PERMIRA

Permira Advisers LLP

MIFIDPRU 8 Disclosures

31 December 2024

Contents

1. Introduction

1.1 Background and Disclosure

Permira Advisers LLP ("**PALLP**" or the "**Firm**") is an investment advisory firm authorised and regulated by the UK Financial Conduct Authority ("**FCA**"). In January 2022, the FCA implemented the Investment Firms Prudential Regime ("**IFPR**"). Under the IFPR, PALLP must make certain public disclosures as per Chapter 8 of the Prudential Sourcebook for MiFID Investment Firms in the FCA Handbook ("**MIFIDPRU 8**").

PALLP is classified under MIFIDPRU as a non-small and non-interconnected MIFIDPRU Investment Firm ("**Non-SNI MIFIDPRU Investment Firm**"). As such, PALLP is required by MIFIDPRU 8 to disclose information on the following areas:

- Risk management objectives and policies;
- Governance arrangements;
- Own funds;
- Own funds requirements; and
- Remuneration policy and practices.

The purpose of these disclosures is to give stakeholders and market participants insight into the Firm's culture, while the data on the Firm's own funds and own funds requirements allows potential investors to assess the Firm's financial strength.

These disclosures have been prepared by PALLP in accordance with the requirements set out in MIFIDPRU 8 and have been verified by the Management (as defined in Section 3 below). There have been no significant changes to the information disclosed in previous MIFIDPRU 8 disclosure reports, but it should be noted that Therese Hofman left the firm on 24 May 2024 and stepped down from her position as a Senior Manager of PALLP. Antonio Gomes was approved as Senior Manager of PALLP on 18 October 2024. Unless otherwise stated, all figures are at the Firm's financial year-end (31 December).

1.2 Structure and Operating Model

PALLP was established in 2001 and is an investment advisory firm focused on private equity in technology, consumer, healthcare, services and climate space. PALLP's corporate member is Permira Advisers Holding Limited ("**PAHL**") and it is ultimately controlled by Permira Holdings Limited ("**PHL**") and is part of the group of companies and partnerships that operate under the Permira brand, the "**Permira Group**".

PALLP's principal purpose is to provide consultancy and other services to Permira Investment Advisers Limited ("**PIAL**"), the adviser to the private equity ("**PE**") funds advised by the Permira Group and managed by affiliates within the Permira Group. PALLP also provides marketing activities from time to time on behalf of Permira Management S.ar.l (the "**Permira AIFM**") and investor relations and capital raising activities to Permira Credit Limited ("**PCL**"). PIAL, Permira AIFM and PCL are considered clients of PALLP and are affiliates within the Permira Group, PALLP does not have any external clients.

To enable PALLP to provide the contracted services to its clients, it is authorised by the FCA to undertake the following activities:

- Advising on investments (except on Pension Transfers and Pension Opt Outs);
- Arranging (bringing about) deals in investments;
- Making arrangements with a view to transactions in investments; and
- Agreeing to carry on a regulated activity

1.3 Frequency of disclosure

PALLP completes its MIFIDPRU 8 disclosures on an annual basis on the date that the Firm publishes its annual financial statements. If required, the disclosures will be made more frequently if there is a major change to the firm's business model.

1.4 Verification of disclosure

This document is prepared by the Senior Management Team and is reviewed and approved in order to ensure compliance with the regulatory requirements stated within MIFIDPRU 8. The document is reviewed and challenged by the Firm's Board prior to the publication of the document.

The disclosures are not subject to any independent external audit and will only be subject to external verification to the extent that they are equivalent to those taken from the audited financial statements. They do not constitute financial statements and should not be relied upon by making judgements about the Firm.

2. Risk Management Objectives and Policies (MIFIDPRU 8.2)

This section describes PALLP's risk management objectives and policies for the categories of risk addressed by the requirements of the Firm in the following areas:

- Own funds
- Concentration risk
- Liquidity

2.1 Statement of Risk Appetite

The Permira Group has adopted a conservative risk appetite to maintain a strong capital position throughout all market cycles with strong liquidity and an appropriate capital structure. As part of the Permira Group, PALLP has also adopted a conservative risk appetite, maintaining a strong capital position at all times. The Permira Group operates conservatively, ensuring that both funding into PALLP and dividends distributed from PALLP are managed in a way that maintains sufficient working capital and regulatory capital for PALLP.

PALLP reviews its risks and corresponding controls to ensure that residual risks are adequately mitigated and monitored appropriately. PALLP is committed to ensuring its business activities are conducted with a clear understanding of the risks, to maintaining a robust risk management framework, ensuring transparent disclosure, treating its clients fairly, and to meet the expectations of major stakeholders.

2.2 Risk Management

PALLP has established a risk management process in order to ensure that it has effective systems and controls in place to identify, monitor and manage risks arising in the business. Risk management for PALLP is the responsibility of Management and is based on the operation and interaction of several different bodies and processes, further details of which are set out below.

The Head of the London Office has overall responsibility for implementing PALLP's strategy and for the establishment and maintenance of internal controls and risk management for the business. Risk management is delegated to the Chief Operating Officer ("**COO**"). The COO is supported on compliance and regulatory matters by PALLP's Compliance Officer and on non-financial matters by the Permira Group General Counsel.

Management, together with the board of PAHL, typically hold quarterly meetings. All quarterly meetings cover an update on operational matters as well as a risk update and are attended by Management and the directors of PAHL. Their vantage point within the PALLP governance and operating structure and their considerable experience in the private equity industry enables them to ensure that the risk issues that arise in the business are raised, as applicable. In addition, the meetings are also attended by PALLP's Compliance Officer, the Permira Group Chief Compliance Officer and the UK Financial Controller.

Due to the nature, size, and complexity of the Firm, PALLP does not have separate and independent risk or nomination committees; however, it receives support from the Audit and Risk Committee of the PHL Board.

2.3 Risk Categories and Analysis

2.3.1 Own Funds Requirement

PALLP is required to maintain own funds that are at least equal to the Firm's own funds requirement. The own funds requirement is the higher of the Firm's:

- **Permanent minimum capital requirement ("PMR")**: The level of own funds required to operate at all times. Based on the MiFID investment services and activities that the Firm currently has permission to undertake this is set at £75,000;
- **Fixed overhead requirement ("FOR")**: The fixed overheads requirement is an amount equal to one quarter of the firm's relevant expenditure during the preceding year; and

PALLP's own funds requirement is currently set by its FOR, as this is the highest of the three metrics. The potential for harm associated with PALLP's business strategy, based on the Firm's own funds requirement, is low. This is due to the relatively consistent and stable growth in the Firm's revenues and asset base.

A method adopted by the Firm to manage the risk of breach of the Firm's own funds requirement is the maintenance of a healthy own funds surplus above the own funds requirement. In the event that the Firm's own funds drop to an amount equal to 110% of the Firm's own funds threshold requirement, the Firm will immediately notify Management, as well as the regulator. Management will consider the necessary steps required in order to increase the own funds buffer; this may include injecting more own funds into the Firm.

2.3.2 Concentration Risk

PALLP considers its concentration risk to be acceptable given the stability of fee income from PIAL relating to the services it provides to a number of different PE funds (with different investor bases and different strategies). The lifespans of the PE funds vary but the contracted period tends to be approximately 10 years, and, on this basis, it also provides PALLP with a long adoption phase if there were any material changes. PALLP monitors its concentration risk on an ongoing basis through, among others, the visibility of the fund-raising cycle, sound administrative and accounting procedures and robust internal control mechanisms such as stress tests, ensuring it has the appropriate operating model for the number of services provided.

2.3.3 Liquidity Risk

The potential for harm associated with PALLP's business strategy, based on the Firm's liquid asset requirement, is low. To calculate the Firm's /liquid asset threshold requirements, PALLP identifies and measures the risk of harm applicable to the Firm and its business strategy and considers these risks with regard to its ongoing operations and from a wind-down perspective. The Firm then determines the extent to which the systems and controls in place mitigate the Firm's risks and the potential for a disorderly wind-down and thereby determines the appropriate amount of additional own funds and liquid assets required to cover the residual risks.

The Firm retains an amount it considers suitable for providing sufficient liquidity to meet the working capital requirements under various conditions. PALLP has always had sufficient liquidity within the business to meet its obligations and there are no perceived threats to this given the cash deposits it holds are not pledged or subject to charge. Additionally, it has historically been the case that all debtors are settled promptly, thus ensuring further liquidity resources are available to the Firm on a timely basis. The cash position of the Firm is monitored by the Finance team on a regular basis

3. Governance Arrangements (MIFIDPRU 8.3)

3.1 Overview

PALLP believes that effective governance arrangements help the Firm achieve its strategic objectives while also ensuring that the risks to the Firm, its stakeholders and the wider market are identified, managed, and mitigated.

Business and management matters for PALLP are considered by the partnership, under the co-ordination of the Head of the London office, who is also a Designated Member of PALLP. The members of PALLP are the UK-based Partners, Operating Partners, Principals and Managing Directors ("**Members**").

The senior managers in charge of the management of PALLP are Benoit Vauchy (member of PALLP) and Robin Bell-Jones (member of PALLP and Head of the London office) together, referred to as "**Management**".

In order to fulfil its responsibilities, Management, together with the board of PAHL, has quarterly meetings. All quarterly meetings are attended by Management and the directors of PAHL. In addition, all meetings are attended by PALLP's Compliance Officer and the UK Financial Controller.

Among other things, Management approves, oversees, and periodically reviews the implementation of the Firm's strategic objectives and risk appetite; has responsibility for the Firm's disclosures and communications; ensures the integrity of the Firm's accounting and financial reporting systems, including financial and operational controls and compliance with the regulatory system; and assesses the adequacy of policies relating to the provision of services to clients.

A key document that is reviewed, discussed, and ratified by Management at least annually is the Senior Management Systems and Controls Document ("SYSC Document"), as this demonstrates how the Firm has met its obligations with regard to its governance arrangements. The SYSC Document provides Management with information on the functioning and performance of all aspects of the Firm, including the following areas:

- General organizational requirements, including steps taken by the Firm to ensure continuity and regularity in the performance of its regulated activities, and the Firm's accounting policies.
- Employees, including steps taken by the Firm to ensure that employees have the necessary skills, knowledge, and expertise for the discharge of the responsibilities allocated to them, and to ensure that they are fit and proper persons.
- Policies, procedures, and controls for meeting its compliance and financial crime requirements.
- Internal capital adequacy and risk assessment process.
- Outsourcing of critical or material operating functions or activities.
- Record-keeping controls and arrangements.
- Conflicts of interest management.

- Remuneration policies and practices; and
- Whistleblowing controls.

3.2 Management's Directorships

The table below sets out the number of directorships (executive and non-executive) held by each member of the Management. The table details their position in the Firm, SMF function and number of external directorships held.

Name	Position at PALLP	SMF Function/Role	No. of external directorships held
Robin Bell-Jones	• Member of PALLP Head • of the London office	SMF27 Partner	4
Benoit Vauchy	• Member of PALLP	SMF27 Partner	3

3.3 Management's Biographies

Robin Bell-Jones, Member of PALLP and Head of the London Office

Robin Bell-Jones is a Partner at Permira. He initially joined Permira in 1999 as part of the TMT team in London. After completing his MBA at INSEAD in 2001, Robin spent three years in the Frankfurt office before returning to London.

In 2012, Robin transitioned to the Hong Kong office to spearhead the Technology sector in Asia. Throughout his career at Permira, Robin has been involved in numerous significant transactions, such as All3Media, Acuity, Alter Domus, Debitel, English First Kids & Teens, Full Truck Alliance, Motus, Premiere, ProSiebenSat.1, and Tricor.

Robin also plays a key role as an investment lead for Permira's social impact partnership with All Child, a charity partner of the Permira Foundation.

Before joining Permira, Robin worked in M&A at CSFB and BZW, working in both London and San Francisco with a focus on the Technology sector.

Robin holds a degree in Modern Languages from Oxford University, England, and an MBA from INSEAD, France.

Benoit Vauchy, Member of PALLP

Benoit is a member of the Investment Committee, the Executive Committee, the Firm Operations Committee, the Buyout Funds' Portfolio Review Committee, the Permira Holdings Limited board and the Financing Group. He has worked on numerous transactions including Acromas (The AA & Saga), eDreams Odigeo, Engine, Exclusive Group, Freescale Semiconductor, Iglo Group, NDS, Synamedia and Vacanceselect.

Prior to joining Permira, Benoit spent six years at JPMorgan in Frankfurt and London, arranging leveraged finance transactions. He also worked for Paribas in Frankfurt within the Media/Telecom team and in the Leveraged Finance department.

3.4 Approach to Diversity of Management

PALLP's approach to diversity is in line with that of the Permira group's wider Equal Opportunities, Diversity and Inclusion Policy (the "**D&I Policy**"). The Firm is committed to promoting equality and diversity as well as valuing a culture of inclusion.

Management has a responsibility to lead by example in accordance with the D&I Policy, which commits to equality of opportunity for all and creating an inclusive work environment where everyone has the opportunity to succeed and is treated with respect and dignity. The D&I Policy applies to all aspects of the employee lifecycle: recruitment and selection, promotion, terms and conditions of employment, including pay, benefits, training and mobility.

4. Own Funds (MIFIDPRU 8.4)

4.1 Composition of Regulatory Own Funds

PALLP's own funds are made up of Common Equity Tier 1 ("CET1") capital only. Throughout 2024 and as at 31 December 2024, the Firm had sufficient own funds to cover the capital requirements under the IFPR. The table below summarises the Firm's regulatory own funds:

Composition of regulatory own funds as at 31 December 2024			
	Item	**Amount (£'000)**	**Source based on reference numbers/letters of the balance sheet in the audited financial statements**
1	**OWN FUNDS**		
2	**TIER 1 CAPITAL**	**8,400**	
3	**COMMON EQUITY TIER 1 CAPITAL**		
4	Fully paid-up capital instruments	8,400	Members' capital classified as equity – Page 12
5	Share premium	N/A	
6	Retained earnings	N/A	
7	Accumulated other comprehensive income	N/A	
8	Other reserves	N/A	
9	Adjustments to CET1 due to prudential filters	N/A	
10	Other funds	N/A	
11	(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	N/A	
19	CET1: Other capital elements, deductions and adjustments	N/A	
20	**ADDITIONAL TIER 1 CAPITAL**	0	
21	Fully paid up, directly issued capital instruments	N/A	
22	Share premium	N/A	
23	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1	N/A	
24	Additional Tier 1: Other capital elements. Deductions and adjustments	N/A	
25	**TIER 2 CAPITAL**	0	
26	Fully paid up, directly issued capital instruments	N/A	
27	Share premium	N/A	
28	(-) TOTAL DEDUCTIONS FROM TIER 2	N/A	
29	Tier 2: Other capital elements, deductions and adjustments	N/A	

The CET1 capital is wholly comprised of members' capital classified as equity and cannot be repaid whilst required to satisfy the Firm's regulatory capital requirements.

4.2 Reconciliation of Regulatory Own Funds to Balance Sheet in the Audited Financial Statements

The table below shows the reconciliation of regulatory own funds to balance sheet in the audited financial statements:

Reconciliation of regulatory own funds to balance sheet in the audited financial statements				
		a	**b**	**c**
	Amount (£'000)	**Balance sheet as in published/audited financial statements**	**Under regulatory scope of consolidation**	**Cross reference to template OF1**
		As at 31/12/24	**As at 31/12/24**	
Assets				
1	Debtors	139,243	77,150	
2	Cash at bank	11,451	13,506	
	Total Assets	**150,694**	**90,656**	
Liabilities				
1	Creditors	58,060	58,085	
	Total Liabilities	**58,060**	**58,085**	
Members' other interests				
1	Members' capital classified as a liability	3,870		
2	Members' capital classified as equity	8,400		Item 4
3	Other amounts	80,364		
	Total members' interests / equity	**92,634**	32,571	

5. Own Funds Requirements (MIFIDPRU 8.5)

5.1 Permanent Minimum Capital, K-Factor and Fixed Overhead Requirement

The table below shows the breakdown of the own funds requirement. PALLP is required to at all times maintain own funds that are at least equal to the Firm's own funds requirement. The own funds requirement is the higher of the Firm's:

Requirement as at 31 December 2024	£'000
Permanent Minimum Capital Requirement (PMR)	75
- Transitional *Provision ('TP') (year 3)**	60
Fixed Overhead Requirement (FOR)	15,941
- *TP (year 3)**	3,985
K-factor requirement (KFR)	**-**
Own Funds Requirement (MIFIDPRU 4)	**3,985**

**Until 1 January 2022, PALLP was regulated as an Exempt CAD firm under IPRU(INV). At the outset of IFPR the FCA provided temporary transitional provisions that permit certain* MIFIDPRU investment firms *to apply a lower* own funds requirement *than would otherwise apply over a 5-year period. The Firm is currently applying the transitional provisions under MIFIDPRU 2.10 and 2.12.*

5.2 Approach to Assessing the Adequacy of Own Funds

PALLP is also required to comply with MIFIDPRU 7, which requires firms to use the Internal Capital Adequacy and Risk Assessment ("**ICARA**") process to identify whether they comply with the Overall Financial Adequacy Rule ("**OFAR**"). The ICARA process is the collective term for the internal systems and controls which a firm must operate to identify and manage potential harm which may arise from the operation of a firm's business, and to ensure that its business can be wound down in an orderly manner. The OFAR requires that a firm must, at all times, hold its own funds and liquid assets which are adequate, both as to their amount and their quality to ensure:

- The Firm is able to remain financially viable throughout the economic cycle, with the ability to address any material potential harm that may result from its ongoing activities; and
- The Firm's business can be wound down in an orderly manner, minimising harm to consumers or markets.

The adequacy of the ICARA process will be assessed at least on an annual basis, or more frequently if there is a material change in the business model/risk profile.

5.2.1 Additional Own Funds Requirement

The additional own funds requirement is the amount of capital identified by PALLP that is necessary to mitigate risks to ensure the viability of the Firm throughout economic cycles and to ensure it can be wound down in an orderly manner.

The Firm's own funds threshold requirement is the higher of:

- The Firm's PMR;
- The sum of the Firm's FOR and its additional own funds required for winding down; and
- The sum of the Firm's KFR and its additional own funds required for ongoing operations.

This is the amount of own funds that PALLP is required to maintain at any given time to comply with the OFAR.

To determine the Firm's own funds threshold requirement, PALLP identifies and measures the risk of harm faced by the Firm and considers these risks in light of its ongoing operations and also from a wind-down planning perspective. As mentioned above, In the ICARA, PALLP assesses and evaluates the potential risks and harms the Firm might encounter, taking into account its current operations and wind-down strategy. The Firm then assesses how effectively its systems and controls can mitigate these risks and prevent a disorderly wind-down. PALLP conducts this assessment independently.

5.2.2 This process is documented and presented to and ratified by Management on at least an annual basis. Ongoing Operations

As a non-SNI MIFIDPRU Investment Firm, PALLP has assessed all material harms posed to clients, the market and itself resulting from its ongoing operations, taking into consideration the existing controls in place. PALLP concluded under each risk that it does not consider that any additional capital is required to mitigate the harm arising from these risks.

5.2.3 Wind Down

As part of the wind-down plan, PALLP has considered no reliance on the Group. The Firm concluded that there would be a minimum of 3 months' revenue during the wind down period resulting in a net wind down cost of £nil.

As a result, PALLP has concluded that no additional capital is required for wind-down purposes, hence the additional own funds required for an orderly wind down is £nil.

5.2.4 OFAR

PALLP adopts a 10% buffer ('early warning indicator') over its own funds requirement in order to maintain a healthy own funds surplus above the requirement. If PALLP triggers this warning, then the FCA would expect a dialogue to take place between themselves and the Firm based on the information provided in the notification to understand the reason for decline in the Firm's own funds and the Firm's future plans to rectify this.

The table below shows the OFAR as at 31 December 2024, including the own funds and liquid asset threshold requirements:

OFAR as at 31 December 2024	**£000's**
Own Funds	8,400
Common Equity Tier 1	8,400
Total Regulatory Capital	8,400
Own Funds Requirement	
Permanent Minimum Requirement (PMR) (1)	60
Fixed Overhead Requirement (FOR) (2)	3,985
K-Factor Requirement (3)	-
Higher of (1), (2), (3)	3,985
Assessment from ongoing operation	
As per Risk Assessment (A)	-
Assessment from wind-down	
As per wind down planning (B)	3,985
Own Fund Threshold requirement	
Higher of Assessment A or B or PMR	3,985
Early Warning Indicator	4,384
Capital Adequacy Surplus	4,016
Liquid Assets	
Core liquid assets	9,900
Non-core liquid assets	1,994
Basic liquid asset requirement (C)	
1/3 of FOR	1,328
Additional Liquidity Requirement	
Higher of	
Assessment (A) from ongoing operations (D)	-
Assessment (B) from wind down (E)	-
Liquid Assets Threshold Requirement (C + (Higher of D or E))	1,328
Liquidity Requirement Surplus	**10,566**

6. Remuneration Policy and Practices (MIFIDPRU 8.6 & SYSC19A)

The below disclosures are made in accordance with the requirements of MIFIDPRU 8.6. These disclosures provide information on PALLP’s remuneration policies and governance, as well as quantitative information on the remuneration of those categories of staff whose professional activities are considered by PALLP to have a material impact on its risk profile or on the assets that it manages ("material risk takers” or "**MRTs**") in respect of the 12-month period ending 31 December 2024. For the purposes of the FCA's remuneration rules under the Investment Firms' Prudential Regime (SYSC 19G) (the "**Remuneration Code**"), the company is categorized as a non-small and non-interconnected ("**Non-SNI**") investment firm and it meets the conditions under MIFIDPRU 7.1.4R.

6.1 Remuneration Policy

PALLP's remuneration policy (the "**Remuneration Policy**") sets out the remuneration policies and practices for all of PALLP's employees, partners and members, as well as the temporary employees, contractors and secondees who provide services to PALLP as applicable (together, the "**Staff**").

The Remuneration Policy is designed to ensure that PALLP's remuneration arrangements:

- align risk and reward appropriately;
- do not create conflicts of interest;
- comply with regulatory requirements and reflect good governance practice;
- are in line with PALLP's business strategy, objectives, values and long-term interests; and
- are gender neutral and respect the principle of equal pay for male and female Staff for equal work or work of equal value.

6.2 PALLP's approach to governance

Management, in conjunction with the Board of Directors of PHL, is responsible for defining and approving the remuneration policy and supervising remuneration practices for the Staff. PALLP does not have a remuneration committee and, as a non-small and non-interconnected ("**Non-SNI**") investment firm, is not required to establish one under the Remuneration Code.

However, the Management has delegated primary responsibility to the remuneration committee of the board of PHL (the "**RemCo**"). The chair of the RemCo is an independent non-executive director of PHL and is one of at least three members of the RemCo. The RemCo has responsibility for overseeing the remuneration of MRTs and senior employees in control functions, and reviewing the effectiveness of the remuneration policy, which it will perform as required and at least annually.

PALLP retains Clifford Chance LLP as an external independent consultant to advise on PALLP’s remuneration policies and practices.

6.3 Material Risk Takers

PALLP has developed an internal framework of qualitative criteria for identifying its MRTs. The framework is in accordance with the criteria set out in SYSC 19G.5 of the Remuneration Code.

The types of staff that have been identified as material risk takers at the Company are:

- Members of the management body in its management function;
- Members of PALLP Senior Management;

- Those with managerial responsibility for a client-facing or client-dealing business unit of the PALLP business units;
- Those with managerial responsibilities for the activities of a control function[1];
- Those with managerial responsibilities for the prevention of money laundering and terrorist financing;
- Those that are responsible for managing information technology, information security, and/or outsourcing arrangements of critical or important functions; and

For the performance year 2024, 5 individuals were identified as MRTs of PALLP.

6.4 General Structure of Remuneration

PALLP seeks to ensure that its remuneration remains competitive within the market, and rewards performance and best practice, taking proper account of good governance practice and appliable regulatory requirements, to enable PALLP to attract and retain skilled and talented Staff.

6.4.1 Fixed Remuneration

The fixed remuneration of Members who are also Permira Group partners typically consists of partner profit share broken down into 12 monthly payments and final profit share paid following the end of the year[2]. The fixed remuneration of Staff who are not Permira Group partners typically takes the form of basic salary or in-year profit share, paid monthly or semi- monthly in cash and standard benefits.

Fixed remuneration is set at competitive market rates for all Staff where relevant within the construct of a carefully designed performance incentive package aligned to PALLP's strategy and long-term interests. PALLP ensures that the fixed and variable components of an MRT's pay are 'appropriately balanced' to enable the variable remuneration policy to be fully flexible.

6.4.2 Variable Pay and Performance

Variable remuneration is typically awarded in the form of an annual discretionary bonus or end-of-year profit share, paid in cash following the end of each performance year and, subject to certain eligibility criteria, annual discretionary carried interest awards. Staff who are not Members are eligible for discretionary variable remuneration awards in cash. Staff who are Members and Permira Group partners do not receive discretionary variable remuneration awards in cash, and Staff who are Members but not Permira Group partners receive a discretionary end-of-year profit share.

Both performance and pay are subject to due consideration of PALLP's capital requirements and compliance with its regulatory requirements.

Performance is assessed based on an annual 360-degree review process, which informs the exercise of discretion and judgment by the PHL executive committee and the RemCo, as relevant. PALLP does not operate any formula driven incentive schemes.

In determining individual remuneration awards for Staff, where applicable, the following performance factors are taken into account:

- the financial position and performance of the relevant business;

[1] A *control function is defined as a function (including, but not limited to, a risk management function, compliance function and internal audit function) that is independent from the business units it controls and that is responsible for providing an objective assessment of the Firm's risks, and for reviewing and reporting on those risks*

[2] Amounts paid to partners are considered fixed remuneration on the basis that they are fixed with reference to a portion of firm profits; amount will vary depending on the profitability of the firm year on year.

- the financial performance of Permira funds and associated investments; and
- the individual Staffs performance and contributions, in respect of both financial and nonfinancial factors (e.g., adherence to risk tolerances and investment best practices, the extent to which the Staff upholds the PALLP's reputation, adherence to compliance, Environment, Social and Governance policies, teamwork, potential for continued advancement).

Due to the nature of PALLP business, the relevant business cycle for consideration of remuneration awards is generally the current financial year. However, given the typical time horizon appliable to Permira fund's investments and associated distribution of carried interest to relevant Staff, awarding a significant portion of certain Staff's total remuneration in the form of carried interest ensures that risk and reward are appropriately aligned for Staff and PALLP's clients.

PALLP ensures a close temporal alignment between setting discretionary variable compensation and auditing the accounts in order to avoid any remote residual risk.

6.4.3 Risk Adjustment, Malus and Claw back

PALLP takes into account all types of current and future financial (e.g., economic profit and economic capital) and non-financial (e.g., reputation, conduct, customer outcomes, value and strategy) risks when measuring performance and when allocating variable remuneration to eligible Staff. When making adjustments in relation to risk, PALLP determines the level at which adjustments will be applied (i.e., firm, team or individual level), which risks are relevant and which adjustment technique is the most appropriate.

As well as considering making appropriate adjustments on the basis of risks, PALLP also ensures that any variable remuneration is paid only if it is sustainable according to the financial situation of PALLP as a whole and justified on the basis of the performance of PALLP, team and individual.

In addition, in circumstances where PALLP determines that a Staff

- has participated in or was responsible for conduct which resulted in, or in the cases of fraud or other conduct with intent or severe negligence which led to, significant losses to PALLP; and/or
- has failed to meet appropriate standards of fitness and propriety,

PALLP may reduce any variable remuneration awarded to that Staff for a period in which they were an MRT and/or may claw back up to 100% of any such variable remuneration already paid to the MRT and/or to be awarded for the current performance period.

In addition to the above, reductions may also be made to any variable remuneration awarded to that Staff for a period in respect of which they were an MRT where:

- There is reasonable evidence of an MRT's misbehavior or material error;
- PALLP or a relevant business unit suffers a material downturn in its financial performance; and/or
- PALLP or a relevant business unit, suffers a material failure of risk management.

PALLP has the right to apply malus and/or clawback for a period of up to 3 years from the date on which any variable pay is awarded to an MRT.

6.4.4 Guaranteed Variable Remuneration

Guaranteed variable remuneration is not typically awarded by PALLP and for MRTs would only be offered in the context of hiring a new MRT, in their first year of service and on the condition that PALLP has a strong capital base.

6.4.5 Severance Pay

PALLP does not typically award early termination payments to Staff that exceed their statutory and contractual entitlements save where there are overriding business reasons for doing so. In such cases, PALLP would ensure that any such payment:

- does not reward failure or misconduct;
- does not materially impact PALLP's ability to meet its capital requirements; and
- in respect of an MRT, reflects their performance over time and is determined on a case-by-case assessment of legal risk and any applicable reputational risk posed by the termination.

6.5 Quantitative Remuneration Disclosures

The tables below provide details of the quantitative remuneration information that PALLP is required to disclose for the year ended 31 December 2024.

Number of MRTs

	Total
Number of MRTs identified for 2024 in accordance with SYSC 19G.5	**5**

Remuneration for financial year 2024

	Fixed remuneration (£m)	**Variable remuneration (£m)[3]**	**Total remuneration (£m)**
Senior management and other MRTs[4]	**16.4**	**5.8**	**22.3**
Other staff	**79.8**	**59.8**	**139.6**
Total remuneration overall (£m)			**161.9**

[3] In accordance with MIFIDPRU 8.6.8(7), so as to prevent individual identification of an MRT, PALLP is not required to comply with the obligation to disclose the total amount of guaranteed variable remuneration awards made during the financial year and the number of MRTs receiving those awards as, even after aggregation of senior management and other MRTs, it would still lead to the disclosure of information about one or two people.

[4] In accordance with MIFIDPRU 8.6.8(7), so as to prevent individual identification of an MRT, PALLP has aggregated the information to be disclosed for senior management and other MRTs as splitting the information between those two categories would lead to the disclosure of information about one or two people.

6.6 Guarantees[5]

Severance payments

	Number of MRTs awarded severance payments during the financial year	Total severance payments awarded during financial year (£m)
Senior management and other MRTs	Not applicable	Not applicable

Highest severance payment

	Total
Highest severance payment awarded to an MRT during the financial year	Not applicable

[5] In accordance with MIFIDPRU 8.6.8(7), so as to prevent individual identification of an MRT, the Company is not required to comply with the obligation to disclose the total amount of severance payments made during the financial year and the number of MRTs receiving those payments as, even after aggregation of senior management and other MRTs, it would still lead to the disclosure of information about one or two people.