

## Introduction

The Financial Conduct Authority (“FCA” or “regulator”) in the Prudential sourcebook for MiFID Investment Firms in the FCA Handbook (“MIFIDPRU”) sets out the detailed prudential requirements that apply to Azura Partners Limited (“Azura” or the “Firm”). Chapter 8 of MIFIDPRU (“MIFIDPRU 8”) sets out public disclosure rules and guidance with which the Firm must comply, further to those prudential requirements.

Azura is classified under MIFIDPRU as a small non-interconnected MIFIDPRU investment firm (“SNI MIFIDPRU Investment Firm”). As such, the Firm is required by MIFIDPRU 8 to disclose information regarding its remuneration policy and practices.

The purpose of these disclosures is to give stakeholders and market participants an insight into the Firm’s culture and to assist stakeholders in making more informed decisions about their relationship with the Firm.

This document has been prepared by Azura in accordance with the requirements of MIFIDPRU 8 and is verified by the Compliance Director. Unless otherwise stated, all figures are as at the Firm’s 31 December 2022 financial year end.

## Remuneration Policy and Practices

### Overview

As an SNI MIFIDPRU Investment Firm, Azura is subject to the basic requirements of the MIFIDPRU Remuneration Code (as laid down in Chapter 19G of the Senior management arrangements, Systems and Controls sourcebook in the FCA Handbook (“SYSC”). The purpose of the remuneration requirements is to:

- Promote effective risk management in the long-term interests of the Firm and its clients;
- Discourage risk taking inconsistent with the risk profile of the funds under management;
- Support positive behaviours and healthy firm cultures; and
- Discourage behaviours that can lead to misconduct and poor client outcomes.

The objective of Azura’s remuneration policies and practices is to establish, implement and maintain a culture that is consistent with, and promotes, sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile of the Firm and the services that it provides to its clients.

In addition, Azura recognises that remuneration is a key component in how the Firm attracts, motivates, and retains quality staff and sustains consistently high levels of performance, productivity, and results. As such, the Firm’s remuneration philosophy is also grounded in the belief that its people are the most important asset and provide its greatest competitive advantage.

Azura is committed to excellence, teamwork, ethical behaviour, and the pursuit of exceptional outcomes for its clients. From a remuneration perspective, this means that performance is determined through the assessment of various factors that relate to these values, and by making considered and informed decisions that reward effort, attitude, and results.

Azura has complied with MIFIDPRU 8 in a manner which is appropriate to its size, internal organisation and to the nature, scope and complexity of activities undertaken. To note the applicable remuneration codes to the Firm do permit a proportionate application of the rules and accordingly the Firm has opted to not disclose all details due to confidentiality matters.

## **Characteristics of the Firm's Remuneration Policy and Practices**

Remuneration at Azura is made up of fixed and variable components. The fixed component is set in line with market competitiveness at a level to attract and retain skilled staff, which typically include fixed salary, medical cover, leave and various other allowances where applicable.

Variable remuneration has only one component:

- Bonus

Bonus is paid on a discretionary basis at a varying percentage of fixed remuneration and takes into consideration the Firm's financial performance and the financial and non-financial performance of the individual in contributing to the Firm's success.

All staff are subject to annual performance review before a bonus is awarded. The review covers a variety of areas, as applicable to each individual's roles and responsibilities, including but not limited to contribution to investment or asset management success, team development, risk management, ESG, etc.

## **Governance and Oversight**

The Board of the Directors is responsible for setting and overseeing the implementation of Azura's remuneration policy and practices. To fulfil its responsibilities, the Board of the Directors:

Azura's remuneration policy and practices are reviewed annually by the Board of the Directors.

## **Quantitative Remuneration Disclosure**

For the financial year ending on 31 Dec 2022, the total amount of remuneration awarded to all staff was £ 1,430,000. The ratio between fixed and variable component of the remuneration is approximately 3%. For these purposes, 'staff' means employees of the Firm itself and Directors.

<b>Composition of regulatory own funds</b>			
	<b>Item</b>	<b>Amount in GBP. Source based on reference numbers/letters of the balance sheet in the audited financial statement for YE 2022 and converted into GBP at the rate of 1.2104</b>	
<b>1</b>	<b>OWN FUNDS</b>		2,110,002
<b>2</b>	<b>TIER 1 CAPITAL</b>		2,110,002
<b>3</b>	<b>COMMON EQUITY TIER 1 CAPITAL</b>		
4	Fully paid up capital instruments		2,065,325
5	Share premium		-
6	Retained earnings		44,618
7	Accumulated other comprehensive income		-
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		-
<b>20</b>	<b>ADDITIONAL TIER 1 CAPITAL</b>		-
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		-
<b>25</b>	<b>TIER 2 CAPITAL</b>		-
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		-
<b>Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements</b>			
		a	b
		<b>Balance sheet as in published/audited financial statements</b>	<b>Under regulatory scope of consolidation</b>
		<b>As at period end</b>	<b>As at period end 31 Dec 2022</b>
<b>Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements</b>			
1	Fixed assets	90,924	
2	Debtors	1,831,557	
3	Cash & Equivalent	804,548	
4			
5			
	<b>Total Assets</b>	<b>2,727,029</b>	
<b>Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements</b>			
1	Creditors: amounts falling due within one year	617,020	
2			
3			
4			
	<b>Total Liabilities</b>	<b>617,020</b>	
<b>Shareholders' Equity</b>			
1	Called up share capital	2,065,325	
2	Retained earnings	44,618	
3			
	<b>Total Shareholders' equity</b>	<b>2,109,943</b>	
<b>Own funds: main features of own instruments issued by the firm</b>			
<i>Paid up share capital</i>			