



COMMANDER
ASSET MANAGEMENT

Commander Asset Management Limited

MIFIDPRU 8 Disclosure

Year Ended 31st December 2022

Table of Contents

1. Overview	3
2. Governance and Oversight	3
3. Risk Management	3
4. Conflicts of Interests	4
5. Remuneration Components	4
5.1. Fixed remuneration	4
5.2. Variable remuneration	4
6. Variable Remuneration Criteria	5
6.1. Individual criteria	5
6.2. Firm wide criteria	5
7. Quantitative Remuneration Disclosure	5
8. Avoidance of the MIFIDPRU Remuneration Code	5

1. Overview

This document comprises the MIFIDPRU 8 Disclosure of Commander Asset Management Limited ("**CommanderAM**" or the "**Firm**").

CommanderAM is a Financial Conduct Authority ("**FCA**") authorised and regulated MiFID investment firm. As such, it is subject to the UK prudential framework under the Investment Firm Prudential Regime ("**IFPR**") and the MiFID Remuneration Code, as detailed in SYSC 19G of the FCA's Handbook (the "**Remuneration Code**").

As per 31st December 2022, CommanderAM is a Small and non-interconnected MIFIDPRU Investment Firm ("**SNI**" or "**Class 3 Firm**") and is therefore not subject to the full extent of the Remuneration Code (see SYSC 19G.1.7G, which outlines provisions applicable to SNI's). It is required by MIFIDPRU 8 to disclose information regarding its remuneration policy and practices.

The structure of the CommanderAM's remuneration policy is designed to ensure sound and effective risk management through:

- a clear policy and procedure for setting variable remuneration incl. individual, team and firm performance;
- alignment with the Firm's business strategy, values and long term-goals;
- alignment with the protection of Firm's clients, customers and investors;
- ensuring variable remuneration does not undermine the viability and sustainability of Firm and its ability to meet its capital and liquidity requirements; and
- ensuring financial and non-financial incentives do not promote excessive risk-taking.

CommanderAM did not issue Additional Tier 1 Capital ("**AT1 capital**"). As a result, CommanderAM is not subject to the disclosure requirements under MIFIDPRU 8.2, 8.4 and 8.5, relating to the risk management objectives and policies, own funds and own funds disclosure requirements.

2. Governance and Oversight

The Firm's Governing Body is ultimately responsible for establishing and embedding effective remuneration policies and procedures.

The CommanderAM Governing Body ensures that there is an appropriate balance between fixed and variable remuneration for all employees. All performance-related awards, financial and non-financial, are reviewed and approved by the CommanderAM Governing Body.

The CommanderAM Governing Body reviews the remuneration policies and on an annual basis to ensure that it is effective and fit for purpose. This includes ensuring that the remuneration policy aligned with the Firm's long term business strategy, values and CommanderAM's clients, customers, and investors.

3. Risk Management

The structure of the CommanderAM's remuneration policy is designed to ensure sound and effective risk management through:

- a clear policy and procedure for setting variable remuneration incl. individual, team and firm performance;
- alignment with the Firm's business strategy, values and long term-goals;
- alignment with the protection of Firm's clients, customers and investors;
- ensuring variable remuneration does not undermine the viability and sustainability of Firm and its ability to meet its capital and liquidity requirements;
- considering the implications of awarding variable remuneration through a multi-year framework; and
- ensuring financial and non-financial incentives do not promote excessive risk-taking.

The CommanderAM Governing Body reviews its policies and procedures, at least annually, to ensure they have been designed and implemented effectively and continue to be fit for purpose.

The CommanderAM Governing Body is ultimately responsible for the remuneration within the Firm and can exercise its discretion to adjust remuneration where it considers any award to be in breach of sound and effective risk management.

4. Conflicts of Interests

The Firm has adopted policies and procedures aimed at mitigating any potential conflicts that may arise between staff members and the Firm, staff members, investors and between one fund and another/others.

CommanderAM maintains a Conflict of Interests Register which includes potential conflicts relating to remuneration, as well as the procedures that have been implemented to mitigate these conflicts.

In circumstances where the Firm is unable to mitigate a conflict, the conflict is disclosed to its clients and is included in the Risk Register. Where appropriate, additional capital is assigned to ensure that if such a risk were to materialise, the business would be able to absorb any consequences.

5. Remuneration Components

The remuneration components are described as below:

Fixed remuneration	Base salary	<ul style="list-style-type: none"> Reviewed annually by CommanderAM Governing Body
	Pension	<ul style="list-style-type: none"> Fixed percentage of base salary paid as defined contribution
	Benefits	<ul style="list-style-type: none"> Reviewed annually by CommanderAM Governing Body, but could include for example medical insurance, death in service and other wellbeing benefits.
Variable remuneration	Short term incentive	<ul style="list-style-type: none"> Discretionary annual bonus
	Long term incentive plan ("LTIP")	<ul style="list-style-type: none"> Residual profit share allocation Equity awards and interests

The Firm does not award discretionary pension benefits or non-cash.

5.1. Fixed remuneration

Employees are awarded a fixed remuneration based on the role requirements, individual experience and industry benchmarking. This allows CommanderAM to attract and retain the right calibre of employee.

The fixed remuneration for employees consists of:

- **Base salary:** remunerates for role and position within the Firm.
- **Pension:** aims to ensure an appropriate standard of living for employees in retirement.
- **Benefits:** supplements the fixed remuneration offering in line with market.

5.2. Variable remuneration

Variable remuneration is awarded in a manner which promotes sound risk management, does not incentive excessive risk-taking and aligns the employees with the long-term business strategy and interests of its clients, customers and investors.

Non-executive directors are not awarded variable remuneration in order to maintain their objectivity and create a conflict of interest.

The Firm does not utilise a variable remuneration cap or ratio, however the appropriate balance of fixed and variable remuneration is assessed before variable remuneration is awarded.

Additionally, the criteria to determine fixed remuneration helps to ensure the fixed component represents a sufficient portion of the total remuneration offering.

The CommanderAM pays annual discretionary variable remuneration to eligible employees. All full-time employees are assessed against the relevant variable remuneration criteria to determine their eligibility for and potential size of variable remuneration.

Variable remuneration is determined at the end of the relevant performance year and may be paid at different times during the year.

Employees must remain employed by the Firm on the scheduled payment date to receive the bonus.

6. Variable Remuneration Criteria

All remuneration is reviewed and approved by the CommanderAM Governing Body to ensure that it is appropriate, prudent and promotes equality within the Firm.

6.1. Individual criteria

The remuneration decisions for individuals are made based on a combination of:

- Individual performance against the specifications of the role
- The level of responsibility and seniority within the role
- Overall performance of the relevant business function or unit
- Adherence to the Firm's purpose, values and culture
- Adherence the Firm's risk management and compliance framework
- Compliance with the internal conduct policies and procedures

6.2. Firm wide criteria

The remuneration decisions across the Firm are made based on a combination of:

- The long-term sustainability and viability of the Firm incl. looking through the business and economic cycles
- The impact on the firm's Overall Financial Adequacy Rule ("OFAR") and Threshold Conditions
- The business performance and results of the Firm against the strategic objectives

7. Quantitative Remuneration Disclosure

As at 31st December 2022, the number of staff employed by CommanderAM was 4.

The total fixed remuneration for the year ended 31st December 2022 was £66k, and the variable remuneration was £0k.

8. Avoidance of the MIFIDPRU Remuneration Code

CommanderAM's remuneration policies and procedures are designed to ensure full compliance to the SYSC 19G Remuneration Code. All remuneration payments are made through standard payroll systems and approved by the CommanderAM Governing Body at least annually.