

FNZ Securities Limited

MIFIDPRU 8 Disclosure

For the Year Ended 31 December 2022

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Glossary

Term	Definition
3LM	Three lines of defence model
ASA	Assets Safeguarded and Administered
AUM	Assets Under Management
BLAR	Basic Liquid Asset Requirement
CET1	Common Equity Tier 1
CMG	Clearing Margin Given
CMH	Client Money Held
COH	Client Orders Handled
CON	Concentration
CRR	Capital Requirements Regime
DDoS	Distributed denial-of-service
DTF	Daily Trading Flow
EWI	Early Warning Indicator
ExCo	Executive Committee
FCA	Financial Conduct Authority
FNZ Group/ FNZ	FNZ Group Entities Limited, FNZ Group Limited and their subsidiaries
FNZ SL	FNZ Securities Limited
FOR	Fixed Overheads Requirement
FRRMF	Financial Resources and Risk Management Framework
FRRMS	Financial Resources and Risk Management Strategy
FSMA	Financial Services and Markets Act 2000
ICARA	Internal Capital Adequacy and Risk Assessment
IFPR	Investment Firms Prudential Regime
KFR	K-Factor Requirement
KPI	Key performance Indicator
KRM	Key Risk Metrics
LATR	Liquid Assets Threshold Requirement
MEP	Management Equity Schemes
MIFIDPRU	The prudential sourcebook for MiFID investment firms
MRT	Material Risk Taker
Non-SNI	Non-Small & Interconnected
NPR	Net Position Risk
OFAR	Overall Financial Adequacy Rule
OFTR	Own Funds Threshold Requirement
PMR	Permanent Minimum Requirement
RAS	Risk Appetite Statements
RMF	Risk Management Framework
RTS	Regulatory technical standard
SLA	Service Level Agreements
SDLC	Software Development Life Cycle
TCA	Total Capital Adequacy
TCD	Trading Counterparty Default
TLA	Total Liquid Adequacy

1. Purpose and Background

FNZ Securities Limited ('FNZ SL' or 'the Firm') is regulated by the Financial Conduct Authority ('FCA') as a FCA investment firm and is subject to the financial resource adequacy requirements set by the FCA Prudential Sourcebook for MiFID Investment Firms ('MIFIDPRU') as a MIFIDPRU £750k Non-Small & Interconnected ('Non-SNI') Firm. MIFIDPRU establishes the framework for regulatory financial resource management and includes components that require FCA investment firms, including FNZ SL, to assess the adequacy of their financial resources.

Under MIFIDPRU 8 (Disclosure), FCA investment firms are required to disclose specific information concerning their risk management policies and procedures, including their regulatory financial resource adequacy position. MIFIDPRU came into force on 1st January 2022 and it requires firms to publish information in relation to the following:

- Governance arrangements;
- Own funds;
- Own funds requirements;
- Risk management objectives and policies;
- Remuneration (as required under MIFIDPRU and SYSC19G), and if relevant
- Investment policy as per MIFIDPRU 8.7.

These disclosures have been prepared on an individual basis for FNZ SL and cover the financial position for the year starting on 1st of April 2022 and ending 31st of December 2022. The disclosures were approved by the FNZ SL Board on 21 April 2023. The audited annual accounts and financial statements were approved on the same date.

These disclosures have not been audited by the Firm's external auditors except where the information is equivalent to that included in the 31 December 2022 audited annual accounts and financial statements. These disclosures have been reviewed by the relevant areas of the Firm.

The disclosures in this document are required to be published at least annually and if appropriate, more frequently. This document is available for download on FNZ's corporate website: <http://www.fnz.com/regulatory-disclosures>.

2. Overview of FNZ Securities Ltd

FNZ SL was incorporated as Rexigon Securities Ltd in March 2015. With the acquisition of Rexigon Securities Limited in May 2021 by the FNZ Group, the firm was renamed FNZ Securities Limited in October 2021.

FNZ SL is a wholly owned subsidiary of FNZ Group Entities Ltd (a New Zealand registered Company). The ultimate controlling party is FNZ Group Limited (a New Zealand registered Company)) and the Company is a member of the FNZ Group.

The principal activities of FNZ SL are the provision of safe custody, execution services (on an agency basis), technology, infrastructure and asset servicing through platforms that enable investment firms ('client firms') to create personalized wealth management solutions that are seamlessly aligned with the needs of their customers ('retail end-investor'). FNZ SL focuses on developing long-term partnerships

with client firms, enabling them to provide their retail end-investor with tailored, highly scalable, integrated, and personalised investment solutions.

FNZ SL’s principal activities have direct financial risks for FNZ SL which require financial resources to be held as a mitigant to any potential harms arising from FNZ SL business model and activities.

In summary, FNZ SL provides a combination of the following core activities:

- **A custody service** – FNZ SL arranges, and is accountable for, the safeguarding of assets as a custodian for the retail end-investor.
- **An execution service (on an agency basis)** – FNZ SL operates a multi asset dealing desk and executes exchange traded instruments across global Recognised Investment Exchanges.

FNZ SL also provides the following ancillary service to support its core activities:

- **Software and platform services** – utilising FNZ Group’s technology service software delivery capabilities to delivery platform solutions to investment firms.
- **ISA manager services** (authorised by HMRC - Z1960) and can offer the following ISAs to retail clients: cash, stocks and shares and junior ISAs.

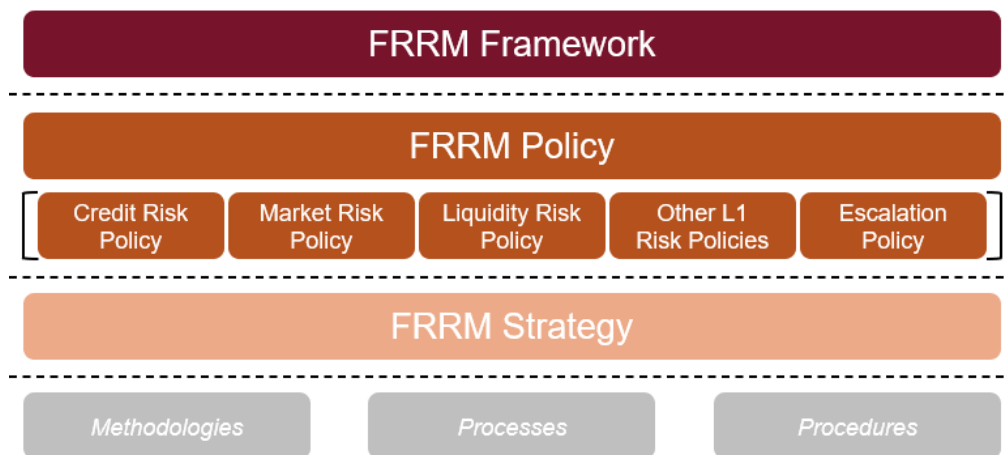
FNZ SL is authorised by the FCA under Part 4A of the Financial Services and Markets Act 2000 (‘FSMA’) as an authorised investment firm with FCA firm reference number 733400.

3. Risk Management Objectives and Policies

Financial Resources Risk Management Framework

The below hierarchy is designed to reflect the responsibilities of the first and second lines of defence with regards to financial resources risk management in FNZ SL.

Figure 1 - Financial Resources Risk Artefact Structure



The Financial Resources Risk Management Framework (‘FRRMF’) is owned by the Risk function and details the overarching framework used to ensure that the Firm has adequate financial resources. The FRRMF supplements the wider FNZ Group RMF which details how FNZ identifies, assessments, controls, monitors and reports its risks as well as setting the risk appetite.

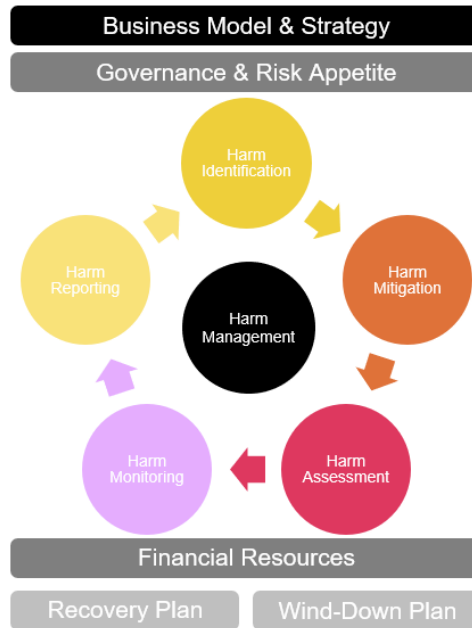
The FRRM Policy and associated policies are owned by the Finance function and codify the FRRMF into minimum standards, roles & responsibilities, attestation requirements, etc. as per the FNZ Policy Framework.

The FRRM Strategy ('FRRMS') set by Finance and approved by the Board details the current approaches taken by the Firm to meet the requirements of the policies in more detail. This includes details on the current risk appetites, key risk metrics ('KRM's'), relevant controls, monitoring, reporting, etc.

It is expected that the FRRMF and FRRM Policy will not change frequently except in response to material changes in the business and/or operating model of the Firm or its operating environment. However, as the business continues to grow, the scale and scope of the harms will most likely change. Therefore, the elements of the FRRMS will be reviewed, updated and challenged on a continuous basis to ensure they remain appropriate for the current and forecasted scale and scope of FNZ SL's business.

To summarise, the FRRMF follows the below approach:

Figure 2 - Financial Resources Risk Management Framework



Business Strategy and Risk Management

The Board is ultimately responsible for the Firm's strategy and setting its risk appetite. The below statements are derived from FNZ SL's risk appetite ('RAS') which are reviewed and approved by Board.

“FNZ SL’s tolerance for strategic risk is driven by its agreed strategy. FNZ SL recognises that in pursuing its strategy and generating profits, the Firm will be exposed to business risk. Failure by the Firm to manage business risk, including delivery of its agreed strategy and firm-wide change management activities, risks that arise within the Group, in a controlled and effective manner will impact on its ability to generate adequate returns for the wider FNZ Group, increase its P&L and market share.”

“FNZ SL’s tolerance for consumer harm risk is driven by its agreed strategy. FNZ SL is exposed to consumer harms risk where client firms and end-consumers are not put at the heart of decision making, or where governance structures are not effective in providing oversight of decision making within the Firm, resulting in FNZ SL providing inadequate services to client firms and their end-consumers.”

Controlling Material Risks

Following the high-level process details in the FRRMF (Figure 2), FNZ SL has identified the below as risks which could lead to material harm. Therefore, FNZ SL has reviewed and detailed the key controls for these risks below. It should also be noted that FNZ SL holds financial resources to address the residual harms which could occur should these risks crystallise.

Table 1 – Key risks

Risk Category	Risk	Controls
Asset Servicing & Administration Services Risk	Error in data reported to clients	<ul style="list-style-type: none"> • Service level agreements ('SLA') and key performance indicators (KPI) and FNZ SL's Third-Party Risk Committee and Joint Risk Committee with third-party administrator. • Management information reporting. • Compliance monitoring. • Internal audit review and sign-off of key controls. • Change release board sign-off.
Asset Servicing & Administration Services Risk	Failure in Corporate Action processing services	<ul style="list-style-type: none"> • Corporate action event level check. • Daily corporate action notifications. • Corporate actions Log.
Implementation, Migration, and Enhancements Risk	Failure to place orders on the market caused by erroneous code introduced	<ul style="list-style-type: none"> • Daily adherence to software development life cycle (SDLC) process. • Oversight of code review during the change management process. • Project testing. • 'Dress rehearsals' and 'dry runs' to validate data migration. • Client approval to release into production. • FNZ change release board approval. • Oversight of production support function.
Business Disruption Risk (External)	Failure to process orders caused by external systems issue	<ul style="list-style-type: none"> • Network redundancies. • Use of fibre Internet. • Network security against distributed denial-of-service (DDoS) attacks. • SLA with the underlying service provider. • Frequent examination for both external and internal weaknesses.
Asset Servicing & Administration Services Risk	Systemic transaction reporting errors	<ul style="list-style-type: none"> • Review transactional reporting output file on a daily basis. • Communication with relevant client to support rectifying outliers.
Credit Risk	Key counterparty fails to meet its obligations due to failure, or deterioration in its financial condition	<ul style="list-style-type: none"> • Client credit risk assessment. • New Business Committee. • Aged receivables/outstanding balances review.

4. Governance Arrangements

Governance Overview

The FNZ SL Board has ultimate responsibility for the management of the Firm. It is responsible for establishing and monitoring the effectiveness of the Firm’s corporate governance framework. The Board is also responsible for determining the Firm’s strategic direction and risk appetite.

In order to meet its responsibilities, the Board has delegated the day-to-day running of the Firm to the CEO. The CEO has, in turn, delegated certain responsibilities to senior management within the organisation. The CEO has established the Executive Committee (‘ExCo’) which has the objective of assisting the CEO with the task of providing continuous oversight of the key business areas in the context of approved budgets, business plans and risk appetite.

FNZ SL Board Overview

The directors (executive and non-executive) on the FNZ SL Board and the number of directorships¹ held by each member, including external directorships, is summarised in the table below. A detailed breakdown is provided in Appendix 1.

Table 2 – Summary of directorships held by each member of FNZ SL Board

Name	Position	Directorships held	
		Executive	Non-Executive
John Tomlins	Chairman of the Board	2	1
Edward James	Chief Executive Officer	2	1
Bruno Almeida	Chief Financial Officer	1	N/A
Chris Bell	Non-Executive Director	1	1
John Blackman	Non-Executive Director	1	2
Catherine Brown	Non-Executive Director	N/A	4
Katrina Sartorius	Executive	2	1

Diversity Policy for the Board

The Diversity and Equality policy for the Board is a group wide policy that is applicable to FNZ SL. FNZ SL values the different perspectives and experiences of its employees and is committed to operating a diverse workforce, in which everyone is treated fairly.

The law protects individuals from discrimination and harassment in the workplace and this policy allows FNZ SL to protect employees, promote diversity and respond to changing demographics and working patterns. The intention is that no employees will receive unfair treatment in the workplace on the grounds of:

- Age, marital status, gender, religion, ethnic origin, ethical beliefs, colour, race, employment status, disability (including illness), sexual orientation, political opinion, family status and involvement or non-involvement in the activities of a union (this is not an exhaustive list).

Our principles are:

- Our leaders understand how diversity and inclusion supports the business and are committed to driving this forward.

¹ Directorships at companies belonging to the same Group are counted as one whilst Directorships for charities are not in scope.

- We search for, recruit, and retain top talent from the widest possible sources, reflecting the diversity of the available pool of talent.
- All employees are aware that bullying, discrimination and harassment will not be tolerated on any level, and we are committed to dealing with any instances under our Bullying and Harassment Policy.
- All employees will have the same level of access to training and development regardless if they are part-time or full-time.
- We comply with all legislation to ensure we protect the company and our employees.

The commitments to drive diversity and inclusion forward in the workplace are:

- Deliver training to ensure all employees understand the policy and their responsibilities.
- Monitor equal pay for all genders and job role benchmarking/job design, making improvements where needed.
- Make it possible for employees to achieve a balance between personal and work commitments through flexible working.
- Develop new products and services to help meet the needs of all our customers.
- Track performance in recruitment and make improvements where needed.
- Monitor and review the Diversity and Inclusion policy regularly.
- Utilise fresh perspectives and nurture creativity and innovation.
- Benchmark progress against other organisations to adopt and adapt ideas where appropriate.

Risk Governance

FNZ SL operates the three lines of defence model (‘3LM’), in which risk management, risk oversight, and independent assurance are distinct, separate activities. The 3LM structure provides an effective way to enhance clarity regarding risks and control processes helping to deliver a strong risk management culture. The responsibilities of each line in the 3LM are set out below:

Table 3 - The responsibilities of each line in the 3LM

The first line: Accountability and Reporting	The second line: Partnership and Oversight	The third line: Assurance
<p>Provision of services to clients</p> <p>The business functions own risks and have the primary responsibility for managing risks on a day-to-day basis and operating an effective suite of internal controls. They also are responsible for implementing corrective actions to address process and control deficiencies.</p> <p>The first line identifies, assesses, controls, and mitigates risks, guiding the development and implementation of internal policies and procedures and ensuring that activities are consistent with goals and objectives.</p>	<p>Risk and Compliance</p> <p>Independent to the first line and provides guidance, oversight, and challenge to the business in relation to risk management.</p> <p>It is responsible for setting risk management framework policies, facilitating and monitoring the implementation of effective risk management practices by senior management.</p> <p>The second line provides expertise and independent challenge to risk owners.</p>	<p>Internal Audit function</p> <p>Provides the Board and senior management with comprehensive independent assurance and advice on the effectiveness of governance, risk management, and internal controls, including how the first and second lines of defence achieve risk management and control objectives.</p>

5. Own Funds

Under MIFIDPRU 8.4 (Own funds), FNZ SL must disclose the following information:

- a) a reconciliation of common equity tier 1 items, additional tier 1 items, tier 2 items, and the applicable filters and deductions applied in order to calculate the own funds of the firm,
- b) a reconciliation of (a) with the capital in the balance sheet in the audited financial statements of the firm, and
- c) a description of the main features of the common equity tier 1 instruments, additional tier 1 instruments and tier 2 instruments issued by the firm.

MIFIDPRU 8.4 requires the above information be presented in the template found in Appendix 2.

A summary of the own funds as at the reference date is presented below:

Table 4 – Own Funds as at 31 December 2022

Summary of own funds	
Item	Amount (GBP 000's)
Fully paid up capital instruments	17,500
Share premium	200
Retained earnings	(3,527)
Deductions from CET 1 ²	(11)
OWN FUNDS	14,162

6. Own Funds Requirement

Under MIFIDPRU 8.5 (Own funds requirement), FNZ SL must disclose the following information:

- a) a breakdown of its K-Factor Requirements ('KFRs') and Fixed Overheads Requirement ('FOR') (MIFIDPRU 4.3), and
- b) FNZ SL's approach to assessing the adequacy of its own funds in accordance with the Overall Financial Adequacy Rule ('OFAR') (MIFIDPRU 7.4.7R).

6.1 Own Funds Requirement

MIFIDPRU 8.5 specifies a breakdown for the disclosure of the KFRs, split into the sum of each of the following groupings, which essentially reflect:

- (1) assets for which the firm is responsible for
 - K-AUM, K-CMH and K-ASA
- (2) execution activity undertaken by the firm
 - K-DTF and K-COH
- (3) its exposure-based risks
 - K-NPR, K-CMG, K-TCD, K-CON

² Deferred tax asset.

FNZ SL calculates fixed overheads using the subtractive approach proposed by the EBA Regulatory Technical Standards ('RTS') own funds requirements based on Fixed Overheads (EBA/RTS/2014/01) as amended by MIFIDPRU 4.5.3R, whereby variable cost items are deducted from the total audited expenses. The FOR is a quarter of the relevant expenditure. Given the growth of the Firm, and in compliance with MIFIDPRU 4.5.7, the FOR is calculated based on the projected relevant expenditure, rather than the relevant expenditure from the preceding year.

As at 31 December 2022, the Firm was not undertaking any dealing on own account activities, therefore the calculation for the exposure based risks, including the K-CON was nil.

However, the Firm is exposed to concentration risk due to the nature of its business model, i.e. servicing a small number of client firms and the scale of its operations. All exposures are monitored accordingly.

For FNZ SL, concentration risk is the risk of losses arising as a result of concentrations of exposures due to imperfect diversification. This imperfect diversification can arise from a large number of exposures to a single client or group of connected clients.

Concentration risk may arise for FNZ SL if it is exposed to the failure of a single client from which a material element of its revenue is derived or from a balance sheet exposure.

FNZ SL's own funds requirement as at the reference date is summarised below:

Table 5 - Breakdown of own funds requirement as at 31 December 2022

Breakdown of own funds requirement	
	Amount (GBP 000's)
<u>Fixed Overheads Requirement (A)</u>	3,371
<u>K-Factor Requirements (B)</u>	27
- K-AUM, K-CMH and K-ASA	26
- K-DTF and K-COH	1
- K-NPR, K-CMG, K-TCD and K-CON	0
<u>Own Funds Requirement [Max A or B] (C)</u>	3,371

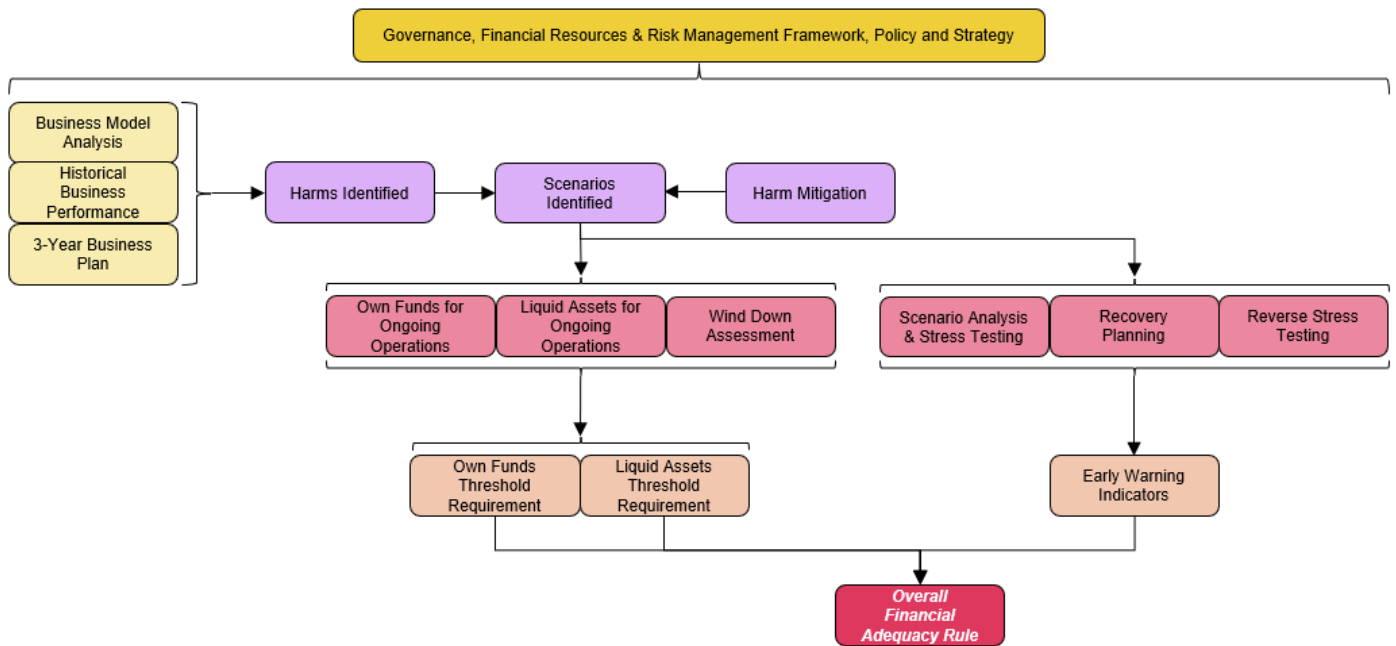
6.2 Overall Financial Adequacy Rule approach (OFAR)

The OFAR, as laid out in MIFIDPRU 7.4, requires that FNZ SL must, at all times, hold own funds and liquid assets which are adequate, both as to their amount and their quality, to ensure that:

- a) FNZ SL 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
- b) FNZ SL's business can be wound down in an orderly manner, minimising harm to consumers or to other market participants.

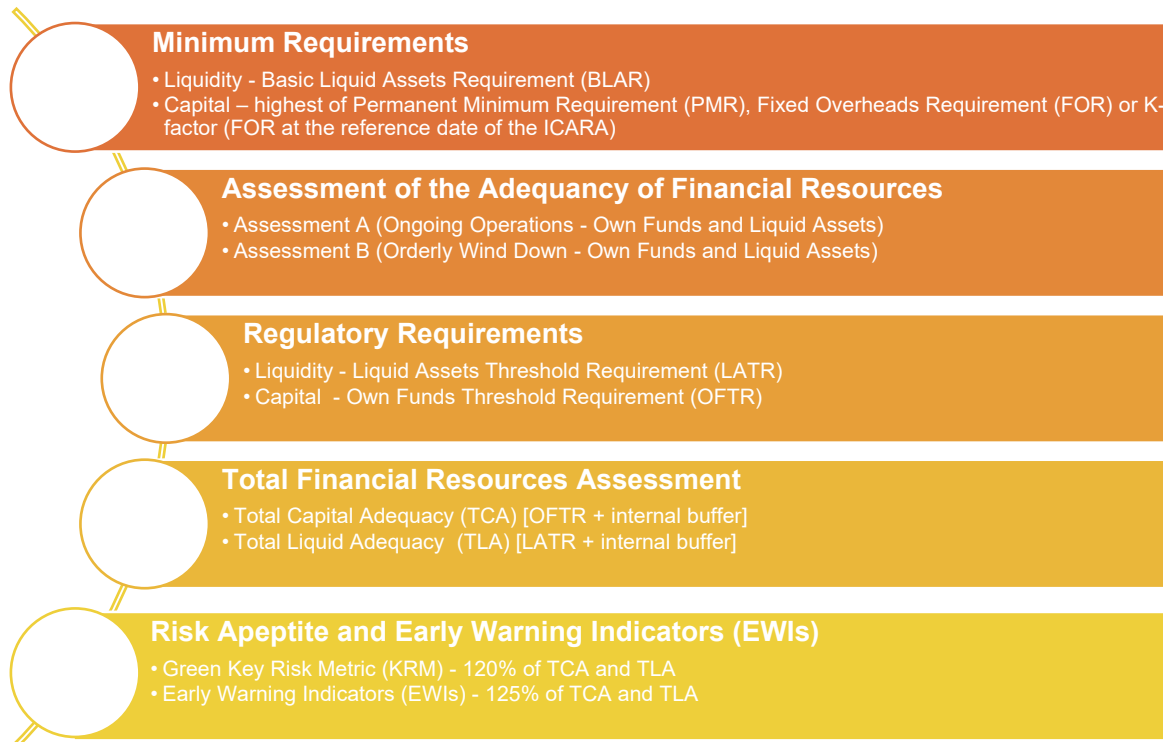
The following figure illustrates the 2022 ICARA process undertaken:

Figure 3 - 2022 ICARA process approach



The overall own funds resources and liquid assets that the FNZ SL holds are based on the regulatory requirements (as set out in MIFIDPRU) and the Firm’s internal buffers.

Figure 4 - Quantitative Methodology



7. Remuneration

Under the MIFIDPRU, FNZ SL is classed as Non-SNI MIFIDPRU investment firm not falling within SYSC 19G.1.1R(2). FNZ SL needs to disclose the information per MIFIDPRU 8.6 (Remuneration policies and practices).

7.1 Remuneration Governance

The purpose of the Remuneration Code is to ensure firms establish, implement and maintain remuneration policies, procedures and practices that are consistent with, and promote, sound and effective risk management. The MIFIDPRU Remuneration Code applies to 'Remuneration Code Staff' (i.e. Code Staff).

FNZ SL has a remuneration policy, which is in line with the business strategy, objectives, values and long-term interests of the firm. The remuneration policy also has measures to avoid conflicts of interest. Code Staff are defined as employees whose professional activities have a material impact on the Firm's risk profile, include senior management, risk takers, staff engaged in control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, and whose professional activities have a material impact on the Firm's risk profile.

FNZ's Remuneration Policy will be reviewed annually by the FNZ SL Board.

7.2 Remuneration Policy Overview

Remuneration at FNZ SL is made up of fixed (i.e. salary) and variable components.

Salary is set in line with market competitiveness at a level to retain, and when necessary attract, skilled staff.

Bonuses are paid on an exceptional basis and are designed to reflect the performance of an individual in contributing to the success of FNZ SL and their success in meeting, or exceeding, targets that have been set by the business on an individual basis. In addition, any bonus will take into account the performance of the business unit concerned and the overall results of FNZ SL, including being funded from a bonus pool created by reference to FNZ SL profitability performance relative to target.

The measurement of financial performance will be based principally on EBITDA and not on revenue or turnover. Individual performance objectives are set and reviewed on an annual basis and over-achievement of such goals may form part of a bonus award. Awards granted will reflect the financial performance of FNZ SL and as such, variable remuneration may reduce where subdued or negative financial performance occurs. The remuneration of the Control Functions (Risk, Compliance, and Internal Audit) are overseen by the FNZ SL Board.

FNZ SL will not ordinarily make any bonus awards should it make a loss. In exceptional circumstances, such payments may need to be considered. In such cases, the FNZ SL Board will consider and document whether such an award would be in keeping with FNZ SL's Remuneration policy. All bonuses are subject to a malus principle under which payments may be clawed back in certain circumstances.

All salary and bonus award proposals made to the FNZ SL Board are reviewed by risk and compliance as part of the process of approval.

Variable remuneration (annual bonus) does not have an adverse impact on the capital or liquidity held by the Firm. Finance has in place a quarterly accrual in line with our financial performance to ensure there is no impact to capital/liquidity of an annual payment of variable remuneration. FNZ SL prohibits any exemption from the Remuneration Code in regard to personal investment strategies, pension policy or through any form of instrument/ vehicle.

There are Management Equity Schemes ('MEP') in place allowing equity participation in the FNZ Group. Under the MEP, employees and other specific individuals (including Executive and Non-Executive Directors) hold direct and indirect ownership interests in the FNZ Group, the value of which will depend on the achievement of value-creation performance hurdles. The current MEP interest have an original 8 year vesting schedule.

Non-executive Board members do not receive performance-based remuneration. Where MEP interests are granted to Non-Executive Directors, prior shareholder approval is sought, and any MEP interests acquired are required to be held until at least one year after the Non-Executive Director leaves the board. Remuneration for Non-Executive Board members is set at a level that is market aligned and reflects the qualifications and competencies required in view of the Firm's size and complexity, the responsibilities and the time the Board members are expected to allocate to fulfil their duties as Board members. No pension contributions are payable on Board members fees.

7.3 Quantitative Remuneration Disclosures

FNZ SL operates as a single business unit. The aggregate total remuneration for the financial year running from 1st of April 2022 and ended on 31st of December 2022 was £5,210 thousand, of which £36 thousand was variable remuneration awarded.

The aggregate quantitative information has been broken down into the following categories:

1. Senior Management: defined as executives whose roles need to be approved by the FCA under the Senior Management Functions (SMFs).
2. Other Material Risk Takers ('MRT'): defined as per SYSC 19G.5 a staff member at a non-SNI MIFIDPRU investment firm whose professional activities have a material impact on the risk profile of the firm or of the assets that the firm manages.

Table 6 - Remuneration amounts for the financial year-ended 31 December 2022

Fixed and Variable Remuneration (GBP 000's)		
Remuneration Type	Senior Management	Other MRTs
Fixed	758	633
Variable	0	0
- of which Cash	0	0
- of which Shares	0	0
Number of Staff (#)	4	5

There were no severance payments awarded to SMFs or MRTs for financial year during the financial year-ended 31 December 2022.

8. Investment Policy

Per MIFIDPRU 8.7.1R there are a number of disclosures that firms not meeting the conditions in MIFIDPRU 7.1.4.R, need to disclose.

Primarily due to the size of its balance sheet and the size of the operations, FNZ SL meets the conditions in MIFIDPRU 7.1.4R. Therefore, no disclosures are required under MIFIDPRU 8.7.1R.

MIFIDPRU 7.1.4 Condition	FNZ SL
(1) MIFIDPRU 7.3 (Risk, remuneration and nomination committees) does not apply to a non-SNI MIFIDPRU investment firm:	
(a) where the value of the firm's on-balance sheet assets and off-balance sheet items over the preceding 4-year period is a rolling average of £100 million or less; or	FNZ SL's meets this condition.
(b) where: (i) the value of the firm's on-balance sheet assets and off-balance sheet items over the preceding 4-year period is a rolling average of £300 million or less; and (ii) the conditions in (2) are (where they are relevant to a firm) satisfied.	FNZ SL's meets this condition.
(2) The conditions referred to in (1)(b)(ii) are that the:	
(a) exposure value of the firm's on- and off-balance sheet trading book business is equal to or less than £150 million; and	FNZ SL's meets this condition.
(b) exposure value of the firm's on- and off-balance sheet derivatives business is equal to or less than £100 million.	FNZ SL's meets this condition.

Appendixes

Appendix 1 – Detailed Breakdown of Directorships Held

FNZ Securities Ltd Directors		Directorships held			
Name	Position	Executive		Non-Executive	
		Related to FNZ	Unrelated to FNZ	Related to FNZ	Unrelated to FNZ
John Tomlins	Chairman of the Board	N/A	Parkhill Developments Ltd	FNZ (UK) Ltd	N/A
			London Luton Hotel BPRA Property Fund LLP	FNZ TA Services Limited	
				FNZ WealthTech Limited	
				FNZ AMI Limited	
				FNZ Securities Pension Trustee Limited	
Edward James	Chief Executive Officer	FNZ TA Services Limited	EJ Associates Limited	FNZ (Europe) Designated Activity Company	N/A
		FNZ WealthTech Limited		FNZ Securities Pension Trustee Limited	
		FNZ AMI Limited		Business Venture Investments No 2182 (Pty) Ltd	
		FNZ Channel Islands Limited		Silica Holdings (Pty) Ltd	
		FNZ Channel Islands Nominees Limited			
Bruno Almeida	Chief Financial Officer	Rexigon Nominees Limited	N/A	N/A	N/A
Chris Bell	Non-Executive Director	FNZ Group Technologies Limited	N/A	Irish Progressive Services International Limited	N/A
		FNZ Technology (India) Private Ltd			

FNZ Securities Ltd Directors		Directorships held			
		Executive		Non-Executive	
Name	Position	Related to FNZ	Unrelated to FNZ	Related to FNZ	Unrelated to FNZ
John Blackman	Non-Executive Director	FNZ WealthTech Limited	N/A	Advicefront Limited	Bondsmith Savings Limited
				Nature Alpha Group Ltd	
				Legado Technologies Limited	
Catherine Brown	Non-Executive Director	N/A	N/A	FNZ (UK) Ltd	The Plastic Economy Ltd
				FNZ TA Services Limited	Additive Flow Ltd
				FNZ AMI Limited	Cancer Research UK
					Metro Bank Holdings Plc
					Metro Bank Plc
					QBE Underwriting Ltd
					QBE UK Ltd
Katrina Sartorius	Executive	Rexigon Nominees Limited	The Investing and Saving Alliance	FNZ Securities Pension Trustee Limited	N/A
			TISA Universal Reporting Network Limited		

Appendix 2 – Own Funds: reconciliations and description of the main features

Composition of regulatory own funds as at 31 December 2022			
	Item	Amount (GBP 000's)	Source of the balance sheet in the audited financial statements
	<u>OWN FUNDS</u>	14,162	(a) and (e)
1	<u>TIER 1 CAPITAL</u>	14,162	(a) and (e)
2	<u>COMMON EQUITY TIER 1 CAPITAL</u>	14,162	(a) and (e)
3	Fully paid up capital instruments	17,500	(b)
4	Share premium	200	(c)
5	Retained earnings	(3,527)	(d)
6	Accumulated other comprehensive income	-	
7	Other reserves	-	
8	Adjustments to CET1 due to prudential filters	-	
9	Other funds	-	
10	(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	(11)	(e)
11	CET1: Other capital elements, deductions and adjustments	-	
19	<u>ADDITIONAL TIER 1 CAPITAL</u>	-	
20	Fully paid up, directly issued capital instruments	-	
21	Share premium	-	
22	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1	-	
23	Additional Tier 1: Other capital elements, deductions and adjustments	-	
24	<u>TIER 2 CAPITAL</u>	-	
25	Fully paid up, directly issued capital instruments	-	
26	Share premium	-	
27	(-) TOTAL DEDUCTIONS FROM TIER 2	-	
28	Tier 2: Other capital elements, deductions and adjustments	-	

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

Item	Balance sheet as in published/audited financial statements	Cross reference to above template
	As at 31 December 2022	

Assets – Breakdown by asset classes according to the balance sheet in the audited financial statement

1	Debtors	8,498	
2	Cash at bank and in hand	8,408	
3	Deferred tax asset	11	(e)
	Total Assets	16,917	

Liabilities – Breakdown by liability classes according to the balance sheet in the audited financial statements

1	Creditors: amounts falling due within one year	2,733	
2	Creditors: amounts falling due after one year	11	
	Total Liabilities	2,744	

Shareholders' Equity

1	Called-up share capital	17,500	(b)
2	Share premium account	200	(c)
3	Retained earnings	(3,527)	(d)
	Total Shareholders' Equity	14,173	(a)

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

The Company's Own Funds consist solely of Common Equity Tier 1 instruments which are compliant with the requirements under Article 26 of the UK CRR. The features of the share capital issued are highlighted in the table below.

Features of Share Capital			
Issuer	Rexigon Securities Limited	FNZ Securities Ltd	FNZ Securities Ltd
Unique Identifier (e.g. CUSIP or ISIN)	N/A	N/A	N/A
Governing law(s) of the instrument	English Law	English Law	English Law
Transitional CRR rules	N/A	N/A	N/A
Post-transitional CRR rules	Common Equity Tier 1	Common Equity Tier 1	Common Equity Tier 1
Eligible at solo/(sub)-consolidated /solo & (sub)-consolidated	Solo	Solo	Solo
Instrument type (types to be specified by each jurisdiction)	Ordinary shares	Ordinary shares	Ordinary shares
Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	£0.2m	£5m	£12.5m
Nominal amount of instrument	£0.01	£0.01	£0.01
Issue Price	£20	£0.01	£0.01
Redemption price	N/A	N/A	N/A
Accounting classification	Shareholders' equity	Shareholders' equity	Shareholders' equity
Original date of issuance	26 July 2016	27 September 2021	28 February 2022
Perpetual or dated	Perpetual	Perpetual	Perpetual
Original maturity date	N/A	N/A	N/A
Issuer call subject to prior supervisory approval	No	No	No
Optional call date, contingent call dates and redemption amount	N/A	N/A	N/A
Fixed or floating	Floating	Floating	Floating

Features of Share Capital			
Coupon rate and any related index	N/A	N/A	N/A
Existence of a dividend stopper	No	No	No
Fully discretionary, partially discretionary or mandatory (in terms or timings)	Fully discretionary	Fully discretionary	Fully discretionary
Fully discretionary, partially discretionary or mandatory (in terms or amount)	Fully discretionary	Fully discretionary	Fully discretionary
Existence of step up or other incentive to redeem	No	No	No
Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative
Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
Write-down features	N/A	N/A	N/A
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	N/A	N/A	N/A
Non-compliant transitioned features	N/A	N/A	N/A

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