IGUAKO CAPITAL · Group policy

Remuneration

This policy sets how IGUAKO Capital pays its 312 people and its founding partners, and how pay is tied to risk taken, capital preserved and conduct maintained. It fixes the structure of fixed and variable pay, the deferral of variable pay into instruments linked to the proprietary balance sheet, the malus and clawback provisions, and the independent treatment of control functions. It is approved by the Board on the recommendation of the Remuneration Committee, chaired by Marguerite Aldous-Kerr.

CODE	CATEGORY	VERSION
IGC-PC-001	People and culture	4.0
EFFECTIVE	**REVIEW**	**OWNER**
2025-01-01	Annual. Last reviewed November 2025. Next review due November 2026.	Chair of the Remuneration Committee

1. Purpose and principles

Pay is the clearest statement a firm makes about what it values. This policy is written so that the statement matches the four underwriting tests the firm applies to capital. People are paid for advantage that proved structural, for conversions that happened on the timetable promised, for proceeds put to their best use and for losses kept within the amount the firm said it would accept.

Four principles govern every decision. Pay rewards risk-adjusted outcomes measured over the life of a position, not volume of activity. Pay is never so high a share of a person's income that a single year decides their finances. Control functions are paid without reference to the businesses they oversee. Pay that turns out to have been earned on a result later reversed is returned.

The policy applies to every employee of every group entity, to the founding partners in respect of their partnership distributions, and to contractors whose engagement exceeds twelve months. It applies in all 36 offices. Where a jurisdiction sets a stricter rule on any element, that rule applies to the people employed there.

2. Structure of pay

Every employee receives fixed pay that reflects the role, the location and the market, set on external benchmarking refreshed every two years. Fixed pay is sufficient on its own to live on in the city of employment. It is not increased to compensate for a reduction in variable pay, and it is not reduced to make room for one.

Variable pay is discretionary and depends on the results of the group, the division and the individual, in that order. Group results are measured by risk-adjusted return on the proprietary balance sheet and by the growth and retention of the client portfolio. Divisional results are measured against the plan approved by the Executive Committee. Individual results are measured against written objectives that include conduct and control objectives for every person.

For any person identified as a Material Risk Taker, variable pay may not exceed twice fixed pay. As at 30 June 2026 the firm identifies 38 Material Risk Takers: the Executive Committee, heads of division, heads of the hub offices, the heads of the control functions and any person who can commit the balance sheet above US$10 million on their own authority. The list is reviewed by the Remuneration Committee each year.

- Fixed pay: salary and location allowances, benchmarked every two years.
- Variable pay: an annual award decided after the audited year-end, split between cash and deferred units.
- Deferred units: rights linked to the value of the proprietary balance sheet, vesting over three to five years.
- Partnership distributions: the founding partners' share of realised proceeds, paid only after deferred units have vested.

3. Deferral and instruments

At least 40 per cent of any variable award, and at least 60 per cent for Material Risk Takers, is deferred. Deferred pay is delivered in units whose value tracks the audited net asset value of the proprietary balance sheet, so that the people who take risk with the firm's capital hold an interest in its preservation. Units vest in equal tranches over three years for most staff and five years for the Executive Committee.

Deferral applies whatever the size of the award, with one exception: an award below US$50,000 may be paid wholly in cash where the recipient is not a Material Risk Taker. A vested unit is settled in cash at the net asset value on the vesting date. Units carry no vote and no right to a distribution before vesting.

Guaranteed variable pay is not offered, except a single buy-out in the first year of employment to replace an award forfeited on joining, and then only in deferred units on the firm's own vesting schedule. Retention awards are used only in the context of a restructuring approved by the Board and are disclosed to the Remuneration Committee by name.

4. Malus and clawback

Unvested units are reduced or cancelled where a result on which an award was based turns out to have been wrong, where a position the person underwrote suffers a loss beyond the amount the firm agreed to accept, where the person breached a policy, or where the person failed to supervise someone who did. The reduction is decided by the Remuneration Committee on the recommendation of the Chief Risk Officer and the General Counsel and Group Head of Compliance.

Vested and paid pay is recovered for up to seven years after the award where a person is found to have taken part in misconduct, to have caused a material misstatement of the group's results, or to have retaliated against a person who raised a concern under the Whistleblowing and Speaking Up policy. Recovery is pursued through every lawful means, and the person's remaining awards are cancelled.

Every year the Chief Risk Officer gives the Remuneration Committee a written report on positions that have breached loss limits, control failures attributed to individuals and conduct findings, so that the committee can apply malus before awards are confirmed. The committee applied malus to four individuals in respect of the 2025 year, with reductions totalling US$1.1 million.

5. Control functions and independence

People in Risk, Compliance, Internal Audit, Finance and the Ethics office are paid on the quality of their work as assessed by the committee that oversees them, never on the results of the businesses they oversee. Their variable pay is set by the Remuneration Committee on the recommendation of the relevant committee chair, and their fixed pay is benchmarked against control roles, not revenue roles.

The Remuneration Committee is composed only of independent directors and the Chair of the Board. Executives attend by invitation and leave the room when their own pay is discussed. The committee takes independent external advice on benchmarking and on the design of the deferred units, and the adviser is changed at least every five years.

The committee approves the total variable pool before it is allocated, having first received the Chief Financial Officer's confirmation that the payment leaves the group within its capital and liquidity limits under the Liquidity and Funding policy, and the Chief Risk Officer's report on risk-adjusted performance. A pool is never funded from unrealised gains.

6. Fair pay and disclosure

Pay is reviewed every year for equity between people doing equivalent work. The review compares fixed and variable pay by grade, location and gender, and any gap that cannot be explained by role, tenure or performance is corrected in the next pay cycle. The 2026 review found a median gender pay gap of 6 per cent across the group and corrected 14 individual cases.

The firm publishes to its people, each year, the size of the variable pool, the number of Material Risk Takers, the proportion of pay deferred, the number of malus and clawback decisions and the result of the equity review. The same information is provided to the supervisors of the licensed entities that require it. No individual's pay is published.

Any person may ask how their own award was decided and is given a written answer that refers to their objectives and to the group and divisional results. Disputes about pay are heard under the fair employment procedures, not under this policy, except that an allegation that a malus decision was retaliatory goes to the Designated Independent Director under the Whistleblowing and Speaking Up policy.

Key controls

- A Remuneration Committee of independent directors and the Chair, with executives absent when their own pay is discussed.
- A cap of twice fixed pay on variable pay for every Material Risk Taker.
- Deferral of at least 40 per cent of variable pay, and 60 per cent for Material Risk Takers, into balance-sheet-linked units.
- Malus on unvested units and clawback for seven years on paid awards, decided on the Chief Risk Officer's annual report.
- Control-function pay set on quality of work, benchmarked against control roles and independent of divisional results.
- Confirmation from the Chief Financial Officer that the variable pool leaves the group within capital and liquidity limits.
- An annual pay-equity review by grade, location and gender with corrections in the next cycle.
- Internal publication of the pool, the deferral rate, the number of malus decisions and the equity result.

Related policies

- Code of Conduct (IGC-PC-002)
- Risk Appetite Framework (IGC-GR-001)
- Whistleblowing and Speaking Up (IGC-GR-004)

- Diversity, Inclusion and Fair Employment (IGC-PC-003)

Colophon

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