MIFIDPRU 8 Disclosures

(Based on audited financial statements for the year ending January 2023

Scope and purpose

This disclosure relates to MAIA Asset Management Ltd, which is classified as a small and non-interconnected (SNI) MIFIDPRU Investment Firm and is therefore required under MIFIDPRU 8.6 to disclose information relating to remuneration policies and practices.

In accordance with the rules, the disclosures herein are appropriate to the size, internal organisation, nature, scope, and complexity of the Firm's activities.

Approach to remuneration

Base salaries provide pre-determined, non-revocable compensation paid to individuals throughout the year, irrespective of Firm or individual performance. Base salaries and benefits constitute the significant proportion of the Firm's total remuneration. This fixed element is based on the professional experience and responsibility within the Firm of an individual.

The Firm runs a discretionary bonus scheme that is based on individual performance as well as the Firm's underlying profitability. The bonus does not form part of individual's contractual remuneration. The size of the bonus pool is linked to the overall performance of the Firm. The employee incentive payment is linked to the contribution of the individual to such performance. Bonuses are discretionary and will diminish or disappear in the event of poor business or individual performance.

When considering individual performance, the Firm considers both financial and non-financial metrics. To not incentivise unacceptable risk taking, fixed remuneration comprises most staff compensation.

Objective of financial incentives

The objective of providing financial incentives is to promote behaviour that is aligned to the Firm's long-term interests, strategic objectives, and ethical standards. Financial incentives are used to reward individual performance, as well as performance in excess of the staff member's job description and terms of employment.

Governance and decision-making procedures

The Firm is required to implement and maintain remuneration policies, procedures and practices for all directors and employees that are consistent with and promote sound effective risk management.

The policy is intended to cover all aspects of remuneration and has been created in accordance with the MIFIDPRU Remuneration Code (SYSC 19G).

The remuneration practices and policies are intended to:

- promote sound risk management practices in alignment with the Firm's risk management principles;

- discourage risk taking that is inconsistent with the Firm's risk appetite or risk management policies and principles;
- control fixed costs by ensuring that remuneration expense varies according to profitability and does not place undue constraints on the Firm's ability to maintain its capital base;
- link remuneration to the Firm's financial and operational performance as well as individual performance;
- provide competitive, but not excessive, levels of remuneration compared to peer Firms of appropriate size, scope, and complexity; and
- promote a positive culture towards risk management and compliance.

The remuneration practices and policies are intended to support the Firm's business strategy, long term interests and values, and to ensure that risk taking does not exceed the Firm's tolerated level of risk.

Periodic benchmarking ensures that remuneration at individual level is not unreasonable or disproportionate to the amount, nature, quality, and scope of the work performed.

The remuneration policy outlines the criteria used to assess the performance of the Firm and of individual staff members. The Firm's performance is assessed against its overall financial performance, as well as other measures such as new business gained, client satisfaction and employee retention rates.

In assessing the performance of individual staff members, the Firm takes into account financial and non-financial criteria. Non-financial criteria includes:

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

Remuneration components

All components of remuneration are categorised as either fixed or variable.	
Fixed	**Variable**
Salary	Discretionary bonus

Quantitative disclosures

Remuneration awarded to all staff *"staff" has been interpreted broadly in line with SYSC 19G.1.24G*	
Fixed remuneration	£523,695
Variable remuneration	£160,901

Total remuneration	£684,596

Risk Management

The Firm's Risk Management Framework is designed to enable the Board to draw assurance that risks are being appropriately identified and managed in line with its risk appetite. The SMF16 champions and coordinates the Firm's Risk Framework.

The Firm has implemented a 'three lines of defence' model to identify, manage and mitigate actual or potential harms.

Defence 1: Business line management is responsible for identifying and mitigating the harms arising within their areas of functional activity.

Defence 2: Functions such as Regulatory Compliance, Anti-Money Laundering and Anti-Financial Crime Compliance, Operations and Finance provide technical guidance to business line managers and the Board of Directors. The Risk Function acts as a second level assurance which undertakes assurance testing of local controls, policies and procedures and provides reports to management and indicates actions necessary to mitigate risks of harm. The Risk Function also provides advice to the Board of Directors as necessary, including advice and guidance in relation to changes in regulatory requirements or practice.

Defence 3: The Firm's external Compliance Consultants provide independent assurance to both the Board and Risk Function by undertaking regular compliance audits, providing compliance advice and reviewing policies and procedures.

The core elements of the Firm's risk framework are set out below:

Risk Appetite and Mandates

The Firm set out its parameters of its risk appetite to its business line managers through 'Risk and Capital Mandates', empowering managers to make decisions that are consistent with the Firm's appetite for risk.

The Firm's mandates articulate the activities that are permitted; the product and proposition types and features that may be written; the asset classes that may be held; the target capital positions and ranges of earnings volatility within which the overall profile of risks should be managed and tolerances for specific risk exposures. Activities that would result in a business line operating outside agreed parameters require formal approval from the Risk Function.

Risk Policies

The Firm sets formal policies for the management of credit, liquidity, business, operational and concentration risks. The policies specify the Firm's overall strategies for ensuring each risk type is managed in line with the Firm's risk appetite and the minimum control standards that should be applied in managing the Firm's significant risk exposures.

The Firm deploys a range of risk management techniques to manage and mitigate risks and to control risk exposures in line with its risk limits. For example, the framework of controls includes documented due diligence policies and structured delegated pricing and approval authorities.

Risk Identification and Assessment

The Firm operates a risk identification and assessment process under which all its business lines regularly consider changes in the profile of existing and emerging risks. The assessment process evaluates the risks that are inherent in the product offering as well as those that are presented from changes in the environments that the Firm operates in.

The Firm's risk identification and assessment process forms part of its broader Internal Capital Adequacy Risk Assessment which is an ongoing assessment of the harms to clients and markets and an evaluation of the sufficiency of resources to sustain the business strategy over the horizon of the strategic plan.

Risk Management Information

The Firm's risk management information framework is structured to report and support the review of ongoing and emerging risks and assess actual risk positions relative to the risk limits and targets that are set.

Risk Oversight

The Firm's Board along with the Risk Function ensures the effective operation of the Firm's risk and capital framework. This includes ongoing assessment of the Firm's capital requirements to confirm that they meet regulatory capital adequacy requirements.

The Risk Function also provides objective challenge and guidance on a range of risk matters to business line managers, including the risks implicit in product developments, business transactions and new asset classes, and strategies for managing risks in line with the Firm's overall risk appetite.

Capital Adequacy

The Firm is required to maintain sufficient capital resources at all times. Own funds describe the available capital resources of the Firm while own funds requirement describes the capital funds required as a result of the business activities of the Firm.

Own funds

Composition of regulatory own funds			
	Item	**Amount (GBP thousands)**	**Source based on reference numbers/letters of the balance sheet in the audited financial statements**
1	**OWN FUNDS**	1,027	note 10

2	**TIER 1 CAPITAL**	1,027	note 10
3	**COMMON EQUITY TIER 1 CAPITAL**	1,027	note 10
4	Fully paid up capital instruments	100	note 10
5	Share premium	320	note 10
6	Retained earnings	607	note 10
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**	0	note 10
21	Fully paid up, directly issued capital instruments	0	note 10
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				
Flexible template - rows to be reported in line with the balance sheet included in the audited financial statements of the investment firm. Columns should be kept fixed, unless the investment firm has the same accounting and regulatory scope of consolidation, in which case the volumes should be entered in column (a) only. Figures should be given in GBP thousands unless noted otherwise.				
		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	As at period end	
Assets - *Breakdown by asset classes according to the balance sheet in the audited financial statements*				
1	TANGIBLE FIXED	407		
2	DEBTORS	329		
3	CASH	950		
4				
5				
xxx	**Total Assets**	1,686		
Liabilities - *Breakdown by liability classes according to the balance sheet in the audited financial statements*				
1	TAXES	99		
2	ACCRUALS	4		
3	HIRE PURCHASE	409		
4	LOAN	52		
5	OTHER CREDITORS (SSAS LOAN)	95		
xxx	**Total Liabilities**	659		
Shareholders' Equity				
1	SHARE CAPITAL	100		4
2	SHARE PREMIUM	320		5
3	RETAINED PROFITS	607		6
xxx	**Total Shareholders' equity**	1,027		1

Own funds: main features of own instruments issued by the firm
Free text. A non-exhaustive list of example features is included below.

25,000 ORDINARY A SHARES 55,000 ORDINARY B SHARES 20,000 ORDINARY C SHARES 100 PREFERENCE A SHARES 100 PREFERENCE B SHARES 100 PREFERENCE C SHARES

Examples	
Instrument type	Common Equity Tier 1 and additional Equity Tier 1
Amount recognised in regulatory capital (GBP thousands, as of most recent reporting date)	100,300
Nominal amount of instrument	100,300
Issue price	100%
Redemption price	N/A
Accounting classification	Shareholders Equity
Perpetual or dated	Perpetual
Maturity date	N/A
Issuer call subject to prior supervisory approval	No
Optional call date, contingent call dates and redemption amount	N/A
Subsequent call dates, if applicable	N/A
Coupons/dividends	
Fixed or floating dividend/coupon	variable
Coupon rate and any related index	N/A
Existence of a dividend stopper	No
Convertible or non-convertible	Non-convertible
Write-down features	No

Own funds requirements

Item	£ '000s
sum of the K-AUM, K-CMH and K-ASA requirements	125
sum of the K-COH	0
the firm's fixed overheads requirement	216

The Firm assesses the adequacy of its own funds in accordance with the prescribed permanent minimum capital and fixed overheads requirements. In addition, the Firm undertakes an assessment of own funds requirements through its internal processes to identify additional own funds requirements of the Firm as a result of both the material risks associated with ongoing business operations and those required to facilitate an orderly wind-down of the business. Own funds requirement is formally reviewed, challenged and approved by the Board. The Firm has assessed its additional own funds requirements using the Internal Capital Adequacy and Risk Assessment process (ICARA). The Firm has at all times met the own fund requirements.