JM FINN

Investment Firm Prudential Regime - Public Disclosures
31 December 2022

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1. INTRODUCTION

In January 2022, the FCA introduced a new Investment Firm Prudential Regime (IFPR) for UK firms authorised under the Markets in Financial Instruments Directive (MiFID).

The IFPR requires firms to understand the harms they may cause to their clients, the firm and markets, and to consider the amount of capital and liquid assets they should hold, both for ongoing operations and to facilitate an orderly wind-down of the firm.

These disclosures have been made under the rules set out under MIFIDPRU 8. The firm is required to disclosure the following information:

- Risk Management (MIFIDPRU 8.2)
- Governance (MIFIDPRU 8.3)
- Own Funds (MIFIDPRU 8.4)
- Own Funds Requirements (MIFIDPRU 8.5)
- Remuneration Policy and Practices (MIFIDPRU 8.6)

JM Finn & Co Ltd is a solo-regulated firm registered as a UK legal entity. The firm is categorised as a non-Smaller and Non Interconnected (non-SNI) firm. Prudential consolidation does not apply.

These disclosures are made on an annual basis and the report is published on the Firm's website (www.jmfinn.com). Copies of the report will also be available on request by writing to the Firm's Company Secretary at 25 Copthall Avenue, London EC2R 7AH.

2. CORPORATE BACKGROUND AND STRATEGY

J.M. Finn & Co. Ltd is one of the UK's leading firms of investment managers and advisers. Founded as a partnership in 1946 and incorporated as a private limited company in 2006, we further accelerated our growth in 2011 with Belgian investment group Ackermans & van Haaren (AvH) through its wealth management affiliate Delen Private Bank. AvH is listed in Belgium and is a constituent of the BEL20 index and the European DJ Stoxx600.

The Firm has offices in London, Bristol, York, Bury St Edmunds, and Winchester. Its largest office is in London where the majority of the Firm's investment managers and advisers, as well as its middle office and investment administration departments, are located.

The Firm provides discretionary, advisory, and execution only services for private clients and professional advisers as well as trusts, charities and pension funds. It also manages the Coleman Street Investments Funds. The Firm has approximately 19,000 client accounts and over £10bn funds under management and administration as at 31 December 2022. The Firm expects to continue to grow its funds under management through attracting new clients and new investment managers. In 2017, the Firm launched a wealth planning service to complement our investment management services.

The Firm offers a high quality, personalised investment management service that aims to meet the individual demands of today's investors. The Firm's purpose is 'By simplifying the financial challenges that investors face, we protect & nurture wealth across the generations.'

The Firm's management take a conservative approach to risk and has consistently maintained high capital cover and strong cash balances. This approach is reflected in the Firm's vision 'We want to grow responsibly, all the time safeguarding our client first approach and maintaining our reputation for excellent service. To do this, we will help develop our staff and ensure the firm always upholds a healthy and positive working environment'.

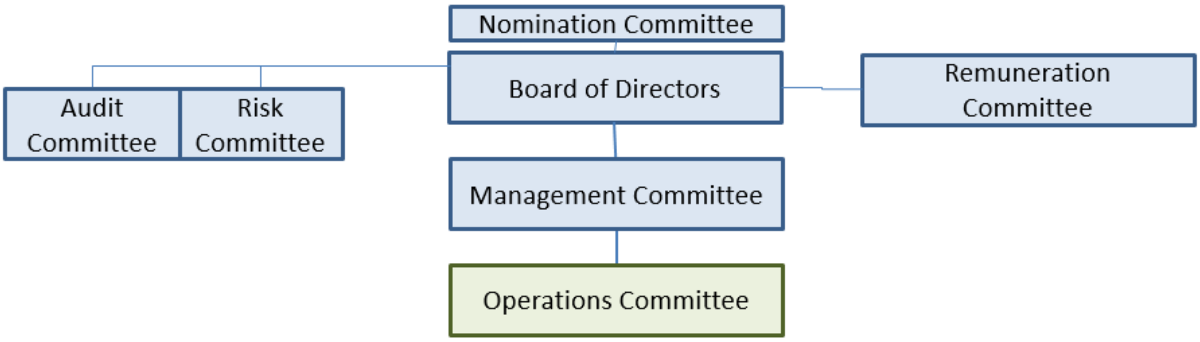
Further details about the Firm can be found at www.jmfinn.com.

3. GOVERNANCE

JM Finn recognises that well-defined and transparent governance arrangements are an important element of effective risk management. The Senior Managers and Certification Regime further formalises individual accountability and responsibility.

JM Finn has seven principal committees. Each committee has a Terms of Reference and minuted meetings with actions noted and tracked to completion.

JM Finn: Corporate Governance Committees Principal Committees



The remit of each committee is as follows:

- Board of Directors: To direct the strategy of the firm and to hold the Management Committee to account for their delivery of that strategy. Meets quarterly.
- Management Committee: Responsible for the management of the day to day business of the Firm, executing strategy and any other decisions taken by the Board. Meets monthly.
- Audit Committee: To monitor the integrity of the financial statements of the company and any formal announcements relating to the company's financial performance. Review the company's internal financial controls and unless dealt with elsewhere, the company's internal control and risk management system. To review and monitor the external auditor. Meets quarterly.
- Nominations Committee: To fulfil the duties of a Nomination Committee for the firm including assessing the structure and performance of the management body; assessing the knowledge, skills and experience of individual members; deciding on any changes to the membership of the governing body. Meets annually. All members are Non-Executive Directors.
- Risk Committee: Recommend to the Board the firm's risk appetite. Design and recommend to the Board, risk management and measurement strategies and policies. Oversee the design and implementation of processes, systems and controls for monitoring the adequacy and effectiveness of the firm's risk management and measurement processes. The Chair and two members are all Non-Executive Directors. Meets quarterly.
- Remuneration Committee: To review the framework/policy for remuneration in terms of all benefits, salary and bonuses, to ensure the proper implementation of FCA Remuneration Code. Meets at least twice a year.
- Operations Committee: Decision making forum for addressing day to day operational matters across all areas of the Firm and implementing decisions taken by the Management Committee. Meets monthly.

The Firm is not required to have Risk, Remuneration and Nominations Committees. We voluntarily chose to have these Committees to support our oversight of the Firm.

These principal Committees are supported by the following sub-Committees:

- Conduct Risk Committee identifies, assesses, reviews and monitors conduct risk throughout the firm.
- Operational Risk Committee oversees operational risk throughout the firm, and brings specific risks to the attention of the Operations, Management and Risk Committees as necessary.
- Client Money & Assets Committee oversees the firm's internal controls and regulatory risks relating to client money and assets.
- Transaction Reporting Committee oversees the firm's internal controls and regulatory risks relating to transaction reporting.
- Investment Funds Committee oversees Coleman Street Investments.
- Permitted Investments Committee approves permitted product providers and individual funds.
- Dealing Committee oversees trading activities and resolution of issues identified.

Directorships

One member of the Firm's board of directors hold commercial directorships outside of the Group:

Director	Role	Number of other Non-Executive directorships
S Sussman	Chair	0
H Bedford	Chief Executive Officer	0
D May	Chief Finance Officer	0
J Suykens	Non-Executive Director	0
L Bertrand	Non-Executive Director	2
M Buysschaert	Non-Executive Director	0
J Van Nieuwenborgh	Non-Executive Director	0
P De Winter	Non-Executive Director	0
E Lechien	Non-Executive Director	0

Board Diversity

The Nominations Committee, which carries responsibility for appointments to the Board, Management Committee and SMF's can make proposals for the appointment of individuals to such Roles and in doing so, they should have due regard to diversity and the need to target underrepresented groups. Consideration will also be given to appointing a recruitment agency to identify individuals with the required competencies and if they do so, it should be included in their brief that they should consider diversity and target underrepresented groups.

Additionally, the company has a Diversity and Inclusion Committee, of which the CEO is a member. The committee meets regularly and is responsible for ensuring that the Company is focused on building a diverse and inclusive workforce with particular focus on diversity at the point of entry, retention and ongoing equality of opportunity.

4. RISK MANAGEMENT

Objectives and Policies

The risk framework is designed to identify, assess, manage and monitor significant risks that exist across the firm. This includes strategic, operational, financial and compliance risks.

The key elements of this framework are:

1. Risk identification: Senior Managers and Heads of Department are responsible for identifying risk within the Firm. There are risk management tools to support this process including monitoring activity and incident reporting. Each risk is owned by a Senior Manager.
2. Risk appetite: Risk appetite is the amount and type of risk that the firm is willing to take to achieve its strategic objectives. The Firm's Board of Directors is responsible for setting this risk appetite. The firm's risk appetite statements are a combination of a qualitative and quantitative statements. The risk appetite statements are reviewed and approved at least annually by the Board following input from the Management Committee and Risk Committee.
3. Risk and control assessment: The risk and control assessment is a key risk management tool. Senior Managers and Heads of Department assess each risk at least annually. Each identified risk is translated into a green, amber or red risk in line with the firm's risk appetite. Where appropriate, actions are taken to bring red and amber risks back within appetite.
4. Monitoring: The Firm has key risk indicators in place to monitor exposure against appetite. In addition, monitoring activity provides insight into the effectiveness of risk identification and key controls.

Three lines of defence

The Firm's risk management incorporates a 'three lines of defence' model through the activities of its business functions (first line), Risk and Compliance (second line) and Internal Audit (third line). The second and third lines of defence have monitoring programmes to provide assurance across the firm.

Risk and Compliance work with the first line to ensure risks are identified, assessed, prioritised and managed. Heads of Risk and Compliance have an independent reporting line to the Chair of the Risk Committee. Risk and Compliance report to the Risk Committee, Management Committee and Board at least every six months.

The primary role of Internal Audit is to help the firm to protect its assets, reputation and sustainability. Internal Audit is responsible for evaluating all processes (the "Audit Universe") including governance processes and risk management processes with its approach set out within its Charter. The scope of internal auditing encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the firm's governance, risk management, and internal control processes in relation to the defined goals and objectives. The Head of Internal Audit is accountable to the Chair of the Audit Committee and reports to the Chief Executive Officer.

Material Risks

The Firm has identified the following material risks categories:

Material Risk	Definition	Key Risks	Key Controls
Strategic Risk	The risk that JM Finn cannot compete effectively, becomes unviable, or if the business strategy being pursued is inappropriate or incomplete.	Clients, the Firm (including staff) and markets may be harmed if the firm becomes unviable and needs to wind-down.	The Firm has a 5 year strategy approved by the Board and an established governance framework. Committees receive a range of management information to support the oversight of the firm. The Firm has a wind-down plan which is reviewed at least annually.
Operational Risk	The risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.	Our clients and the Firm may suffer harm including disruption, distress or financial loss due to an operational incident.	Cyber Attack: Range of cyber defences to reduce the potential for a successful attack and recovery procedures. Financial Crime: Robust onboarding of new clients and ongoing monitoring of existing clients and their transactions. Third Party Risk: Due diligence processes, regular review meetings with providers and escalation processes are in place to resolve any issues. Information Security: The Firm has access controls and monitoring tools to reduce the likelihood of this risk materialising.
Capital Risk	The risk of breaching regulatory capital requirements.	The Firm may suffer harm if it becomes unprofitable leading to financial stress (capital).	The Firm seeks to minimise this risk by producing annual budgets, 3 year forecasts and conducting

			stress tests on its financial forecasts for both income and capital. The stress tests are based on a combination of adverse events including significant falls in the equity markets.
Liquidity Risk	The risk that the Firm either does not have sufficient financial resources to enable it to meet its obligations as they fall due or can only restore liquidity at excessive cost.	Client may suffer financial loss or distress if they are unable to access or suffer delays accessing their money. The Firm may suffer harm if becomes unprofitable leading to financial stress (liquidity).	The Firm has limited liquidity risk as it has a high levels of cash and no bank borrowings. Stress tests include an assessment of the Firm's liquidity position. The Finance department prepares a Liquidity Risk Assessment Report on an annual basis which is reviewed by the Risk Committee.
Credit Risk	The risk of a counterparty failing to meet their financial obligations to JM Finn when due.	Clients and the Firm may suffer harm if markets fail to settle market transactions. The Firm may suffer financial harm if clients fail to pay management fees or commissions. Client and the Firm may suffer harm including financial loss and distress, if Banks or custodians holding client or Firm assets or money default.	Market counterparties – The Firm has controls in place to ensure that all new counterparties are approved based on regulatory and financial suitability. The firm also reviews the ongoing suitability of counterparties and adherence to the firm's limits. Clients – The vast majority of our clients hold cash with the Firm and/or hold investments in the Firm's nominee account to cover fees and commissions. Investment Managers and Finance monitor client debit balances. Banks/Custodians – All new custodians are

			approved by the Risk Committee. The Chief Finance Officer carries out due diligence to support the Risk Committee's review. At least annually, the Chief Finance Officer completes a Bank/Custodian review using a range of inputs to assess ongoing suitability. This review is presented to the Risk Committee.
Concentration Risk	The risk of large individual exposures or significant exposures to groups of counterparties with potential to threaten the Firm's financial strength.	The Firm may suffer harm if: • revenue relies on a small number of clients, • cannot execute or settle client trades, or • A bank or custodian fails or withdraws from the market and the firm cannot access an alternative provider. The Client may suffer harm if: • The Firm become unviable due to poorly managed concentration risk, • Trades cannot execute or settle on a timely basis, or • Bank or custodian holding client assets or money fails or withdraws from the market and the firm cannot access an alternative provider.	Concentration risk is considered low. Clients: The Firm has approximately 19,000 client accounts. No single client provides more than 1% of revenue. Market Counterparties: The Firm has access to a range of different market counterparties. Banks/Custodians: The Firm actively monitors number of banks which hold client and firm money to achieve diversification and reduce concentration risk.

5. OWN FUNDS

The Firm's Tier 1 capital is set out below, in line with MIFIDPRU 8, as per the audited financial statements as at 31 December 2022. The Firm has no tier 2 or tier 3 capital.

Regulatory Own Funds			
	Item	Amount £'000	Source based on reference numbers/letters of the balance sheet in the audited financial statements
1	Own Funds	54,923	
2	Tier 1 Capital	54,923	
3	Comment Equity Tier 1 Capital	54,923	
4	Fully paid up capital instruments	5,936	Note 21
5	Share premium	1,291	Note 22
6	Retained earnings	58,991	Note 26
7	Accumulated other comprehensive income		
8	Other reserves	(8,356)	Notes 23,24 & 25
9	Adjustment to CET1 due to prudential filters		
10	Other funds		
11	(-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	(2,939)	Notes 10, 11 and 12
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		

Own funds reconciliation

The table below reconciles regulatory own funds to balance sheet in the audited financial statements in accordance with MIFIDPRU 8.

		a	b	c
		Balance sheet as in published/audited financial statements	Under regulatory scope of consolidation	Cross reference to template OF1 (above)
		As at period end	As at period end	
		Amount (GBP thousands)	Amount (GBP thousands)	
Assets – breakdown by asset classes according to the balance sheet in the audited financial statements				
1	Intangible Assets	700		Item 11
2	Contract Assets	1,735		Item 11
3	Property, Plant & Equipment	6,877		
4	Leased Assets	19,210		
5	Deferred Tax Assets	509		Item 11
6	Investments in subsidiary	-		
7	Trade receivables	23,388		
8	Other receivables	5,137		
9	Cash at bank and in hand	56,191		
	Total Assets	113,747		
Liabilities – Breakdown by liability classes according to the balance sheet in the audited financial statements				
1	Creditors due within one year			
2	Trade Creditors	8,043		
3	Other Creditors	25,626		
4	Creditors due over one year	22,217		
	Total Liabilities	55,886		
Shareholders' Equity				
1	Share Capital	5,936		Item 4
2	Share premium	1,291		Item 5
3	Own Shares	(2,651)		Item 6
4	Share Redemption	(4,601)		Item 6
5	Dilapidation Reserve	(1,104)		Item 6
6	Retained Earnings	58,990		Item 8
	Total Shareholders' Equity	57,861		

Issuer	JM Finn & Co Ltd
Governing law of the instrument	UK
Regulatory Treatment	
Regulatory classification	Common Equity Tier 1
Instrument type	Ordinary Shares

Amount recognised in Audited Financial Statements	GBP £5.9m
Nominal amount of instrument	GBP £5.9m
Issue price	GBP 1
Rights of redemption	None
Accounting classification	Shareholders' Equity
Original Date of Issuance	July 06: 5,500k; Jan 07: 42k; Nov 07: 198k; Dec 09: 41k; Jan 10: 22k Feb 10: 32k Mar 10: 47k Apr 10: 3k Jun 10: 31k Jul 10: 6k Sep 10: 15k
Perpetual or dated	Perpetual
Original maturity date	No maturity
Dividends	
Full discretionary, partially discretional or mandatory (in terms of timing)	Fully discretionary
Full discretionary, partially discretional or mandatory (in terms of amount)	Fully discretionary

6. OWN FUNDS REQUIREMENTS

IFPR establishes the minimum amount of regulatory capital that must be held at all times, this is referred to as the 'own funds requirement'. This capital requirement is reflective of the risks the firm faces. As JM Finn is a non-SNI (non-small and non-interconnected) investment firm, the own funds requirements are determined as the highest of the following three requirements under MIFIDPRU 4.3.2 R:

1. Permanent Minimum Capital Requirement
2. Fixed Overheads Requirement
3. K-Factor Requirements

As at 31 December 2022, JM Finn's own funds requirements is determined as the Fixed Overhead Requirement.

Permanent Minimum Capital Requirement (PMR)

PMR reflects the initial capital requirement to become authorised. There are three levels which can apply £75,000, £150,000 and £750,000 depending on the firm's authorisations.

JM Finn's PMR is £750,000.

Fixed Overhead Requirement (FOR)

The FOR reflects one quarter of the Firm's annual fixed overheads. This is based on previous financial year's audited fixed overheads. This requirement is designed to reflect operational costs that do not vary substantially each year.

JM Finn's FOR is £13,900,000.

K-Factors

The K-Factor requirements are a new approach introduced by the IFPR to determine the minimum own funds requirements for investment firms. The K-Factors are quantitative indicators designed to capture material risks arising from a firm's activities and exposures that it may pose to clients, markets or to the firm itself. Each K-Factor is the minimum own funds that the FCA believes is necessary to address risk of harm posed by that activity.

JM Finn's K-Factor requirements are:

K-Factors	Capital Requirements Amount £	Definition
Assets for which the firm is responsible: Sum of K-AUM, K-CMH and K-ASA	7,878,000	K-AUM: Assets under management (Discretionary and Advisory) K-CMH: Client money held in segregated accounts K-ASA: Assets safeguarded and administered
Execution activity undertaken by the firm: Sum of K-COH and K-DTF	1,000	K-COH: Client orders handed with cash trades K-DTF: Daily trading flow
Exposure based risks: Sum of K-NPR, K-CMG, K-TCD and K-CON	8,000	K-NPR: Net risk position K-CMG: Clearing margin given K-CON: Concentration risk
Total	7,887,000	

The relevant K-Factors for JM Finn are:

- K-AUM: The risk of harm to discretionary and advisory client assets.
- K-ASA: The risk of harm to execution only or execution with advice client assets.
- K-CMH: The risk of harm to clients from holding client money.
- K-COH: The risk of harm to clients from executing client orders.
- K-TCD: The risk to the firm of trading counterparties failing to meet their obligations.
- K-CON: The risk of concentration risk in the trading book.

Adequacy of Own Funds Assessment

Under IFPR, JM Finn uses the Internal Capital Adequacy and Risk Assessment process ("ICARA") to ensure that the firm has sufficient regulatory capital and liquidity. The ICARA brings together key elements of capital, liquidity and risk management to enable an assessment of the adequacy of own funds and liquidity requirements.

As part of the ICARA process, the firm assesses whether additional capital or liquidity above the regulatory own funds requirement or basic liquidity requirement is required to mitigate any material harms arising from our ongoing operations. The firm analyses a series of scenarios relevant to our business model to complete this assessment. The firm also considers whether material harms can be more appropriately mitigated through systems and controls, oversight or governance.

A wind-down plan with supporting financial analysis is included in the ICARA to ensure that the firm is able to complete an orderly wind-down with minimal client detriment.

The ICARA is prepared with input from across the Firm including Head of Departments, Control Function Heads, Management Committee and Risk Committee. The Finance department provide the capital and liquidity calculations/assessments, financial projections and stress tests.

There are a range of activities which embeds the ICARA within the Firm notably:

- Chief Financial Officer provides the Board and Management Committee with regular updates on the Firm's capital and liquidity position.
- Risk appetite statements are reviewed at least annually by the Risk Committee.
- Quarterly Key Risk Indicators are provided to the Management Committee and Risk Committee.
- All material acquisitions include an assessment of the impact on the Firm's capital and liquidity position.

The ICARA is updated annually or more frequently if there is a material change of circumstances that affects the capital or liquidity position of the Firm. The ICARA is presented to the Risk Committee for review and then approved by the Board.

REMUNERATION DISCLOSURE

1. INTRODUCTION

JM Finn is a full-scope MiFID firm, regulated under the Investment Firms Prudential Regime (IFPR). It is a non-interconnected (non-SNI), non-significant firm under IFPR.

This remuneration policy disclosure is provided in accordance with the requirements set out under MIFIDPRU 8.6 and by reference to the EBA's Guidelines on Sound Remuneration Policies. The remuneration policy applies to all staff.

2. QUALITATIVE DISCLOSURES

a. Remuneration Policy

This Remuneration Policy sets out principles underpinning the Firm's approach to remuneration and has been compiled in accordance with the FCA's Remuneration Codes (SYSC 19F and SYSC 19G) and relevant FCA guidance and is reviewed by the Remuneration Committee on an annual basis with input from Risk and Compliance.

Staff remuneration, comprising both fixed and variable components, is well established and in line with industry norms. The Firm does not seek to be one of the highest payers; rather it seeks to attract and retain employees who are motivated by the client-focused culture, independence, high ethical standards and reputation of the Firm. Remuneration is gender-neutral and as such, we undertake equal pay analysis through our annual review process to ensure equal pay for equal work in practice. These high-level requirements are evidenced in the Firm's Mission and Cultural Statements and are embodied in the Compliance Handbook (Conflicts of Interest Policy) and the Employment Handbook (Ethics Policy). All of these statements and policies are easily accessible to all staff via the Firm's intranet.

The application of and the adherence to of the Remuneration Policy is audited on an annual basis.

b. Application of Proportionality

The Firm strives to adhere to the FCA's Remuneration Code as it applies to an organisation of our size, nature and complexity. JM Finn is categorised as non-SNI firm because it exceeds at least one of a range of thresholds set by the FCA (including AUM of more than £1.2bn and client money held greater than zero). It is also a firm that is not subject to the extended remuneration requirements, based on the FCA's definition, as its average total on-and-off balance sheet assets over the last 4 years (on a rolling monthly basis) is less than £300m and it does not have a trading book or derivative exposures. This position is reviewed on an annual basis. In line with FCA guidance, JM Finn is therefore able to disapply the prescriptive requirements for deferral of variable pay, delivery of variable pay in instruments and the establishment of an independent Remuneration Committee. Notwithstanding this, JM Finn has voluntarily adopted some of these features (for example the operation of a Remuneration Committee) in line with best practice. Separate to this, and as part of a group with a Belgian parent company, the Firm is required to apply some Belgian remuneration regulations to certain key members of staff who are Material Risk Takers within the group.

c. Remuneration Committee (RC)

RC members are Non-Executive directors of the board. It meets to authorise the annual award of discretionary bonus and the annual salary review (in March, following the end of the financial year in December). It also meets at other times to discuss remuneration governance. Under the Senior Managers and Certification Regime (SM&CR) for solo-regulated firms which applied to JM Finn from 9 December 2019, the firm has been required to obtain approval for the person with responsibility for chairing, and overseeing the performance of, any committee responsible for the oversight of the design and the implementation of the remuneration policies of a firm (SMF12 – Chair of the Remuneration Committee). As part of this responsibility, the firm ensures that it holds and keeps up to date a statement of Responsibilities for the SMF 12 role holder, which accurately reflects what they are responsible and accountable for.

In attendance at all meetings are the Chief Executive Officer, Chief Financial Officer, Chairman, Head of Human Resources and Heads of Risk and Compliance. Where appropriate our external advisors PwC are also in attendance.

Taking into account relevant input the RC advises on and agree with the Board the framework or broad policy for the remuneration of the Company's Staff Members and Identified Staff.

When determining the Company's remuneration policy the RC takes into account relevant legal and regulatory requirements and the provisions of relevant industry and regulatory codes, guidance and standards, including ensuring compliance with the FCA's Remuneration Code. The objective of the remuneration policy shall be to promote sound and effective risk management.

The RC oversees compilation of the Company's list of Identified Staff. The RC ensures that Identified Staff are rewarded in a fair and reasonable manner, and that remuneration and rewards encourage appropriate behaviours which are in line with legal and regulatory requirements and expectations, are adequate to attract appropriately qualified and experienced staff and (where relevant) are in accordance with the achievement of the objectives linked to the functions, independent of the performance of the business area which an individual controls.

Within the terms of the agreed policy and in accordance with relevant FCA rules and guidance, and with appropriate input from other business functions including Human Resources, Compliance, Risk and Audit, advise on and agree with the Board the total individual remuneration package of Identified Staff and other designated senior executives. Such determination shall include bonuses, incentive payments and other awards.

In relation to Identified Staff, the RC ensures that contractual terms on termination, and any payments made, are fair to the individual and the Company, that failure and misconduct are not rewarded, that performance achieved over time is reflected and that the duty to mitigate loss is fully recognised.

d. Link between pay and performance

Remuneration of all employees is considered by reference to the Firm's financial performance and capital requirements. The bonus pool is determined by reference to the Firm's performance, taking into account affordability, and the Remuneration Committee has the discretion to make adjustments and, in the event that the Firm did need to retain capital to strengthen its capital base, it would reduce the overall remuneration costs of the Firm, including and firstly the variable element

The total remuneration offered to existing and potential new members of the Firm is well established and in line with industry norms. The Firm does not seek to be one of the highest payers; rather it seeks to attract and retain employees who are motivated by the client-focused culture, independence, high ethical standards and reputation of the Firm.

Variable remuneration is reviewed annually in response to any changes in the Firm's performance. Identified staff for whom variable remuneration is foreseen in the Remuneration Policy are all identified staff except Non-Executive Directors.

e. Remuneration Components

Fixed Components

Basic Salary and Pension Entitlement
The level of basic salary is deemed appropriate for the job function and its associated responsibilities. Factors taken into account include knowledge, skills, qualifications, and experience and market trends. Salaries are reviewed annually and may increase in line with inflation. In particular circumstances, such as promotion or significant market changes, increases may exceed an inflationary uplift. Salaries are set at a level that enables the operation of a fully flexible variable pay policy including the ability to pay zero bonus where warranted. Fixed pension is calculated as a percentage of basic salary.

Variable Components

Discretionary Bonus - General Bonus Principles
Bonus awards are designed to reward high performance and incentivise sustained high performance over the longer term. The Board has delegated authority to the Remuneration Committee to review and approve proposed bonus awards. Bonus assessment is based upon the overall profitability of the Firm and this accounts for the operating profits as detailed in the annual budget, monthly management accounts and strategic plan as per the ICARA report. Consideration is also given to the current and future trading environment and current and future capital requirements.

Bonuses take into account financial and non-financial criteria for all staff. Where appropriate, longer term performance (e.g. sustained financial performance) over a multi-year cycle is also considered.

For investment managers, the key metric in assessing bonus is revenue, with appropriate deduction for errors which have been identified. The Firm then applies quantitative and qualitative criteria contained within an investment management balanced scorecard (see below). A growing number of investment managers are on a contribution basis, which incorporates an analysis of profit after deduction of allocated costs.

For non-client facing Material Risk Takers (typically heads of functions) bonuses are awarded on a discretionary basis by reference to the performance of the Firm, the performance of the individual, the performance of the function they are responsible for and for their contribution to the Firm's control framework. Discretionary adjustments may be made via balanced scorecard qualitative criteria contained within annual appraisals.

For all other staff (including Financial Planning and Sales staff), bonuses are awarded on a discretionary basis by reference to the performance of the Firm and the performance of the individual, based on their performance appraisal.

The Firm also pays pension on bonus awards.

Factors when considering discretion
Bonuses are awarded for consistently good performance and for particular personal achievement. Performing at a consistently good level includes factors such as delivering work of a high standard, behaviour and conduct consistent with the Firm's values, effective time management and meeting objectives set at appraisal. Personal achievement factors include exceptional discretionary effort, project participation, skills advancement, examination passes and promotion.

3. QUANTITATIVE DISCLOSURES

a. Material Risk Taker (MRT) Analysis

On an annual basis, the Firm undertakes a self-assessment in order to identify staff whose professional activities have a material impact on its risk profile. This self-assessment is based on the qualitative criteria published by the FCA in SYSC 19G 5.3 and 5.5. Details of JM Finn's interpretation of these criteria are set out in the MRT identification framework.

On an annual basis MRT's are informed in writing of their status and that their remuneration must always comply with the FCA Remuneration Code.

The following MRT identification criteria were applied in 2022:

- The employee is a member of the Board
- The employee is a member of the Management Committee
- The employee is head of a material business unit that undertakes one of the following: (i)arranging (bringing about) deals in investments; (ii) dealing in investments as agent; (iii) dealing in investments as principal; (iv) managing investments; (v) making investments with a view to transactions in investments; (vi) advising on investments (except P2P agreements); and/or (vii) operating an organised trading facility;
- All employees holding SMF responsibility
- Employee with managerial responsibilities for:
  - a control function.
  - Prevention of money laundering and terrorism financing
  - Managing material risks that impact the business
  - Information technology
  - Information security
- The employee is a member of the Conduct Risk Committee or Operational Risk Committee
- The staff member is responsible for managing a significant business function

Employees identified as MRTs also include:

- head(s) of investment research
- employees who are responsible for generating revenues that represent a high

A number of employees will be captured under more than one of the above criteria.

b. Remuneration by fixed and variable component

	Headcount	Fixed Remuneration £000s	Variable Remuneration £000s	Total Remuneration £000s
All Staff	321	30,615	13,399	44,014
SMs	11	4,037	1,393	5,430
Other MRTs	8	£1,220	498	1,718