

MIFIDPRU 8 Disclosure Statement

Year Ending 31 March 2025

Introduction

Apax Partners UK Ltd (FRN: 119175) (the "Firm") is authorised and regulated by the Financial Conduct Authority (the "FCA"). The Firm is a subsidiary of, and acts as a sub-investment adviser to, Apax Partners LLP for the Apax private equity and private credit funds (the "Apax Funds"). The Firm is categorised as non-SNI MIFIDPRU investment firm.

The purpose of this document is to set out information the Firm is required to disclose to comply with the disclosure rules set out in MIFIDPRU 8 of the FCA handbook. These rules require the Firm to publicly disclose information on risk management objectives and policies, governance arrangements, own funds and own funds requirements, and remuneration policies and practices, which are applicable to its size and internal organisation, and to the nature, scope and complexity of its activities.

The Firm is required to disclose this information annually on the date it publishes its annual financial statements.

Scope

The information in these disclosures is relevant to the Firm on an individual basis, i.e. it does not concern any other entities in the Apax Group.

Unless otherwise noted, the information contained in this Disclosure Statement has not been audited by the Firm's external auditors and does not constitute any form of financial statement and should not be relied upon in making any judgment on the Firm.

Governance arrangements

Apax Partners UK Ltd ("APUKL") is governed by its board of directors ("Board"). The Board has oversight and control of APUKL's responsibilities under the senior manager and certification regime, conduct rules, risk management, conflicts of interest and the Firm's compliance with applicable laws and regulations including anti-money laundering systems and controls.

The Board meets periodically and receives regular updates and reports from its senior management.

The current members of the Board are Ralf Gruss, Salim Nathoo, Stephen Kempen and Bharat Patel. The Directors do not currently hold any directorships outside of Apax, or companies

Diversity

The Firm is committed to creating an environment where everyone feels safe, seen, valued, and connected. We work to create a true meritocracy for those that work with us and those we serve. We aim to recruit, develop, promote and treat our people equitably.

Risk committee

The Firm is exempt from the requirement to have a Risk Committee as required by MiFIDPRU 7.3.1 as it is exempt under MiFIDPRU 7.1.4R.

Risk management objectives and policies (MIFIDPRU 8.2.1R)

This section describes the Firm's risk management objectives and policies for the following categories of risk:

- Own funds requirement
- Concentration risk
- Liquidity

Potential for harm associated with the Firm's business strategy

The Firm considers that the potential for harm associated with its business strategy is low. In particular, the Firm does not take balance sheet risk and does not deal with retail clients. The Firm's revenues are mainly obtained through sub-advisory fees charged to its parent who in turn charges advisory fees to the General Partners of the Apax Funds. As these are closed ended funds and fees are calculated on the basis of investor commitments (during the investment period) or on invested capital (following the investment period), the revenues are stable and predictable. As a result, the assessment of the potential harm associated with the Firm's business strategy is considered low.

Risk Framework

The Board has oversight and control in relation to the Firm's risks and are responsible for ensuring that the Firm maintains a risk culture that is compatible with the risk appetite statement. In discharging this responsibility, the Board utilises the skill and expertise of senior members of the Apax Group.

The type and amount of risk the Firm is willing to accept as part of its business objectives is determined by the Board and reviewed periodically. Risks cannot and should not be fully eliminated as they are necessary to the continuing success of the business model, but they must always be appropriate to the results the Firm is trying to achieve.

The Firm's risk management framework is as follows:

- Identification – clearly identify the risks
- Measurement and assessment – score the impact and the likelihood of the risk
- Control and mitigation – ensure the appropriate controls are in place to mitigate the risk
- Monitoring of risks – monitor risk indicators and act before they reach danger limits
- Reporting of risks – ensure escalation to appropriate committee or Senior Management

Operational risk is the responsibility of the Board who delegate this function to the COO on a day-to-day basis. The COO articulates the risk appetite to the heads of department and ensures that the business as a whole takes on the appropriate level of operational risk. The Operational Risk Committee of Apax Partners LLP oversees operational risks both for Apax Partners LLP and the Firm and is comprised of senior Operations staff.

Own funds requirement

The Firm 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;
- K-factor requirement ("K-AUM"); a scalar applied to particular activities the Firm carries on such as providing ongoing investment advice.

The Firm's current own funds requirement is set by its FOR as this is the highest of the three metrics.

The Firm has a process in place for monitoring its own funds requirement. This comprises quarterly reporting (looking at the capital and liquidity position of the Firm at the reporting date and its projected capital and liquidity position to assess whether or not the Firm is approaching its early warning indicator).

Liquidity

Liquidity risk is the risk that the Firm, although solvent, either does not have available sufficient financial resources to enable it to meet its obligations as they fall due or can secure resources only at excessive price.

The Firm manages its liquidity risk day-to-day through the Finance department, Global Head of Finance and the Chief Operating Officer. The Finance department monitors the Firm's liquidity position on a weekly basis to ensure that the Firm continues to meet its liquidity obligations.

Concentration Risk

The Firm has identified the following concentration risks and applied a control strategy for each. The Firm's assessment in relation to each concentration risk is that it does not pose a material risk to the firm, its clients or the market.

Earnings

The risk that the Firm has a significant amount of its revenue concentrated with one client, its parent.

The Firm's ultimate parent has successfully grown its core strategies over the past few years and launched several new funds in the past year. These funds provide long-term revenue (up to 10 years) and can provide a clear view of the Firm's projected income.

Cash deposits

The risk that the Firm's cash deposits are held with a single credit institution, leaving the Firm exposed if the credit institution was to become insolvent.

To manage concentration risk, the Firm maintains instant cash accounts with a UK credit institution which has a high credit rating. The Firm is also considering splitting its cash deposits across different institutions with strong credit ratings to reduce its concentration risk.

Own funds

APUKL's own funds are made up of Common Equity Tier 1 Capital only. Throughout 2024 and as at 31 December 2024, the Firm had sufficient own funds as required. The composition of the Firm's regulatory own funds is set out below:

	Item	Amount GBP '000	Source based on reference numbers / letters of the balance sheet in the audited financial statements
1	OWN FUNDS	7,717	
2	TIER 1 CAPITAL	7,717	
3	COMMON EQUITY TIER 1 CAPITAL	7,717	
4	Fully paid-up capital instruments	1	Note 18 – Called up share capital
5	Share premium	44	Note 19 – Share premium account
6	Retained earnings	7,672	Note 19 – Profit and loss account
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	-	
20	ADDITIONAL TIER 1 CAPITAL	-	
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	-	
25	TIER 2 CAPITAL	-	

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	-	

Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements

		a	b	c
		Balance sheet as in published/audited financial statements	Under regulatory scope of consolidation	Cross-reference to template OF1
		As at period end (GBP '000)	As at period end (GBP'000)	

Assets

1	Debtors: amounts falling due within one year	5,972		N/A
2	Cash and cash equivalents	8,553		N/A
	Total Assets	14,525		N/A

Liabilities

1	Creditors: amounts falling due within one year	6,808		N/A
	Total Liabilities	6,808		N/A

Shareholders' Equity

1	Called up share capital as equity	1		Item 4
2	Share premium account	44		Item 5
3	Profit and loss account	7,672		Item 6
	Total Shareholders' Equity	7,717		Item 1

Own funds: main features of own instruments issued by the firm

Fully paid capital instruments include ordinary shares as of 31 March 2025 as shown below.

Allotted, called up and fully paid:

Number	Class	Nominal value	£'000
1,261	Ordinary	£1 each	1

Own funds requirements

The table below shows the breakdown of the Firm's own funds requirement. APUKL must maintain own funds at least equal to the Firm's own funds requirement.

Basic Own Funds Requirement			
1	Permanent Minimum Capital ("PMR")	75	
2	Fixed Overhead Requirement ("FOR")	7,515	<i>Based on Audited Results for 31st March 2025</i>
3	K-Factor Requirement - K-AUM applicable for the Firm	-	<i>As at 31st March 2025</i>
	Higher (of 1-3)	7,515	
	Additional own funds to meet Overall Financial Adequacy Rule ("OFAR")	406	
	Total Own Funds Threshold Requirement ("OFTR") - Excluding Transitional Provisions	7,921	

Approach to Assessing the Adequacy of Own Funds

The Firm uses the Internal Capital Adequacy and Risk Assessment ("ICARA") process to determine whether it complies with the Overall Financial Adequacy Rule ("OFAR") and if not, to work out what actions are needed to be taken. The ICARA process focuses on identifying the risks that may arise from the operation of the Firm's business. There is also analysis undertaken to determine that the business can be wound down in an orderly manner if needed.

The ICARA process is carried out annually or updated if there is a material change in the Firm's business model and therefore risk profile.

Remuneration Policy and Practices

The below disclosures are made in accordance with the requirements of MIFIDPRU 8.6. These disclosures provide information on APUKL's remuneration policies and governance, as well as quantitative information on the remuneration of those categories of staff whose professional activities are considered by the Firm to have a material impact on its risk profile ("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 Firm is categorised as a non-SNI MIFIDPRU investment firm.

Remuneration Policy

The Firm's remuneration policy (the "Remuneration Policy") sets out the remuneration policies and practices for all the Firm's staff. The Remuneration Policy is designed to ensure that the Firm's remuneration arrangements:

- (i) align risk and reward appropriately;
- (ii) do not create conflicts of interest;
- (iii) comply with regulatory requirements and reflect good governance practice;

- (iv) are in line with the Firm's business strategy, objectives, values and long-term interests; and
- (v) are gender neutral and respect the principle of equal pay for male and female Employees for equal work or work of equal value.

Governance

The Board of APUKL has overall responsibility for setting the remuneration policies and procedures for the Firm. Such policies which have been adopted by the Board are reviewed annually. Ralf Gruss is the Director, under the Senior Management regime, with responsibility for implementing the Firm's remuneration policy, which is operated on a day-to-day basis by the Firm's People Department with support from the Compliance Department.

The Firm does not have a Remuneration Committee.

The Firm 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 are:

- Members of the Board
- Those who have managerial responsibility for client-facing interactions
- Those who have managerial responsibility for the activities of a control function
- Those who have managerial responsibility for the prevention of money laundering and terrorist financing
- Those who are responsible for managing information technology, information security and outsourcing arrangements of critical functions.

For the performance year 2025, 5 individuals were identified as MRTs of the Firm.

Remuneration Structure

The Firm's remuneration arrangements are highly focussed on ensuring effective risk alignment between the Firm's staff, the Firm itself and the Apax funds. The Firm's primary source of revenue is sub-advisory fees paid by the Firm's parent entity. This is a stable and predictable revenue stream that does not fluctuate in the short term as a result of individual behaviours.

The Firm's continuing success relies on Apax's ability to raise future funds. This requires Apax to be able to demonstrate a strong investment track record over many years. The Firm's senior personnel are therefore focussed on incentivising behaviours that deliver strong investment returns over the medium-long term. This includes the appropriate identification and management of investment risks, commensurate with the sector of the market in which the Firm operates and the risk profile of the Apax funds

Fixed Remuneration

The Firm ensures that all staff receive remuneration that is, at a minimum, commensurate with maintaining a reasonable standard of living. The Firm also pays fixed pension contributions and provides other benefits such as private medical and dental insurance and income protection.

Variable Remuneration

Where staff receive variable remuneration, the aggregate amounts available for distribution usually reflect the performance of the Firm or the Apax funds over a multi-year framework. Performance-based remuneration (other than the AGA Share Awards) is based only on realised profits or realised investment returns, and not on unrealised amounts. All determinations of variable remuneration to be paid by the Firm (rather than through carried interest schemes) take

into account the Firm's regulatory capital and liquidity requirements, future working capital needs and any reasonably foreseeable liabilities or obligations. The amount of variable remuneration payable to particular individuals is usually determined by reference to individual performance.

Individual performance is assessed by reference to both financial and non-financial criteria, including whether an individual has adhered to the Firm's internal compliance policies and procedures and demonstrated behaviours consistent with the Firm's corporate values. The performance of individuals in control functions is assessed by reference to effective performance of those control functions.

For the Firm's senior personnel, the most significant element of variable remuneration is carried interest. The Firm's carried interest schemes are designed to ensure a high degree of alignment between the Firm's staff and the investors in the Apax Funds. Awards of carried interest are made based on an individual's performance over preceding multi-year periods. The returns from carried interest schemes are wholly variable and are determined by the underlying realised performance of the relevant fund or investments

The Firm's operating model and remuneration structures are inherently designed to avoid or mitigate conflicts of interest. As noted above, the Firm has a stable revenue stream that does not fluctuate in the short term as a result of individual behaviours and returns from carried interest schemes reflect whole fund performance over an extended period of time. Individuals are therefore not able to increase the variable remuneration they receive by engaging in short-term risky behaviours, or by acting in a manner that conflicts with the interests of the Firm or its clients.

The Firm has obtained legal advice in relation to the requirements in SYSC 19G (the MIFIDPRU Remuneration Code) but does not use external consultants in the development of its remuneration policies and practices.

Non-standard forms of variable remuneration

The Firm does not typically offer non-standard forms of variable remuneration. The Firm hires individuals into roles conferring MRT status only rarely. In exceptional circumstances, the Firm may offer guaranteed variable remuneration to MRTs joining the Firm in the form of a 'lost opportunity bonus', provided the Firm's capital position is sufficiently sound at that time. Any such bonus is subject to malus and clawback in accordance with the Firm's remuneration policy.

Risk Adjustment

The Firm's bonus arrangements are fully discretionary and in-year adjustments may be applied to bonuses that would otherwise have been paid to an MRT where the Board considers this to be appropriate in the circumstance.

The Firm does not typically defer bonus payments. Such payments are therefore subject to in-year adjustments and clawback, but not malus. Bonuses paid to MRTs are subject to clawback for a period of three years from the date on which payment is made. The Firm can only apply clawback where an MRT:

- participated in or was responsible for conduct which resulted in significant losses to the Firm; and/or
- failed to meet the appropriate standard of fitness and propriety.

The Firm will apply Malus and Clawback to carried interest awards up to the fourth anniversary of the date upon which the General Partner closed or, transferred or awarded the relevant Initial/Post-Initial Carry allocation in respect of the individual.

The Firm maintains policies and procedures governing its approach to risk adjustments and

severance payments, including how the Firm takes into account current and future risks when adjusting remuneration.

Quantitative disclosures

The tables below provide details of the quantitative remuneration information that APUKL is required to disclose for the year ended 31 March 2025.

	APUKL
Total number of MRTS identified under SYSC 19G.5	5

Remuneration for year ended 31 March 2025:

	Fixed remuneration (£thousand)	Variable remuneration (£thousand)	Total remuneration (£thousand)
Senior Management & Other MRTs ¹	287	191	478
Other staff	20,129	19,453	39,582
Total remuneration overall			40,060

Guaranteed variable remuneration and severance payments for senior management and other material risk takers:

	(£thousand)	Number of MRTs
Total amount of guaranteed variable remuneration awards made	0	0
Total amount of severance payments made	0	0
The amount of the highest severance payment awarded to an individual MRT	0	

¹ In accordance with MIFIDPRU 8.6.8(7), LLP has aggregated the information to be disclosed for senior management and other MRTs as splitting the information would lead to the disclosure of information about one or two people.