



TIKEHAU CAPITAL EUROPE LIMITED

MIFIDPRU Disclosures For the year ended 31 December 2025

1. Overview and summary

This disclosure covers the entity Tikehau Capital Europe Limited (“TCE” or the “Firm”).

TCE was incorporated on 30 July 2014 (Company No. 9154248) and has its registered office and principal place of business at 30 St. Mary Axe, London EC3A 8BF. The Firm is authorised and regulated by the Financial Conduct Authority (FRN 647919) and is within the scope of the UK Markets in Financial Instruments Directive (“MiFID”). As a result, it is subject to the prudential requirements of the Investment Firms Prudential Regime (“IFPR”) contained in the MIFIDPRU Prudential sourcebook for MiFID investment firms of the FCA Handbook.

The Firm’s main business line is to provide investment management services in its capacity as collateral manager to a series of structured credit special purpose vehicles (“SPVs”), Collateralised Loan Obligations (“CLOs”), which are established and registered in Ireland. As of 31 December 2025, TCE acts as the Collateral Manager of 15 CLO SPVs. TCE also acts as Principal, to Tikehau Investment Management (“TIM”), its Appointed Representative (“AR”) (FRN 998808). The appointment is limited to the activities of the UK branch of TIM (“TIM UK”) and it does not extend to activities carried on by TIM’s French or EU branches establishment.

For the purposes of MIFIDPRU, the Firm is classified as a non-small non-interconnected (“non-SNI”) firm as of 31 December 2025.

The Firm has produced this MIFIDPRU Disclosure Document in line with the rules and requirements of MIFIDPRU 8, as applicable to non-SNI firms.

This MIFIDPRU Disclosure Document has been prepared based on the audited financial statements as of 31 December 2025, covering the financial period 1 January 2025 to 31 December 2025. The Disclosure Document is made available on the Tikehau Capital Group website.

2. Significant changes since last disclosure period

This is the Firm’s third disclosure in accordance with the requirements under MIFIDPRU 8. There have been no significant changes since the previous disclosure period.

3. Governance arrangements

The Firm, as a MIFIDPRU Investment Firm, is subject to the organisational requirements set out in 4.3A.1 R of the Senior Management Arrangements, Systems and Controls Sourcebook of the FCA Handbook (“SYSC”). The Firm’s ultimate decision making and oversight body is its board of directors (the “Board”). Under SYSC 4.3A.1 R, the Firm must ensure that the Board 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 and the prevention of conflicts of interest, and in a manner that promotes market integrity and safeguards the interests of the Firm’s clients.

The Firm has established procedures to ensure that members of the Board are selected in accordance with company law and based on the following criteria:

- Reputation within the market;
- Possession of the necessary knowledge, skills and experience to perform relevant duties;

- The ability to complement the Board's collective knowledge and expertise in relation to the Firm's activities and risks; and
- Diversity of viewpoints, backgrounds, experiences and demographics.

To ensure effective governance, the Firm ensures that members of the Board hold an appropriate number of directorships, taking into account individual circumstances as well as the nature, scale and complexity of the Firm's activities.

The Board has overall responsibility for defining, approving and overseeing the Firm's organisation for the provision of investment services. It is accountable for ensuring the implementation of governance arrangements that promote effective and prudent management, aligned with the Firm's strategic objectives and risk strategy. In establishing the Firm's organisation, the Board specifically addresses the following key areas:

- The necessary skills, knowledge and expertise required from personnel;
- The appropriate segregation of duties within the Firm;
- The resources, policies and procedural arrangements needed for the provision of services and activities; and
- The activities and operational framework of the AR.

The Board has delegated the governance and oversight of its operations to various sub-committees, as follows:

- Executive Committee: Oversees operational matters affecting the Firm.
- Risk and Compliance Committee: Manages all risk-related activities and ensures compliance with regulatory standards.
- Valuation Committee: Responsible for all valuation processes and final decisions on valuation matters.
- Credit and Investment Committees: TCE's sales and purchase decisions (with certain exceptions) are pre-approved by the Investment Committee based upon the recommendation of the Credit Committee.
- Conflicts of Interest Committee: Rules on potential conflicts of interest within entities of Tikehau Capital.
- Related Party Committee: Ensures proper documentation and validation of decisions involving related entities, addressing potential conflicts of interest among Board members.

At the Tikehau Capital Group level, additional committees include:

- Governance and Sustainability Committee: Reviews all aspects of remuneration, including total compensation of employees and material risk takers, annual performance related bonuses and any other elements of remuneration packages that the Governance and Sustainability Committee considers appropriate. The committee convenes at least annually.
- Audit and Risk Committee: A specialised committee of the Tikehau Capital Supervisory Board, responsible for overseeing the Group's financial reporting processes and statutory audit of the consolidated financial statements. The committee also monitors the effectiveness of the internal controls and risk management systems, reviews the multi-year internal audit plan and tracks the implementation of related actions and recommendations, among others.
- GDPR/Data Protection Committee: Coordinates action between the Group's various entities and between entity Data Protection Officer's and GDPR Representatives on matters relating to data protection and GDPR compliance.

The Board receives regular reporting and management information, specifically covering compliance, legal, risk and financial matters. Board members are required to commit sufficient time and act with honesty, integrity and independence to ensure effective decision-making, challenging where necessary and overseeing management decisions.

Certain individuals who perform key roles within TCE's governance framework are also approved as Senior Managers under the Senior Managers and Certification Regime ("SMCR") by the FCA. The

relevant Senior Management Functions (“SMFs”) for the Firm include the Executive Director (SMF 3), Chair (SMF 9), Compliance Oversight (SMF 16) and Money Laundering Reporting Officer (SMF 17). Additionally, individuals who perform key governance roles for the AR are approved under the Approved Persons Regime (“APER”) with CF 1 (AR) Governing Function.

3.1. External Directorships

In accordance with MIFIDPRU 8.3.1 (2), the Firm has detailed below the number of external appointments held by its Board members in both executive and non-executive roles. The table does not include:

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

Board member	# of external executive roles	# of external non-executive roles
Henri Marcoux	-	1
Peter Cirenza	-	2
John Fraser	-	-
Peter Levene	-	2

As at 31.12.2025

To note, a formal correction is being reported hereof, insofar as the Firm’s MIFIDPRU disclosure as at 31.12.2024 should also have reflected the aforementioned number of external non-executive directorships held by each director.

3.2. Promoting diversity

The Firm is committed to advancing diversity, equity and inclusion (“DEI”), and has adopted a Diversity Policy for its Board. A diverse Board is recognised as essential for strong corporate governance and prudent business practices. The Firm’s policy aims to maintain a Board comprised of expertise, experience, skills and backgrounds. Diversity, for the purposes of Board composition, includes business experience, geography, age, gender and ethnicity, as well as culture and religious beliefs.

The Firm is committed to enhancing Board diversity without compromising the quality and expertise of its directors. Board appointments are made based on merit, within a diverse and inclusive culture that solicits multiple perspectives and is free of conscious or unconscious bias and discrimination. When assessing Board composition or identifying suitable candidates for appointment or re-election, the Firm considers the qualifications of candidates against objective criteria, ensuring diversity benefits are fully integrated.

Tikehau Capital recognises that embracing diversity and practicing inclusion are essential for long-term performance and positive impact. The Group prioritises building diverse teams and promoting inclusion across all levels of the organisation. Tikehau Capital defines diversity broadly, including gender, race, nationality, age, culture, ethnicity, physical abilities, religious and political beliefs, with the goal of enriching collective perspective and supporting sustainable success. To strengthen this commitment, Tikehau Capital has implemented an internal Diversity and Inclusion policy accessible to all employees. The Supervisory Board has also adopted a dedicated diversity policy, which outlines clear objectives and steps to ensure a balanced and representative Board composition. Tikehau Capital promotes diversity not only internally but also within its portfolio companies. The Group’s Sustainability Strategy Orientation Committee is responsible for monitoring and advancing diversity, equal opportunities and anti-discrimination measures throughout the Group.

4. Risk Management

TCE's Board is responsible for determining the Firm's business strategy and risk appetite, as well as designing and implementing a risk management framework that addresses the risks the business faces.

The Board oversees how these risks are mitigated and continuously assesses the effectiveness of the risk management arrangements. Senior management meet on a regular basis to review projections for profitability, cash flow, regulatory capital management, business planning and risk management, reporting and escalating matters to the Board as necessary. The Board manages the Firm's risks through a framework of policies and procedures that comply with relevant laws, standards and principles, including FCA rules, ensuring a transparent and defined risk management framework. Risks and their mitigating controls are regularly reassessed in line with the Firm's risk appetite. If risks are identified that exceed the Firm's tolerance levels or if weaknesses in mitigating controls are found, corrective actions are taken to strengthen the control framework.

Annually, as part of the Firm's Internal Capital Adequacy and Risk Assessment ("ICARA") process, the Board formally reviews the risks, controls and mitigation arrangements in place, evaluating their effectiveness. The Board also considers the financial impact of key risks identified as part of business planning and capital management, determining whether the regulatory capital is sufficient.

4.1. Risk Appetite Statement:

The Firm accepts risk prudently to support its business strategy. The Board recognises that some risk-taking is necessary for growth but maintains zero tolerance for breaches of applicable law or regulation, failures in prudential, financial or regulatory reporting, and incidents of market abuse and financial crime (including fraud).

The Firm's risk profile is inherently limited by both its business model and its regulatory permissions. It operates as collateral manager to a series of structured credit SPVs; CLOs and, effective 29 June 2023, acts in the capacity of Principal to Tikehau Investment Management, its Appointed Representative. The Firm is not authorised to deal with retail clients and does not hold client money or assets.

4.2. Summary of material risks of harm:

Taking into account the AR arrangement, TCE's has identified its main risks as follows:

- **Credit risk:** arising from TCE's CLO retention positions and other debtor balances. While the regulations set out in MIFIDPRU do not require TCE to hold Pillar 1 capital for credit risk, the Firm has prudently chosen to assess and allocate capital using methodology set out in the former rules. This conservative approach ensures capital is held equivalent to the value of the CLO asset on the balance sheet. In 2025, the Firm transitioned to a 1000% risk weighting, based on internal stress testing, to replace the previous 1250% weighting that has been used for CLO retention positions;
- **Operational risks:** Including cyber risk, loss of key personnel, fraud and reputational risk; and
- **Business risk:** arising from adverse economic conditions and markets fluctuations.

The identified risks have been incorporated into the Firm's stress testing, which includes modelling scenarios such as permanent losses, increased operating costs, one-off expenses and reduced revenue growth. None of these scenarios resulted in a requirement for additional capital.

The Firm believes that the primary risk associated with securitisation is its mandatory balance sheet risk retention position in the CLO. The implications of this particular risk are summarised as below.

TCE is exposed to credit risk via corporates (intercompany debtors), institutions (bank cash) and securitisation positions (retained CLO tranches). TCE must retain at least 5% of each CLO's target par value for the life of the transaction; these holdings cannot be hedged or sold, meaning that TCE maintains a high appetite for credit risk due to the significant positions it holds in CLO subordinated notes.

Credit risk arises primarily from CLO underlying loan portfolios. By holding subordinated equity tranches, TCE is significantly exposed to loan performance. Key mitigants are:

- Detailed due diligence and stress testing by TCE's Credit Research team
- Diversified CLO portfolios by borrower, sector and geography to reduce concentration risk
- All CLOs are rated by Moody's and at least one of Fitch or S&P
- Compliance with retention rules ensures ongoing alignment with investors
- Capital is allocated against this risk in ICARA; from Q2 2025, a 1000% risk weight (based on stress tests, down from 1250%) is applied to CLO investments
- Cash is only held with highly rated banks, attracting a 20% risk weight
- Receivables are 100% risk-weighted (unless government), fully accounted for but low risk.

Residual inherent risk is managed by dedicated ICARA capital allocation and a strong risk framework.

4.3. Capital Resources

The ICARA process is linked to the Firm's overall risk management, business planning and capital management, with each of these components informing the others. Capital planning takes place quarterly together with the Firm's financial forecasting process. The ICARA process enables the Firm to demonstrate compliance with the Overall Financial Adequacy Rule by identifying its Own Funds Threshold Requirement and Liquid Assets Threshold Requirement. This, in turn supports the Firm in evidencing how it meets the FCA's Threshold Conditions.

TCE meets its capital requirements through a combination of audited equity, retained profits and subordinated loans (Tier 2 capital). As per the tables below, accounting for the AR arrangement with TIM UK, as well as additional capital for risks identified in ICARA risk assessment, the Firm has a capital requirement of £189.67m and excess capital of £236.84m, exceeding the 110% Early Warning Indicator ("EWI") of £208.43m by £217.87m. The Firm's Overall Liquidity Adequacy Threshold requirement is £22.32m, with a liquidity surplus of £22.82m. TCE holds only core liquid assets (bank balances). The Firm has also implemented a 117.5% internal EWI ("IEWI") to provide additional headroom. The IEWI amounts to £222.86m, with an excess of capital after the IEWI of £203.65m.

Although IFPR rules no longer require formal credit and market risk calculations, the core nature of TCE's business, and the intrinsic credit risk from CLO retention holdings, remains unchanged. Accordingly, the Board elected to continue prudent capital allocation for this risk within the Firm's ICARA, maintaining the Basel III methodology previously applied under the FCA's GENPRU and BIPRU rules.

This approach was re-evaluated in the first half of 2025 as part of the Firm's ICARA process and the Board approved a transition from 1250% risk-weighted approach to a model based on internal stress testing. Consequently, a revised 1000% risk weighting – reflecting robust stress analysis and designed both for simplicity and additional capital buffer – has been effective from Q2 2025 reporting onwards. The 1000% risk weighting is subject to at least an annual review.

4.3.1. Compliance with Overall Financial Adequacy Rule ("OFAR")

Own funds requirement:

As a non-SNI MIFIDPRU investment firm, TCE is required to maintain own funds equal to the highest of the following:

- Permanent Minimum Requirement ("PMR");
- Fixed Overheads Requirement ("FOR") (calculated as one quarter of the Firm's relevant annual fixed overheads); and
- Total K-Factor Requirement ("KFR"); the applicable Risk-to-Client K-factors for TCE are K-AUM (reflecting discretionary assets managed) and K-COH (reflecting relevant client orders handled).

TCE's own funds requirement is currently its FOR, which amounts to £10,195k (the higher of KFR of £907k and its PMR of £75k).

Own Funds Threshold Requirement (“OFTR”):

TCE is required to hold adequate own funds and liquid assets to remain financially viable through periods of stress, recover from potential harms and execute an orderly wind-down, where necessary. As part of the ICARA, TCE assessed its OFTR based on:

- The PMR;
- Assessment A: additional capital required to mitigate material harms arising from ongoing operations; and
- Assessment B: additional capital required to support an orderly wind-down.

The OFTR is the highest of these three and is currently £189,667k, reflecting the outcome of Assessment A.

TCE meets its OFTR with qualifying own funds that satisfy the FCA’s composition criteria of:

- At least 75% of the OFTR is met through the sum of Common Equity Tier 1 (CET1) and Additional Tier 1 (AT1) capital; and
- At least 56% of the OFTR is met using CET1 capital alone.

Own funds requirement for a non-SNI firm (MIFIDPRU 4.3.2, MIFIDPRU 7.6.4) <i>For the year ended 31 December 2025</i>	£ 000'
Permanent minimum requirement (PMR)	75
Fixed Overhead Requirement (FOR)	10,195
K-Factors (relevant to the Firm):	
K-AUM	904
K-COH	4
K-Factor total (i.e. sum of all K-Factor metrics)	907
Own Funds Requirement (Higher of PMR, FOR or K-Factor)	10,195
Own Funds Threshold Requirement (OFTR) Assessments:	
Assessment A:	189,667
i) Additional capital needed to address risks identified in ICARA risk assessment	
ii) Stressed buffer	0
Assessment A total: (i.e., sum of (i) + (ii); or include K-Factor total only if (i) and (ii) are calculated as 0)	189,667
Assessment B (Additional capital needed to wind down the firm)	15,166
Assessment B total: (i.e., sum of additional capital needed to wind-down the firm + FOR)	25,361
Own Funds Threshold Requirement (OFTR) (i.e., the higher of the Assessment A total, the Assessment B total, or the PMR)	189,667
Early Warning Indicator (EWI) (i.e., 110% of the OFTR)	208,634
Internal Early Warning Indicator (IEWI) (i.e., 117.5% of the OFTR)	222,859
Total own funds held (i.e., CET1 + AT1 + T2)	426,506
Surplus after EWI (i.e., CET1 + AT1 + T2 – EWI)	217,872
Surplus after IEWI (i.e., CET1 + AT1 + T2 – IEWI)	203,647

4.3.2. Liquidity threshold requirements

For the year ended 31 December 2025	£ 000s	£ 000s	£ 000s
		Assessment A: Liquid assets required for ongoing operations	Assessment B: Liquid assets required for wind-down
Basic Liquid Assets Requirement (BLAR) Assessment:			
(i) 1/3 of Fixed Overhead Requirement (FOR)	3,398		
(ii) 1.6% of total guarantees provided to clients	-		
Basic Liquid Assets Requirement (BLAR) (i.e., the sum of (i) + (ii))	3,398		
Liquid Assets Threshold Requirement (LATR) Assessments:			
Assessment A Estimate of liquid assets needed for ongoing operations from 12-month forecast:			
1) Q1		8,724	
2) Q2		8,724	
3) Q3		9,596	
4) Q4		9,596	
(i) Highest out of 1) to 4)		9,596	
(ii) Liquid assets needed to address stress in the economic cycle		10,195	
Assessment A total: (i.e., sum of (i) + (ii))		19,791	
Assessment B: Estimate of additional liquid assets needed for wind-down in excess of the BLAR			11,767
Liquid Assets Threshold Requirement (LATR): (i.e., the sum of Assessment A or B (whichever is the highest) + BLAR)	23,190		
Total liquid assets held (i.e., sum of core liquid assets + non-core liquid assets)	45,139		
Liquid assets held surplus (i.e., total liquid assets held – LATR)	21,950		

NB: no EWI of 110% applies to liquidity

4.3.3. Concentration risk

The Firm does not conduct any trading on own account and does not have regulatory permissions for dealing as principal. The Firm therefore does not have any material trading concentration risks on or off-balance sheet and does not operate a trading book. The Firm separately considers its counterparty risk with regard to its holding of cash and cash equivalents.

4.3.4. MIFIDPRU 8 Annex 1R disclosure:

In line with MIFIDPRU 8.4 the Firm has prepared the reconciliation of own funds in line with MIFIDPRU 8 Annex 1 as follows. Figures provided are as of 31 December 2025.

Composition of regulatory own funds (Tikehau Capital Europe - Tikehau Investment Management UK)			
	Item	Amount (GBP thousands)	Source based on reference numbers/letters of the balance sheet in the audited financial statements
1	OWN FUNDS	428,217	
2	TIER 1 CAPITAL	425,006	
3	COMMON EQUITY TIER 1 CAPITAL	425,006	
4	Fully paid up capital instruments	302,729	S1
5	Share premium		
6	Retained earnings	98,594	S4
7	Accumulated other comprehensive income	23,683	S5
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	0	A1-i + A1-t
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	3,211	
26	Fully paid up, directly issued capital instruments		
27	Share premium	3,211	S2
28	(-) TOTAL DEDUCTIONS FROM TIER 2		
29	Tier 2: Other capital elements, deductions and adjustments		

Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements (Tikehau Capital Europe - Tikehau Investment Management UK) - in GBP

		a	b	c
		Balance sheet as in published/audited financial statements	Under regulatory scope of consolidation	Source based on reference numbers/letters of the Balance Sheet in the audited Financial Statements & cross reference to Own funds table above as applicable
		As at period end	As at period end	
Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements				
1	Intangible fixed assets	0		A1-i
2	Tangible fixed assets	305		A1-t
3	Fixed asset investments	391,044		A2
4	Debtors due after more than 1 year	11,971		A3
5	Debtors due within 1 year	11,075		A4
6	Bank and cash balances	45,139		A5
	Total Assets	459,535		A6
Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements				
1	Creditors due within one year	16,837		L1
2	Creditors due in more than one year	1,802		L2
	Total Liabilities	18,639		L3
Shareholders' Equity				
1	Share capital	302,729		S1
2	Share premium	3,211		S2
3	Other reserves - Share Plans	12,679		S3
4	Retained profit	98,594		S4
5	Profit current year	23,683		S5
	Total Shareholders' equity	440,896		S6

Financial Statement in Euros; amount converted with closing rate GBP: 0.8726

Certain figures included in the 2024 MIFIDPRU Disclosure were incorrect and were updated as part of TCE's ICARA process. Notwithstanding these amendments, TCE remained in excess of its applicable capital and liquidity requirements at 31 December 2024, as reflected in the ICARA MIF007 submission based on the audited year-end financial statements.

Own funds: main features of own instruments issued by the firm

The Firm's own funds are composed of Tier 1 capital and Tier 2 capital.
Tier 1 capital constitutes paid up capital relating to ordinary shares, retained earnings and the current year's audited profit
Tier 2 capital constitutes share premium

5. Remuneration arrangements

5.1. Approach and objectives

TCE as a non-SNI firm must apply the FCA's basic and standard remuneration requirements. The Firm meets the criteria in SYSC 19G.1.1R(2) and MIFIDPRU 7.1.4R(1) for reduced remuneration rule requirements as its average on and off-balance sheet items over the preceding 4-year period is below £300 million and TCE has no trading book assets. Given the nature of the Firm's business and its risk profile, the Board has determined that it is appropriate to limit the application of the standard remuneration requirements to the Firm's identified material risk takers ("MRTs").

The FCA's basic remuneration requirements apply to all TCE employees and the Firm's identified MRTs.

The objective of the Firm's Remuneration Policy is to be:

- consistent with and promote sound and effective risk management and not encourage risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the Firm;
- consistent with applicable FCA remuneration rules as set out in SYSC 19G; and
- in line with the business strategy, objectives, values and interests of TCE, the instruments it manages or the investors of such instruments and includes measures to avoid conflicts of interest. This includes establishing a consistent approach within the Firm to attract, retain and reward employee's for contributing to the Firm's success.

The Tikehau Capital Group remuneration committee (the "Governance and Sustainability Committee") at least annually reviews all aspects of remuneration including:

- total compensation of employees and MRTs;
- annual performance related bonuses, both for the bonus pool definition and for the individual allocations (for recommendation to the Board); and
- any other elements of remuneration packages that the Governance and Sustainability Committee considers appropriate.

To support its deliberations, the Governance and Sustainability Committee receives up to date guidance from the Compliance team on regulatory requirements to be taken into account.

TCE manages remuneration in line with its business strategy and ensures a consistency of approach within the Firm to attract, retain and reward employee's for contributing to the Firm's success, whilst maintaining financial stability and robust and effective risk management, this being inclusive of ESG risk factors.

5.2. Performance assessment process

Discretionary elements of remuneration, including bonuses and any other aspects of variable remuneration, as well as increases in base salary, are awarded based on the quantitative and qualitative performance of each employee, and based on the realisation of the financial and non-financial objectives of the year at Business Unit, country and Group levels. Within this context, the qualitative element to all bonuses can be adjusted as appropriate to reflect behaviours and performance, including risk and compliance behaviours.

The Tikehau Capital Group operates a goal-based performance review system. Each goal category has been designed by senior management to take account of the Group's culture and values and is inclusive of ESG factors. The effectiveness of the ESG policy within the Group and its dissemination outside the Group among its shareholdings and investments and, more generally, the stakeholders, is considered as part of an individual's assessment process. Individual check-in assessments are based on these goal-based criteria and are accounted for in individual remuneration.

The overall bonus pool amount is initially determined at Group level by the Finance team, taking into account the net income of the firm, the minimum capital requirements, and the need to properly

remunerate the employees in a competitive environment. The overall bonus pool is then divided by Business Unit based on the performance of the Business Unit (investment performance, profit contribution and fundraising performance) but also taking into account the number of employees and the target variable pay defined by grade for each Function (Investment Professionals, Sales and Marketing, Investment Support, Corporate Functions).

The bonus pool by teams is then provided to each team's global head who allocates the pool across employees in a specified tool. If the total bonus pool of the team exceeds the available pool, an arbitration between the global head, Human Capital and General Management is then performed.

Once all global heads have provided their bonus break down by employee, the Governance and Sustainable Development Committee takes place to review this bonus pool, which, if validated, is then proposed to the Board for approval and who ultimately determine the quantum of the bonus pool. The allocation to individuals is made on a discretionary basis. Particularly for key portfolio manager(s), who are expected to be allocated a large part of the pool, consideration is given to the question of whether the management of relevant portfolios is consistent with the long-term benefit of investors in the relevant funds and of the Firm, as well as the compliant conduct of the portfolio manager and any regulatory restrictions.

Those who recommend/approve awards for Personnel are apprised of any risk and compliance issues, breaches or failure, including conduct matters, that may be relevant for those decisions and can make such adjustments as deemed appropriate to reflect those issues.

The non-financial criteria used by the Group, which forms a significant part of the performance assessment process and will override the financial criteria where appropriate, includes;

- adherence to the firm's risk management and compliance policies; and
- achieving targets relating to ESG factors, as well as diversity and inclusion.

The Firm ensures that when it assesses individual performance, the assessment process and any variable remuneration awarded does not discriminate on the basis of the protected characteristics of an individual in accordance with the Equality Act 2010. For the avoidance of doubt, the Firm's remuneration policy is gender neutral, which means that male and female Personnel will receive equal pay for equal work or work of equal value.

Individuals who are engaged in control functions are compensated in accordance with the achievement of the objectives linked to their functions, independent of the performance of the business areas they control. The Governance and Sustainable Development Committee directly oversees the remuneration of the Head of UK Compliance and the Head of Risk of TIM, as well as other identified MRTs who carry out a control function for the Firm, which reports into the Board.

It is the Firm's policy that it will not pay variable remuneration to members of the Board who do not perform any executive function in the Firm.

5.3. Fixed and variable remuneration criteria

Fixed remuneration:

- (i) reflects an employee's professional experience and responsibility (as set out in the individual's job description and terms of employment); and
- (ii) is permanent, pre-determined, non-discretionary, non-revocable and not dependent solely on performance.

Variable remuneration:

- (i) is based on an employee's performance, which reflects the individual's long-term performance, as well as performance in excess of the individual's job description and terms of employment; and
- (ii) in exceptional cases, is based on other conditions, e.g. any guarantees during the first year of service.

Individual remuneration components awarded to Personnel take the following form:

- Fixed remuneration: cash
- Variable remuneration: cash, cash units and restricted stock units (RSUs)

TCE's fixed and variable components of the total remuneration are appropriately balanced, with the fixed component representing 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.

5.4. Remuneration policy review and oversight

At least annually, as part of the Firm's periodic compliance monitoring controls and testing, the remuneration policy and remuneration policy statement is subject to internal compliance review to ensure compliance with the FCA's remuneration rules.

The TCE Board has overall responsibility and oversight of the Firm's remuneration policy and remuneration policy statement. The design, implementation and effects of the Firm's remuneration policy is subject to an independent, internal review by the Human Capital and Compliance teams, in conjunction with the Risk and Audit teams, at least annually, and any relevant updates are subject to Board approval.

5.5. Material Risk Takers ("MRTs")

MRTs are individuals whose professional activities have a material impact on the risk profile of the Firm or the assets it manages. TCE must identify its MRTs on at least an annual basis. The obligation of identifying the Firm's MRTs and maintaining a record of this is fulfilled by the Compliance department in conjunction with the Human Capital department. The record of MRTs is maintained by the Human Capital team using the FCA-produced template, which also records the remuneration structures including awards of non-standard forms of variable remuneration. The IFPR identifies a fixed set of roles that would be considered an MRT. In view of these categories of MRTs and the specific types of activities and risks relevant to the Firm, the Board has defined the related roles that should be identified as MRTs. In this context, and at least once a year, the Firm assesses which of its Personnel are MRTs. Throughout the year this assessment is updated as is necessary. MRTs are notified of their identification as an MRT annually.

Certain MRTs are employed by Tikehau Capital affiliates and are covered via a service level agreement.

For the identified MRTs who are non-UK (based) individuals, the Board considers it appropriate for their relevant remuneration portion to be attributed to their UK-related activities.

5.6. Fixed and variable remuneration ratio

The Firm has set a ratio of fixed to variable pay, which is specified within the Firm's remuneration policy statement. The ratio can be amended each year and allows for the possibility of paying no variable remuneration.

The set fixed and variable remuneration ratio reflects TCE's business activities and AR arrangements, as well as all related prudential and conduct risks, including with reference to the role of the individual and the impact that they have on the risk profile of the Firm. The set ratio reflects the highest amount of variable remuneration that can be awarded in the most positive scenario that will not impede relevant regulatory capital requirements.

An exception to where the stated ratio might not be met is in rare cases where the Firm or its AR has become legally obliged to pay a higher amount of severance pay for reasons that would not have been clear to the Firm at the time the ratio was set.

5.7. Variable remuneration

a. Performance assessment:

The Firm applies a range of measures to ensure that its total variable remuneration does not affect the ability to ensure a sound capital base. The total performance-related variable remuneration is based on a combination of the assessment of the performance of the individual, of the relevant business unit and the Firm overall. The assessment is based on a multi-year period, taking into account the business cycle of the Firm and its business risks. See the “Performance assessment process” section above for further details.

Performance measures include:

- Financial objectives (between 30% and 60% according to the grade and the function of the individual): investment performance, profit contribution and fundraising performance.
- Group objectives (20% for all employees, regardless of their grade and function) including a special focus on diversity and amount of green assets under management.
- Individual objectives (between 20% and 50% according to the grade and the function of the individual): customised to each individual's role, with the inclusion of a business efficiency objective and a people objective for all employees with a management/leadership role.

In addition, performance metrics are used to determine the bonus pool:

- Bonus (or RSU)/ Revenues ratio
- Bonus (or RSU)/ Operating Expenses ratio
- Bonus (or RSU)/ Operating Result ratio
- Bonus (or RSU)/ Fixed salary ratio
- Bonus variance per employee/grade between Y-1 and Y

No specific weight associated with these metrics. There are analysed jointly when assessing the bonus pool.

Any measurement of performance used as a basis to calculate pools of variable remuneration will consider all types of current and future risks (financial and non-financial) and the cost of the capital and liquidity required in accordance with the Firm's MIFIDPRU obligations. If the Firm's financial performance is subdued or negative, the Firm's total variable remuneration pool may be contracted.

b. (Ex-post) Risk adjustment:

TCE's ex-post risk adjustment policy captures individuals who have been identified as TCE MRTs.

Ex-post risk adjustment in this instance refers to the adjustment of variable remuneration to take account of a specific crystallised risk or adverse performance outcome including those relating to misconduct (a “Relevant Event”). Ex-post risk adjustments include reducing current year awards, the application of malus (reducing or cancelling deferred incentive awards that have not yet vested) and clawback (recouping already vested awards). All variable remuneration awards are conditional, discretionary and contingent upon a sustainable and risk-adjusted performance. They are therefore capable of forfeiture or reduction at the employer's discretion. In principle, all unvested variable remuneration will be capable of forfeiture or recovery through ex-post risk adjustment.

Relevant Events include:

- where there is reasonable evidence of employee misbehaviour or material error;
- where there is material failure of risk management and internal controls;
- where the Firm or the relevant business unit suffers a material downturn in its financial performance;
- cases of fraud or other conduct with intent or severe negligence which led to significant losses; and/or
- where there is material failure to protect the interests of employees and customers.

Where there has been a materially adverse impact as a result of a Relevant Event, the Firm will take into account all relevant criteria (“Relevant Criteria”) in deciding how to apply ex-post risk adjustment and the amount to be adjusted, including:

- the impact on the Firm’s customers, counterparties and the wider market;
- the impact of the failure on the Firm’s relationships with its other stakeholders including shareholders, employees, creditors, the taxpayer and regulators;
- the cost of fines and other regulatory actions;
- direct and indirect financial losses attributable to the relevant failure; and/or
- reputational damage.

Ex-post risk adjustment not only concerns MRTs who are engaged directly in misconduct, but also includes MRTs who:

- could have been reasonably expected to be aware of the failure, misconduct or weakness in approach that contributed to, or failed to prevent, the crystallisation of risk at the time, but failed to take adequate steps to promptly identify, assess, report, escalate or address it; or
- by virtue of their role or seniority are indirectly responsible or accountable for the relevant event.

The Firm places primary responsibility on the business for meeting the standards expected of them and the amount and nature of adjustments made to MRTs who occupy control functions, namely, Compliance, Risk, Internal Audit, etc., will reflect that allocation of responsibility.

The primary focus in applying ex-post risk adjustments is on individuals. Collective ex-post risk adjustments could be appropriate where there is evidence of widespread failings or to meet all or a significant part of the cost of regulatory action and fines, redress and other associated costs from bonus pools. Where a particular business unit is concerned, collective adjustments will be weighted towards this business unit.

The Firm aims to ensure that individuals will not profit from a Relevant Event by considering the extent to which past bonuses were earned as a result of identified failings and giving appropriate consideration to the cost of consequent redress and other financial impacts. The Firm will take into account the degree of culpability, involvement or responsibility of an individual and all Relevant Criteria. For cases with a high degree of personal culpability and responsibility, and a high impact in relation to any of the Relevant Criteria, up to 100% ex-post risk adjustment will be the starting point. In instances where there is lower degrees of culpability, responsibility and impact, proportionately less ex-post risk adjustment may be applied. However, in all cases, the Firm will ensure that the size of ex-post reductions reflect the severity of the Relevant Event, are material in size and are sufficient to drive positive individual behaviours and culture within the Firm.

The Firm will start to consider ex-post risk adjustment once Relevant Events have been identified and impose reductions as soon as reasonably possible, with subsequent adjustments being made, as is relevant, to ensure the final value of the adjustment fully reflects the impact of the incident. The Firm will freeze the vesting of all variable remuneration potentially due to individuals undergoing internal or external investigation that could result in material ex-post risk adjustment until such an investigation has concluded and the Firm has made a decision and communicated it to the relevant individuals(s). The Firm must keep the FCA fully updated on any relevant pending investigations and ahead of any payment of outstanding awards to individuals under investigation for misconduct.

Malus will be applied where there is reasonable evidence of employee misbehaviour or material error, the Firm or the business unit suffers a material downturn in its financial performance or the Firm or the relevant business unit suffers a material failure of risk management. Malus will apply from the date of grant of an award of Variable Remuneration to the point of vesting, for any equity-based compensation, and to the point of payment for any cash award payments.

Clawback will be applied in cases of fraud or other conduct with intent or severe negligence which led to significant losses. The Board has defined the clawback period to be three years from the date of vesting, for equity-based compensation, and from the point of payment for any cash award payments. A three year period is considered to allow sufficient time for any potential risks to crystallise and for adjustments to be made.

All MRTs' total variable remuneration is subject to in-year adjustments, malus or clawback arrangements. Where a Relevant Event arises, the Firm will generally apply the provisions on a gross basis. The Firm may take into account the amount of tax and social security contributions actually paid, or still to be paid in relation to the payment which is subject to malus and/or clawback as well as taking account of any tax relief available, but typically it will be the gross amount which will be subject to malus and/or clawback.

The number of shares that have been awarded, rather than the corresponding value at that time, will be the subject of the malus and/or clawback, and if the malus/clawback occurs in cash, then the market value of this number of shares at the time of the malus/clawback would be used. If the individual has sold the shares, then the price of the share sale would be used. Any forfeiture of shares would not be restricted by MAR as the shares would not be transferred for consideration.

If a Relevant Event is triggered a full and thorough procedure, involving Human Capital, Compliance and Legal, would be conducted to investigate whether a malus adjustment or clawback would apply. Such an investigation would only be triggered if, in the opinion of the Governance and Sustainable Development Committee and/or the Firm's Board, one of the circumstances outlined above occurred.

c. Non-performance-related variable remuneration:

The Firm may choose to make use of non-performance-related variable remuneration, such as guaranteed variable remuneration, retention awards, buy-out awards and severance pay for MRTs. All of these must be subject to deferral and ex post risk adjustment. Additional conditions also apply dependent upon the type of non-performance-related variable remuneration the Firm may use:

Guaranteed variable remuneration (i.e., sign-on), if offered, will only be awarded to MRTs:

- rarely and not as common practice;
- in the context of hiring new MRTs;
- in the first year of service; and
- where the Firm has a strong capital base.

Retention awards will only be paid to MRTs:

- after a defined event; or
- at a specified point in time.

Examples of a defined event or a set period of time include issuing a retention bonus under restructurings, in wind-down or in the context of specific projects within the Firm. Retention awards will only be used rarely and awarded only after the event or time period has ended.

Buy-out awards, if used, must:

- be aligned with the long-term interests of the Firm; and
- remain subject to the same pay-out terms required by the previous employer, for example by following the same deferral and vesting schedule and being subject to the same malus/clawback provisions, if applicable.

Severance pay, if awarded, must:

- reflect the MRT's performance over time; and
- not reward failure or misconduct.

All forms of non-standard variable remuneration (i.e., guaranteed variable remuneration, retention awards, severance pay and buy-out awards) are subject to malus and clawback provisions.

5.8. Quantitative disclosures

TCE had 26 identified MRTs for the 2025 financial year.

For the year ended 31 December 2025 [£k*]	TCE senior management (i.e., TCE Board members)	Other TCE MRTs (excluding TCE senior management)	Other TCE employees
Fixed remuneration awarded	1,083	5,837	1,124
Variable remuneration awarded	968	6,708	866
Total	2,051	12,545	1,990
Total amount of guaranteed variable remuneration awards made	0	0	N/A
Total amount of the severance payments awarded	0	0	N/A
Amount of the highest severance payment awarded	0	0	N/A

* Conversion rate used: €1 = 0.8802 GBP / €1 = 1.1510 USD