

2 Annex I: Public Disclosure Template

2.1 Introduction

The Investment Firm Prudential Regime ('IFPR') is the FCA's prudential regime for MiFID investment firms which aims to streamline and simplify the prudential requirements for UK investment firms. The IFPR came into effect on 1 January 2022 and its provisions apply to Hadron Capital LLP ("the Firm") as an FCA authorised and regulated firm.

Under the IFPR, the Firm is categorised as a small and non-interconnected ('SNI') MIFIDPRU investment firm.

The Firm is an independent investment management firm established in 2004. The firm is based in London and is authorised and regulated by the financial conduct authority (FCA 401378).

The Firm is required to publish disclosures in accordance with the provisions outlined in MIFIDPRU 8 of the FCA Handbook. This disclosure document covers all aspects of the disclosure requirements within the scope of the MIFIDPRU rules applicable to SNIs that have not issued additional tier 1 instruments. Specifically, disclosure relating to the Firm's remuneration policy and practices.

The Firm is not a member of a UK Consolidation Group. The disclosure is prepared annually on an individual basis. The Firm will consider making more frequent public disclosure where particular circumstances demand it, for example, in the event of a major change to its business model or where a merger has taken place.

The disclosure is published on a company website.

The Firm believes that its qualitative disclosures are appropriate to its size and internal organisation, and to the nature, scope and complexity of its activities.

This disclosure has been ratified and approved by the members of Hadron Capital LLP

The annual audited accounts of Hadron Capital LLP set out further information which complements the information in this disclosure. The audited accounts are freely available from UK Companies House.

This document does not constitute any form of financial statement on behalf of Hadron Capital LLP. The information contained herein has been subject to internal review but has not been audited by the Firm's external auditors.

2.2 Objectives

This document sets out the public disclosure under MIFIDPRU 8 for the Firm as of 31/03/2025 which is the Firm's accounting reference date.

As a MIFIDPRU investment firm, we must establish and implement disclosure requirements to provide investors, stakeholders and wider market participants an insight into how the Firm is run. This disclosure sets out the overarching requirements that apply to the Firm.

2.3 Policy and Disclosure Validation

Hadron Capital LLP is committed to having robust internal controls to ensure the completeness, accuracy, and compliance with the relevant public disclosure regulatory requirements.

This document has been subject to internal governance and verification process, and approval by the Board in line with the Public Disclosure Policy that the Firm has adopted to ensure compliance with the regulatory requirements contained in MIFIDPRU 8.

The Policy requires internal challenge and oversight prior to approval and publication.

Remuneration Policies and Practices

2.1 Introduction

Under MIFIDPRU 8.6.2R, the Firm is required to disclose a summary of:

- its approach to remuneration for all of its employees;
- the objectives of its financial incentives;
- the decision-making procedures and governance surrounding the development of the remuneration policies and practices the firm is required to adopt in accordance with the MIFIDPRU Remuneration Code, to include, where applicable:
 - the composition of and mandate given to the Governing Body; and
 - details of any external consultants used in the development of the remuneration policies and practices.

Under MIFIDPRU 8.6.5R, the Firm must also disclose the key characteristics of its remuneration policies and practices in sufficient detail to provide the reader with:

- an understanding of the risk profile of the Firm and/or the assets it manages; and
- an overview of the incentives created by the remuneration policies and practices.

For purposes of MIFIDPRU 8.6.5R, the Firm must disclose at least the following information:

- the different components of remuneration, together with the categorisation of those remuneration components as fixed or variable; and
- a summary of the financial and non-financial performance criteria used across the Firm, broken down into the criteria for the assessment of the performance of:
 - the firm;
 - business units; and
 - individuals.

Under MIFIDPRU 8.6.8R(2), the Firm must disclose the total amount of remuneration awarded to all staff, split into:

- fixed remuneration; and
- variable remuneration.

As a MIFIDPRU investment firm, we must establish, implement and maintain gender neutral remuneration policy and practices that are appropriate and proportionate to the nature, scale and complexity of the risks inherent in the business model and the activities of the Firm. Our remuneration policy and practices are gender neutral and do not discriminate employees on the basis of gender or other characteristics.

The Firm is subject to both the MIFIDPRU Remuneration Code and the AIFM Remuneration Code. We, therefore, commit to complying with the most stringent requirement in instances where the requirements differ, and we can only comply with one. The Firm, therefore, considers which requirement is the most stringent on a provision-by-provision basis.

2.2 Governance

Given the size, internal organisation and the nature, scope and complexity of the activities of the Firm it does not have a separate supervisory function or Remuneration Committee. Therefore, the Remuneration policy's supervisory function will be undertaken by the Firm's Governing Body.

2.3 Performance period

The Firm's performance period is from 31/03/2024 to 31/03/2025.

The Firm has adopted a Remuneration Policy that complies with the requirements of Chapter 19G of the FCA's Senior Management Arrangements, Systems and Controls Sourcebook.

2.4 Approach to remuneration for employees

The Firm's remuneration approach is designed to support individual and corporate performance, encourage the sustainable long-term financial health of the business and promote sound risk management for the success of the Firm and to the benefit of its customers, counterparties and the wider market. Our remuneration approach promotes long-term value creation through transparent alignment with the agreed corporate strategy.

The Board believes the Firm's remuneration structure is appropriate for the business and the industry it operates in and is efficient and cost-effective in delivering its long-term strategy.

Our remuneration structure includes provisions that in specific circumstances, allow the Firm to:

- forfeit or withhold all or part of a bonus or long-term incentive award before it has vested and been awarded ('performance adjustment' or 'malus'); and/or
- recover sums already paid ('clawback')

Undeserved and excessive remuneration sends a negative message to all stakeholders, including the Firm's workforce, and causes long term damage to the Firm and its reputation.

2.5 Financial incentives objectives

The objectives of the Firm's remuneration practices are as follows:

- The Firm undertakes to reward all employees fairly, regardless of job function, race, religion, colour, national origin, sex, sexual orientation, marital status, pregnancy, disability or age;
- It is the policy of the Firm to operate competitive remuneration policies to attract, retain and motivate an appropriate workforce for the Firm;
- The Firm is also committed to ensuring that its remuneration practices encourage high standards of personal and professional conduct, support sound risk management and do not encourage risk taking that exceeds the level of tolerated risk of the Firm, and are aligned with the Firm's regulatory requirements;
- Rewards for all staff will be aligned to financial and non-financial performance criteria and risk profile, and in all cases will be in line with the business strategy, objectives, values, culture and long-term interests of the Firm;
- The Firm will not allow any unfair or unjust practices that impact on pay;

- The Firm undertakes that it will not award remuneration using vehicles or methods the aim of which is to attempt to avoid application of the relevant FCA's Remuneration Code.

The Firm uses the following financial incentives:

- bonuses;
- salary raises; and
- professional development opportunities;

Our financial incentives are designed to:

- raise employee satisfaction;
- recognise individual performance;
- attract and retain talent;
- encourage collaborative teamwork; and
- motivate staff to achieve Firm-wide objectives.

2.6 Governance

As a SNI, the Firm is not required to establish a Remuneration Committee. Given the size, internal organisation and the nature, scope and complexity of the activities of the Firm it has not formed a Remuneration Committee. Therefore, the Remuneration policy's supervisory function is undertaken by the Firm's Board.

The Board is responsible for reviewing and approving remuneration, and to ensure remuneration policies across the Firm are consistent with the promotion of effective risk management. The Board is responsible for reviewing and approving salary amendments and the Firm's bonus pool arising from the annual compensation review, with reports made to the Board as required.

The Board meets regularly and is composed of:

- Giuseppe Di Cecio
- Hadron Capital UK Ltd (Corporate Member)

2.7 Components of remuneration

The Firm makes a clear distinction between the fixed and variable remuneration.

Fixed remuneration primarily reflects a staff member's professional experience and organisational responsibility as set out in the staff member's job description and terms of employment; and is permanent, pre-determined, nondiscretionary, non-revocable and not dependent on performance.

Variable remuneration is based on performance and reflects the long-term performance of the staff member as well as performance in excess of the staff member's job description and terms of employment. In exceptional cases, variable remuneration is based on other conditions. Variable remuneration includes discretionary pension benefits.

The Firm will ensure that the fixed and variable components of an individual's total remuneration are appropriately balanced. In determining this balance, the Firm considers the following factors:

- The Firm's business activities and associated prudential and conduct risks;
- The role of the individual in the Firm;
- The impact that different categories of staff have on the risk profile of the Firm or of the assets it manages;

- No individual must be dependent on variable remuneration to an extent likely to encourage them to take risks outside the risk appetite of the Firm;
- It may be appropriate for an individual to receive only fixed remuneration, but not only variable remuneration; and
- Variable remuneration must not affect the Firm's ability to ensure a sound capital base.

When assessing individual performance to determine the amount of variable remuneration to be paid to an individual, the Firm takes into account financial as well as non-financial criteria. Non-financial criteria should:

- form a significant part of the performance assessment process;
- override financial criteria, where appropriate;
- include metrics on conduct, which should make up a substantial portion of the non-financial criteria; and
- include how far the individual adheres to effective risk management and complies with relevant regulatory requirements.

2.8 Financial and non-financial performance criteria

The Firm must take into account both financial and non-financial criteria when assessing the individual performance of its staff. This aims not only to discourage inappropriate behaviours but also to incentivise and reward behaviour that promotes positive non-financial outcomes for the Firm.

The Firm uses the following financial performance criteria:

- Strategy-specific performance
- Risk and operational management
- Capital raising

The Firm uses the following non-financial performance criteria:

- measures relating to building and maintaining positive customer relationships and outcomes, such as positive customer feedback;
- performance in line with firm strategy or values, for example by displaying leadership, teamwork or creativity;
- adherence to the firm's risk management and compliance policies;
- achieving targets relating to environmental, social and governance factors; and
- diversity and inclusion.

2.9 Total amount of remuneration awarded

Under MIFIDPRU 8.6.8R(2), the Firm must disclose the total amount of remuneration awarded to all staff, split into:

- fixed remuneration; and
- variable remuneration.

Remuneration type	£
Fixed remuneration	282,154
Variable remuneration	43,903
Total amount	326,057