration before remuneration vests.

‘Clawback’ is the ability of the Firm to require an individual to repay an amount of variable remuneration after it has been paid.

The Firm has specific criteria for the application of malus and clawback covering situations where an individual participated in or was responsible for conduct which resulted in significant losses and/or failed to meet appropriate standards of fitness and propriety.

The Firm retains a contractual power to ‘freeze’ all variable remuneration awards or payments in appropriate cases, including where individuals are undergoing internal or external investigations that could result in the application of malus or clawback.

All deferred compensation awards granted contain malus provisions that enable the Firm to reduce or cancel outstanding awards prior to settlement if staff engage in certain detrimental conduct.

6.5 Material Risk Takers (‘MRTs’)

The Firm has identified Material Risk Takers in accordance with the MIFIDPRU Code, and in performing its assessment, identifies individuals whose activities:

- Could have a material impact to the Balance Sheet of CSUK
- Could have a material impact to the revenue or profitability of CSUK
- Could have a material impact to the risk profile of CSUK

The Firm carries out this review to identify MRTs on an ongoing basis, and at least annually. CSUK also takes a prudent approach when applying proportionality to MRTs.

6.6 Quantitative Disclosures

The Firm's total remuneration for the period ended 31 December 2025 amounted to \$24,161,506, which comprised \$14,101,685 of fixed remuneration and \$10,059,821 of variable remuneration.

	Material Risk Takers \$000	Senior Management \$000	Other Staff \$000	Total \$000
Total fixed remuneration	1,231	4,196	8,675	14,102
Total variable remuneration	655	5,898	3,507	10,060
Total remuneration	1,886	10,094	12,182	24,162
<i>Number of staff</i>	<i>3</i>	<i>12</i>	<i>56</i>	<i>71</i>

	Material Risk Takers \$000	Senior Management \$000	Total \$000
Guaranteed variable remuneration	164	2,535	2,699
Severance payments	0	491	491
Total remuneration	164	3,026	3,190

No Material Risk Takers or Senior Management received any deferred remuneration. CSUK has not taken advantage of the exemption set out in SYSC 19G.5.9R.

7 INVESTMENT POLICY

MIFIDPRU 8.7 of the FCA's Handbook requires investment firms to make specific disclosures in respect of their investments in companies whose shares are admitted to trading on a regulated market and:

- Only in respect of those shares to which voting rights are attached; and
- Where the proportion of voting rights that the investment firm directly or indirectly holds exceeds the threshold of 5% of all voting rights attached to the shares issued by the company at the time of the general meeting.

As the Firm does not have any company holdings that meet these criteria, the Firm is not required to make the disclosures required in MIFIDPRU 8.7.