

StormHarbour Securities LLP

Firm Reference Number: 503459

**Remuneration Code Disclosures for the financial
year ending 31 December 2012 and for the
financial year ending 31 December 2013**

June 2014

StormHarbour Securities LLP (“StormHarbour” or the “Firm”) has established a Remuneration Policy which implements the FCA’s requirements on remuneration as set out in the FCA Handbook to maintain remuneration policies, procedures and practices that are consistent with and promote sound and effective risk management.

For the purposes of the Remuneration Code and disclosures, StormHarbour is a Proportionality Level Three firm. The Firm is satisfied that the policies in place are appropriate to the size, scope and complexity of its activities.

Remuneration Governance

Given the size and non-complex nature of the activities undertaken and the organisation, the Firm’s Governance Committee is responsible for setting and overseeing compliance with StormHarbour’s policy on remuneration. The Committee comprises certain senior management, including the Firm’s Chief Operating Officer and General Counsel.

StormHarbour’s Remuneration Policy will be reviewed, at least, annually by the Governance Committee to ensure that it remains consistent with the Remuneration Code Principles and StormHarbour’s objectives. The Governance Committee will use all information available to it in order to carry out its responsibilities under the Remuneration Code, including, for example, information on risk and financial performance. In addition, the compliance function will include a review of the implementation of the Remuneration Policy by the Firm as part of its regulatory monitoring.

Link between pay and performance

For support and middle office functions, remuneration at the Firm is made up of fixed (‘salary’) and variable (‘bonus’) components. Each salary is set in line with the market at a level to retain, and when necessary attract, skilled staff. In general, the primary component of the total compensation of such individuals is the base salary.

For front office staff, remuneration generally is made up of a draw which is set off against commission or pool compensation, and commission or pool compensation at an agreed rate that can be modified at the absolute discretion of senior management, calculated on the basis of allocated revenue where the allocation is done at the discretion of senior management to ensure that the allocation aligns the interests of the staff and the Firm with the client. Front office staff also have the possibility of receiving discretionary incentive compensation.

In all cases, the size of any compensation pool will be at the discretion of the Governance Committee, giving due consideration to both the need to incentivise staff and to the current and future risks faced by the Firm. It is unlikely that any awards will be made in the event of StormHarbour making a loss.

Where remuneration is performance-related then in addition to the performance of the individual the Firm will also take into account the performance of the business unit concerned and the overall results of the Firm. Performance assessment will not relate solely to financial criteria but will also include compliance with regulatory obligations and adherence to effective risk management. In keeping with the Firm’s long term objectives, the assessment of performance will take into account longer-term

performance and payment of any such performance related bonuses may need to be spread over more than one year to take account of the Firm's business cycle.

Quantitative remuneration information for Code Staff during 2012.

The relatively small size and lack of complexity of the Firm's business is such that StormHarbour does not operate separate 'business areas' and the following aggregate remuneration data should be read in that context. The Firm has also chosen not to break down remuneration between senior management and other Code Staff due to the small number of Code Staff during 2012.

The Firm is in proportionality level 3. There were 8 individuals who were Code Staff for part or all of 2012. As at 31 December 2012 there were 7 Code Staff in post.

Payments made to Code Staff during 2012 were as follows:

Aggregate fixed remuneration (£'000s)	1,100
Aggregate variable remuneration (£'000s)	380
Total remuneration (£'000s)	1,480

Quantitative remuneration information for Code Staff during 2013.

The relatively small size and lack of complexity of the Firm's business is such that StormHarbour does not operate separate 'business areas' and the following aggregate remuneration data should be read in that context. The Firm has also chosen not to break down remuneration between senior management and other Code Staff due to the small number of Code Staff during 2013.

The Firm is in proportionality level 3. There were 8 individuals who were Code Staff for part or all of 2013. As at 31 December 2013 there were 6 Code Staff in post.

Payments made to Code Staff during 2013 were as follows:

Aggregate fixed remuneration (£'000s)	904
Aggregate variable remuneration (£'000s)	1,330
Total remuneration (£'000s)	2,235