
MIFIDPRU Chapter (Pillar III) 8 disclosures

Record Currency Management Limited

March 2026



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Executive summary

This document is prepared to provide public disclosures, as required under Chapter 8 of the IFPR framework. These disclosures include risk management objectives, governance arrangements, own funds held vs. own funds requirement, and the remuneration policy and practices.

Record Currency Management Limited is a MIFIDPRU 75k licenced investment firm and a wholly owned subsidiary of Record plc, which is listed on the main market of the London Stock Exchange. Record plc take a groupwide approach to risk management, governance and remuneration and therefore this document makes reference to policies established at Record plc and adopted by its subsidiaries.

For any further questions, please contact BusinessRisk@recordfg.com.

Risk management objectives and processes

a) Business introduction

Founded in 1983, Record Financial Group, through its subsidiary Record Currency Management Limited, has predominantly operated as an independent, specialist currency and derivatives manager, with a focus on risk-reduction and return-seeking objectives. Our clients are largely institutions, including pension funds, charities, foundations, endowments, and family offices, as well as other fund managers and corporate clients.

The Group's main geographical markets are the UK, North America, Australia and Continental Europe, in particular Switzerland. The Group's Head Office is in London, UK.

Record plc, the holding company, has a premium listing on the Main Market of the London Stock Exchange.

b) Group Risk Framework

The Group Risk Framework exists to ensure that all identified and relevant risks are managed to within their respective risk appetites, which are defined and formally agreed by the respective Boards.

The Boards accept the need to embrace certain risks to execute the Group strategy. Each risk identified is outlined in the Risk Register, along with a corresponding risk appetite.

The majority of identified risks are managed to within their respective appetites; where a Risk is rated 'Outside Appetite', there are corresponding remedial actions and timelines.

The Group Risk Framework, adopted across the Group, seeks to identify, evaluate and manage risks through five elements:

1. Risk register, identification and assessment;
2. Systems and controls;
3. Approvals (including for new vendors and partnerships, new and amended products, new systems, new Group investments, etc.);
4. Incident evaluation;
5. Key risk indicators.

The Board has determined that the Group Risk Framework is fit for purpose on the basis that:

- it has identified, and actively monitors, a comprehensive range of risks to the business and potential harms to our clients and the market;
- the control environment is independently tested;
- the Framework facilitates regular and substantive Board-level discussions;
- the Board is confident there is a mechanism to remediate risks which fall outside of their respective appetites; and
- the process by which risks are evaluated is appropriate for the nature of the business.

c) Principal risks of the Record Currency Management ("RCML") entity as at 31st March 2026

The principal Risk Categories, which reflect potential harms to the business, our clients and the markets in which we operate, are outlined in the Risk Register and are:

Risk Category	Selected Risks within Category	Management responsible for Risks
Systems	<ul style="list-style-type: none"> • Internal and external systems • Data security and cyber • Business continuity 	<ul style="list-style-type: none"> • Paul Sheath – Head of Technology
Operational	<ul style="list-style-type: none"> • Trade configuration and execution • Settlement • Client and regulatory reporting • Internal reporting • Trade confirmation • Trade and cash reconciliation 	<ul style="list-style-type: none"> • Nathan Vurgest – Head of Trading • Matt Bushell – COO

Investment	<ul style="list-style-type: none"> • Product design and performance • Market and liquidity • Appropriate client and marketing research • Competitive threats • Concentration risks to revenue • Counterparty default • Distribution of third-party products • Servicing of clients 	<ul style="list-style-type: none"> • Andreas Daenzer – CIO
Financial & Fraud	<ul style="list-style-type: none"> • Fraud • Insurance • Treasury, liquidity and capital adequacy • Exogenous risk • Financial error • Client credit • Running costs • 	<ul style="list-style-type: none"> • Othman Boukrami - CEO
Legal & Regulatory	<ul style="list-style-type: none"> • Client onboarding • Contractual • Regulatory trends 	<ul style="list-style-type: none"> • Shaesta Wahedally – Head of Client Onboarding • Grady Laurie – Head of Compliance and Risk
Governance	<ul style="list-style-type: none"> • Business Risk Framework • Regulatory applicability • Compliance oversight and activity • Third line of defence 	<ul style="list-style-type: none"> • Grady Laurie – Head of Compliance and Risk
People	<ul style="list-style-type: none"> • Key person and succession • Talent acquisition and retention • Staff wellbeing • Staff performance • Key person • Culture 	<ul style="list-style-type: none"> • Kevin Ayles – HR

In turn, secondary risks, which can result from any of the above primary risks, are identified as: reputational, client loss, legal or regulatory sanction, and cost.

d) Lines of defence

Everyone in the business is responsible for risk, with the Framework underpinned by three lines of defence:

-First line: senior managers and business operations are responsible for operating a risk and control environment that adheres to quality standards and regulatory requirements;

-Second line: oversight functions such as Compliance and Risk;

-Third line: independent, external assurance on the adequacy and effectiveness of the Group's risk management, control and governance processes.

Governance arrangements

The plc Board has ultimate responsibility for risk and the oversight of the risk management process across the Group. Recognising that risk is inherent in all of the Group's business dealings and in the markets and instruments in which the Group operates, it places a high priority on ensuring an integrated approach and a strong risk management culture, with accountability at all levels. Effective risk management and strong internal controls are integral to the business model and are reflected in the risk management framework adopted within the business.

As part of its responsibility for the oversight of the risk management process, the Board determines its appetite for all significant risk categories identified across the business.

This defines the level of risk each business unit is willing to take to support its strategic and business objectives, and encourages an appropriate balance between risk and benefit in a controlled and regulatory compliant context, taking into account the interests of clients, the market, our people and shareholders as well as any capital or other regulatory requirements.

The plc Board delegates oversight of the risk management framework to the Head of Business Risk, and has delegated authority to the Audit Committee to provide oversight and independent challenge in relation to internal controls, , and external financial reporting; the plc Board itself formally discusses risk across the business during its scheduled meetings. The Board of Record Currency Management Limited, being the UK regulated entity and main trading subsidiary within the Group, is the delegated decision-making body for the day-to-day operation of that business and includes certain of the executive Board members of Record plc and other senior personnel within the business.

Executive Risk committee

The Executive Risk Committee oversees the implementation of the Group Risk Framework across the Group and is responsible for identification and review of risks and incidents and mitigating controls, Risk forms a standing agenda item for each of the entity Board discussions, with the Head of Risk presenting a risk report to each meeting (which occurs bi-weekly).

Diversity and inclusion

The Record plc Board inclusion and diversity policy sets out the Board's stance on diversity and inclusion at the management level as well as across the workforce. The overriding objective is to ensure that inclusion and diversity is cultivated through a clear tone from the top, with the directors of Record plc and senior management championing both.

Relevant external directorships as at 31st March 2026

Record Currency Management Limited Director	Relevant external directorships
Shaesta Wahedally	0
Kevin Ayles	0
Tom Arnold	0
Jan Witte	0
Andreas Daenzer	0
Othman Boukrami	1

Own funds held as at 31st March 2025

The following tables summarise the composition of regulatory capital for Record Currency Management Limited based on the audited financial statements as at 31 March 2025. Capital comprises share capital, share premium, profit and loss and other reserves – the Group does not hold additional Tier 1 or Tier 2 capital. Further information on Record's capital management and financial resources is included in Record's [2025-Annual-Report-Record-plc-1.pdf](#).

Element		Amount (GBP thousands)
1	OWN FUNDS	23,222
2	TIER 1 CAPITAL	23,222
3	COMMON EQUITY TIER 1 CAPITAL	23,222
4	Fully paid up capital instruments	10
5	Share premium	-
6	Retained earnings	23,212
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	Amount (GBP thousands)
ASSETS	
Non-current assets	-
Current assets	56,277
Total Assets	56,277
LIABILITIES	
Current liabilities	33,055
Non-current liabilities	-
Total Liabilities	33,055
TOTAL NET ASSETS	23,222
SHAREHOLDERS EQUITY	
Issued share capital	10
Retained earnings	23,212
TOTAL SHAREHOLDERS EQUITY	23,222

Own funds requirement as at 31st June 2025

RCML's own funds threshold requirement, as at 30-Jun 2025, is approximately £6.7m. Key contributors to this figure are summarised as follows:

Reporting requirement	Amount (GBP thousands)
Sum of K-AUM, K-CMH and K-ASA	452
Sum of K-COH and K-DTF	508
Sum of K-NPR, K-CMG, K-TCD, K-CON	-
Fixed overheads requirement	5,708

We assess the adequacy of our own funds by considering 1) potential harms to our business, our clients and the markets in which we operate, over and above those defined by k-factors, and 2) own funds required which would be required to facilitate an orderly wind-down. Potential harms combine risks for which we consider additional risk capital to be appropriate – cyber-attack, operational error, staff departures, product viability and economic recession – and model these assuming these happen in tandem with each other, taking into account correlation, using a Monte Carlo approach.

Remuneration policy and practices

The following section should be read in conjunction with the Remuneration Report of the [2025 Annual Report](#).

a) Remuneration Committee

The role of the Remuneration Committee is to review and approve the remuneration strategies of the Group, encompassing the Chairman, the Executive Directors and the staff as a whole. The Remuneration Committee also reviews and advises on the remuneration policy, ensuring that it complies with regulatory requirements, promotes good conduct consistent with sound and effective risk management, and is properly disclosed to stakeholders.

Remuneration principles and policy – overview

Record's approach to remuneration is driven by long-term thinking to promote the sustainable growth of the Group. Identifying, developing and appropriately compensating our high performers, at all levels of the business, is critical to long-term business success and is aligned to both clients' and shareholders' interests.

Our key remuneration principles are:

- our Executive Directors and employees should be rewarded and incentivised to deliver our long-term growth strategy;
- a consistent remuneration structure for all employees, not just Directors, which is transparent and straightforward and fairly rewards our team to deliver our plans; Remuneration should comprise: (i) fixed salary, pension and benefits; (ii) variable remuneration based on individual and Company performance, and (iii) longer-term incentives based primarily on Company performance; and

Executive Directors' remuneration should include a deferral element for up to three years, which is satisfied by payment in shares so as to align the interests of our Executive Directors with those of our shareholders. Record's remuneration policy is designed to align the interests of our employees and executives with those of our key stakeholders, including our clients, shareholders and regulators.

The different remuneration elements are described in further detail under the Remuneration Policy section below.

The vast majority of our colleagues are shareholders and have a personal and vested interest in the long-term success of Record through equity ownership. It remains our policy to discuss any substantive proposed changes to the Group's remuneration structures with key external shareholders in advance of any implementation.

b) Remuneration and Risk Management

The Group has a prudent approach to risk management and meets the required standards under the MIFIDPRU Remuneration Code. Record is a non-SNI firm, which means that the basic and standard remuneration requirements apply. In accordance with the Code the Group has a remuneration policy statement and has defined its Material Risk Takers (MRT's). The remuneration policy promotes effective risk management and incentivises sustained long-term value creation consistent with the Group's strategic goals and does not encourage excessive short-term risk taking. All staff defined as MRT's are required to take a significant proportion of variable remuneration in share-based payments that are required to be held for up to three years. Furthermore, the links between conduct risk, conflicts of interest and remuneration are reflected in the Group's Conduct Risk framework.

c) Differences in remuneration policy for Executive Directors compared to other employees

There are common remuneration structures for Executive Directors and employees, those being base salary, benefits, pension, Group Bonus Scheme, and long term incentives.

The Company's Commission Scheme rewards and incentivises staff to grow the business. Executive Directors do not participate in the Scheme; however, all other staff are eligible to participate. Any participant is required to meet their individual performance objectives to be eligible for a payment. There is a robust process in place to ensure that the Commission Scheme does not create a conflict of interest in relation to clients. All payments will be reviewed by the Remuneration Committee after input from the Head of Compliance

d) Remuneration Policy as at 31 March 2025

The MIFIDPRU Remuneration Code requires disclosure of remuneration policy and practices for those categories of staff whose professional activities have a material impact on a firm's risk profile in a manner that is appropriate to the size, internal organisation and the nature, scope and complexity of its activities. Record deems such personnel to be the MRT's within the business. The main elements of the remuneration policy for MRT's are given below.

e) Fixed pay

Base Salary/Fees

All MRT's receive either a salary (for employees) or fees (for non-Executive Directors), which are commensurate with the incumbent's role, responsibilities and experience and with reference to competitive market rates in the industry.

Benefits and Pensions

All MRT's are entitled to receive a range of benefits, which are provided in line with all employees across the Group. Similarly, all salaried MRT's are entitled to join the Group Personal Pension scheme, with the choice of receiving their employer pension contributions as cash if they elect not to make contributions into the scheme. Non-salaried non-Executive Directors do not receive any additional benefits and are not entitled to join the pension scheme.

f) Variable pay

Short-term incentives

Executive Directors bonus payments will be based on the achievement of Group financial operating profit targets (75%) and delivery of strategic objectives (25%).

Bonuses awarded to individuals identified as Material Risk Takers ("MRTs") are subject to Remuneration Committee review. The size of the bonus pool is calculated based on the Company financial performance against the target for the year and individual performance against objectives. Each member of staff will have an on-target bonus, based on Company and individual performance targets being met, expressed as a percentage of salary, and a maximum bonus, based on Company and individual performance targets being exceeded.

Bonus payments are made in cash and shares. Senior managers and MRTs are required to take a proportion (initially one-third) in shares, subject to a three-year lock-up period. These shares are released from lock-up in three equal tranches on the first, second and third anniversary of the payment date. Additionally, senior managers and MRTs are offered the opportunity to elect for up to a further one-third of their bonus to be paid in shares, which has no lock-up. The remaining one-third is paid in cash

The Record Share Scheme

The Share Scheme has been designed to award share options to high potential senior managers and staff. Executive Directors do not participate in the scheme. HMRC tax-qualified options (“Approved Options”) as well as non-tax-qualified options (“Unapproved Options”) can be granted. In total, the value of options granted under the Share Scheme is limited to 2% per annum of the market capitalisation of Record plc (being approximately 4 million shares). Each participant may be granted Approved Options over shares with a total market value of up to £60,000 on the date of grant. There is no such limit on the value of Unapproved Options, which may be granted with any exercise price (including nil). Approved options become exercisable on the fourth anniversary of grant, subject to the participant’s continued employment with the Group and, should they have been set, any other performance conditions being met. One-quarter of any Unapproved Options becomes exercisable each year for four years, subject to the participant’s continued employment and, should they have been set, any other performance conditions being met. The Remuneration Committee retains the power to grant options under the Share Scheme, although it can and has delegated to management the task of identifying suitable recipients of options and the number of shares subject to options for those employees below Executive Director level.

The Record Joint Share Ownership Plan (“JSOP”)

The JSOP is designed for key staff to accelerate their acquisition of shares in the Company to further align their interests with those of shareholders. The JSOP requires a financial commitment from individual participants, thereby further aligning the individual’s contribution and retention with business performance. Executive Directors do not participate in the JSOP. Purchased shares are jointly held by the EBT and the employee under the JSOP. The vesting hurdle is set at market value of the shares subject to the JSOP on grant and the participant’s own value above the hurdle. JSOP awards vest over a four-year period, one-quarter each year, and any share appreciation is settled in shares which are then subject to a two-year holding period

Long Term Incentive Plan (“LTIP”)

Awards under the LTIP may be granted as nil or nominal cost options, market value options or conditional share awards. The maximum opportunity for Executive Directors is an award of up to 300% of base salary. Any awards will be delivered in Company shares. Awards vest at the end of a three-year performance period, after which any shares must be held for a two-year post-vesting holding period. Malus and clawback provisions apply to all awards. Further details are set out below. The Committee has discretion in the treatment of leavers as set out below and in respect of the assessment of performance and vesting levels (including to amend performance conditions and measures).

g) Quantitative information on remuneration of MRT’s - Year as at 31st March 2025

For the year ended 31 March 2025, the business considers that it operated in one business area, that of the provision of currency and derivatives management services. Aggregate remuneration paid to MRT’s in the year was £8.6m (comprising salary and/or fees, plus pre-deferral bonus, and employer pension contributions¹), which was paid to 21 MRT’s, broken down as follows:

Fixed remuneration	Variable remuneration (cash)	Variable remuneration (shares)	Total
£3.5m	£2.3m	£0.8m	£6.6m

Investment policy

Not applicable



Listen
Understand
Deliver

recordfg.com