



Amius Limited ('AML')

MIFIDPRU Disclosures as at 30 September 2022

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1) Introduction

The Investment Firm Prudential Regime (IFPR) came into effect on the 1st January 2022 as a new regime for UK firms authorised under the UK Markets in Financial Instruments Directive (MiFID). The IFPR was implemented by the FCA as prudential regulation within MIFIDPRU, which seeks to address the potential harm posed by investment firms to their clients and the markets they operate in.

MIFIDPRU disclosure requirements improve transparency on the financial resilience and performance of investment firms for market participants as they help address the potential risks not only to consumers but also to the markets.

Key areas that need to be covered under MIFIDPRU 8 (Disclosures) are the following:

- a) Risk Management objectives and policies;
- b) Governance arrangements;
- c) Own funds;
- d) Own funds requirements;
- e) Remuneration policy and practices;
- f) Investment Policy.

However, the firm has taken advantage of the relevant Transitional provisions contained in TP12 and, hence, the document sets out Amius Limited public disclosures in relation to Governance Arrangements, Own Funds, Own Funds Requirements and partially to Remuneration.

The disclosures contained in this document have been approved by Amius's Management Committee.

2) Scope and application of disclosures

The disclosures herein relate to Amius Limited, a wholly owned subsidiary of Amius Services Limited, and its ultimate parent, Amius Group Limited.

Amius Limited is a non-SNI MIFIDPRU Investment firm, incorporated in England and authorised by the FCA under Firm Reference Number 188130.

Amius Limited is required to disclose on an individual entity basis as per MIFIDPRU 8.1.7 and clarified by PS 21/17 paragraph 2.8.

These disclosures are published on Amius's website at least annually in line with the yearly publication of Amius Limited's audited financial statements, with reference date 30th September 2022. Revised disclosures will be published should significant changes occur to Amius Limited's business model.

In accordance with MIFIDPRU 8.1.10 and 8.1.13, Amius has followed the disclosure requirements and has methods in place for assessing the appropriateness of its disclosures. Also, in accordance with MIFIDPRU 8

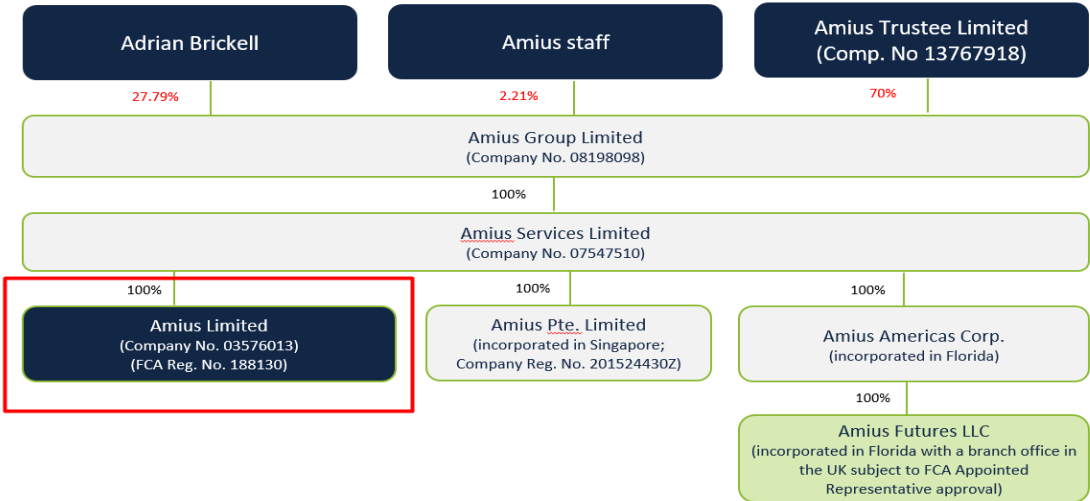
rules, Amius has excluded information considered to be immaterial, confidential or proprietary in nature and will make these non-disclosures clear.

3) Business and organisational structure

Amius Limited is part of the wider Amius group which is based in the United Kingdom.

Amius Group Limited and subsidiaries ('AGL or Amius') key activity is the arranging of, and dealing in, bespoke risk management products for agricultural commodities (in the form of un-cleared over-the-counter ("OTC") financial derivative contracts). The Group also offers brokerage execution services for cleared commodity derivatives and foreign exchange ("FX") services. The Group's strategy is to serve its clients by using a boutique based approach, whilst striving to deliver shareholder return. The objective of the risk management solutions employed by the Group's clients is to manage FX and commodity price risk, meet budgets, stabilise price inputs and ultimately secure and enhance profit margins.

As at 30/09/2022 Amius comprises of the following entities:



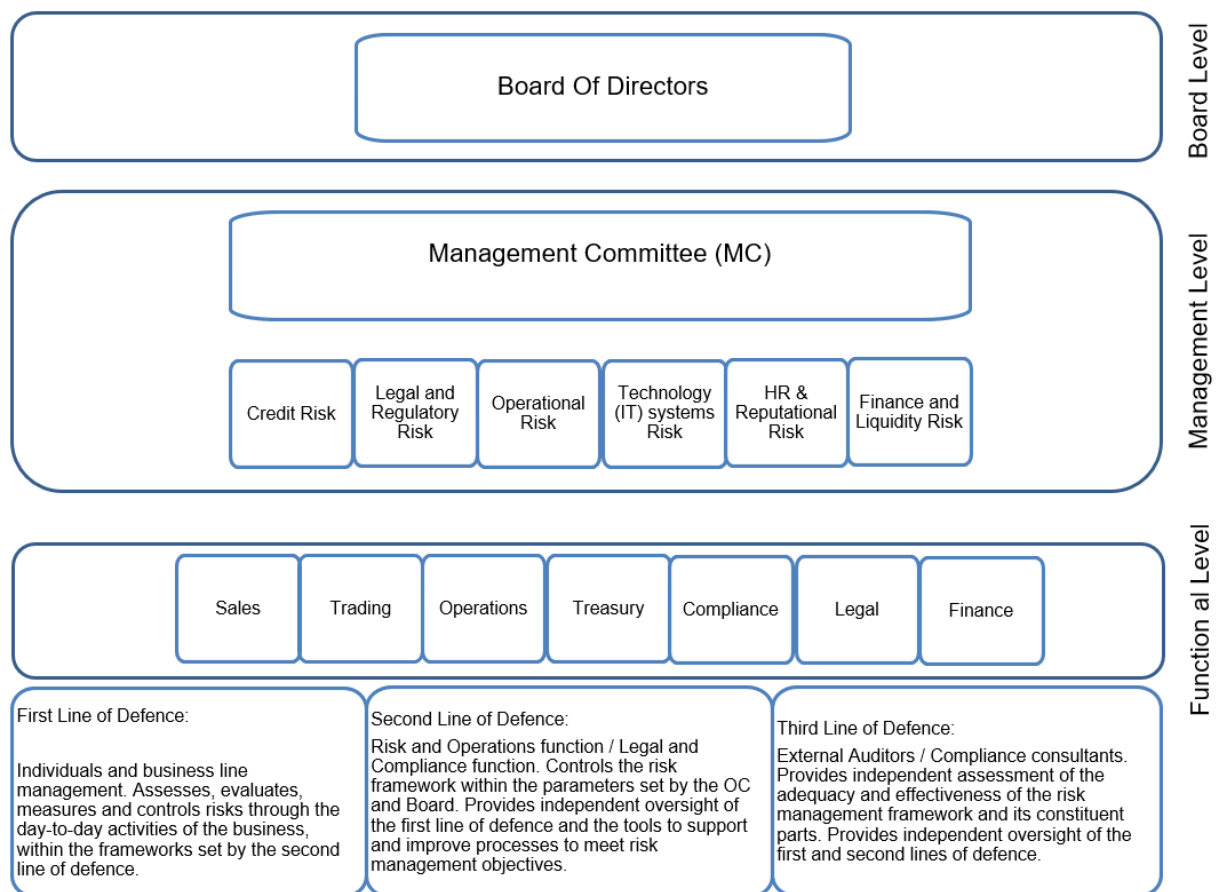
- Amius Trustee Limited - a dormant / non trading entity established as a trustee of the Amius Employee Ownership Trust which owns the majority of AGL's capital on behalf of and for the benefit of the Amius employees;
- Amius Group Limited – a UK holding company which employs all of Amius’ UK based staff and ultimate financial and regulatory consolidation point;
- Amius Services Limited – consolidation point for accounting purposes;
- Amius Limited – an FCA regulated entity (FRN 188130) which specialise in providing Over-the-Counter (OTC) financial derivative risk management structures and brokerage execution services to the commodity sector. The entity is classified as a Non - SNI MIFIDPRU Investment firm;

- Amius Pte Limited – Asia sales representative office;
- Amius Americas Corp – consolidation point for US tax purposes
- Amius Futures LLC – an NFA regulated entity which provides brokerage execution services. The entity is a \$45k firm.

4) Governance arrangements

Overview

Amius operates a “Three Lines of Defence” model which ensures risk accountability at all levels of the risk management structure.



Board of Directors

Amius’ Board of Directors is comprised of:

- Chief Executive Officer;
- Chief Technology Officer; and
- Chief Financial Officer

The Board is collectively responsible for:

- setting an appropriate risk strategy and appetite;
- promoting a comprehensive risk culture and awareness;
- monitoring the implementation of the risk strategy;
- ensuring the independence of the control functions such as Compliance and Risk; and
- verifying that independent control functions operate correctly and effectively.

The Board sets the risk appetite and policies and has delegated the implementation and oversight of all risk matters to the Management Committee (“MC”).

Management Committee (“MC”)

Amius’ MC plays a lead role in the integration of the risk management framework and risk culture of the Amius Group that is cascaded down to AML.

The Committee is led by the Chief of Staff and attended by the Heads of Departments. Amius Limited does not have a separate Risk Committee (and it is not required under MIFIDPRU 7.3.1 to establish), but the MC may delegate review and monitoring to the other established Sub Committees.

Directorships

AML does not have any non-executive directors. The table below shows the executive directors at AML as at 30/09/2022:

Director	Role	External Directorships
Adrian Brickell	CEO	1
Matthias Bormann	CFO	0
Alan Ng	CTO	0

Directorships held within the same group are counted as a single directorship and those in non-commercial organisations are excluded (MIFIDPRU 8.3.2).

Diversity

Diversity is promoted through a range of firm wide activities, including hiring practices, senior manager objectives, training and awareness sessions, complimented by Board level oversight.

The Management Committee, through the Hiring and Culture subcommittee, considers diversity in its assessment of all company hires.

Risk Reporting and Measurement

In accordance with MIFIDPRU TP12.7, the requirements under MIFIDPRU 8.2 (Risk management and policies) do not require disclosure.

5) Total Own Funds

The following tables below, in compliance with MIFIDPRU disclosure requirements, disclose:

- 1) the composition of Amius Limited's own funds – OF1;
- 2) a reconciliation of own funds to the capital in the balance sheet per the audited financial statements of the firm – OF2; followed by
- 3) a description of the main features of the CET1 capital issued by the firm- OF3. The tables are based on Amius Limited audited Financial Statements as at 30th September 2022.

<i>a. Own Funds - OF1</i>	30/09/2022	Source**
	(£/000)	
Tier 1 Capital	36,344	
Common Equity Tier 1 Capital (CET1)	36,344	
<i>Fully paid up capital instruments</i>	<i>13,477</i>	Note 15 – Share capital
<i>Retained earnings</i>	<i>*23,053</i>	
Total deductions from CET1	-186	
<i>CET1: Other capital elements, deductions and adjustments</i>	<i>-186</i>	Note 10 – Intangible Fixed Assets
Additional Tier 1 Capital	0	
Tier 2 Capital	0	
Total Own Funds**	36,344	

*=Includes non-audited profit which were subsequently audited and approved on 12/12/2022

**= based on reference numbers/letters of the balance sheet in the audited Financial Statements

Amius Limited's own funds comprise exclusively of CET1 capital consisting of fully issued ordinary shares.

In accordance with MIFIDPRU 8.4, Amius does not hold hybrid capital and capital instruments.

b. Own Funds: Reconciliation of regulatory own funds to balance sheet in the audited financial statements – OF2	30/09/2022	Under regulatory scope of consolidation	Cross reference to template OF1
	(£/000)		
Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements			
1. Intangible fixed assets	186		Item 3 - Intangibles
2. Tangible fixed assets	119		
3. Debtors: amount < 1 year	40,681		
4. Cash at bank	21,376		
Total Assets	62,361		
Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements			
1. Creditors: amounts < 1 year	25,831		
Total Liabilities	25,831		
Shareholders' Funds			
1. Share Capital	13,477		Item 1 - Fully Paid Up Capital Instruments
2. Profit and loss account	23,053		Item 2 - Retained earnings
Total Shareholders' Funds***	36,530		

***= the difference between Shareholders Funds and Own funds is due to Intangible fixed assets as the latter needs to be deducted for regulatory purposes.

c) Own funds: main features of own instruments issued by the firm – OF3

The table below provides information on the CET1 Instruments issued by AML:

FEATURES	
Issuer	Amius Limited
Public or private placement	Private
Instrument type	Ordinary share
Amount recognised in regulatory capital (as of most recent reporting date)	£13.477m (equivalent of USD 15m)
Issue price (USD whole number)	1
Redemption price	N/A
Accounting classification	Shareholders' Funds
Original date of issuance	01 December 2014
Perpetual or dated	Perpetual
Maturity date	N/A
Subsequent call dates, if applicable	N/A
Convertible or non-convertible	N/A
Write-down features	N/A
Link to the terms and conditions of the instrument	N/A

6) Own Funds Requirement

Amius Limited, a Non SNI Investment firm, calculates its own Funds requirement as the higher of:

(a) Permanent minimum capital requirement (PMR) of £750,000;

(b) total K-Factor requirement *; and

(c) the fixed overheads requirement.

* = Amius Limited has decided to calculate its K-Factor requirements (MIFIDPRU 4.6) by applying the alternative requirements as per TP 2.7. This is calculated as 2 x variable capital as per GENPRU 2.1.45.

Own Funds Requirement - £/000	30/09/2022
<i>PMR</i>	<i>750</i>
<i>Alternative Own funds requirements (TP 2. 7)</i>	<i>17,616</i>
<i>Fixed Overhead Requirement</i>	<i>1,965</i>
Total Own Funds Requirement - Higher of	17,616

Overall Financial Adequacy Rules (OFAR) – Overall Compliance

Under MIFIDPRU 7.4.7, Amius Limited need to ensure that the firm holds own funds and liquid assets that are adequate both in their amount and quality. Hence, these have been reviewed as part of the ongoing process under the new ICARA.

Own Funds Adequacy and monitoring

In terms of own funds, the Board has determined that these are more than sufficient to address any potential harm that may result from its ongoing activities.

Furthermore, Amius's approach to ensuring that it has appropriate own funds is aligned with the firm's strategy and risk appetite. All identified key risks are individually assessed and escalated to the Management Committee as required.

Liquid Assets Adequacy and monitoring

All liquid assets held by Amius meet the core liquid assets (cash at bank) definition and are deemed to be more than sufficient to withstand severe but plausible scenarios. Amius has in place key controls that ensure that:

- the BLAR (Basic Liquidity Assets Requirement) is met;

- the liquidity risk is monitored on a daily basis and that the firm has enough cash to withstand severe but plausible stresses during end of day and intraday.

Furthermore, compliance with the liquid asset threshold requirement is assessed on an ongoing basis. This is determined as the sum of the BLAR and any additional liquid asset requirement as per the ongoing ICARA process.

Wind-down

Amius has a Wind down plan (WDP), which provides an overarching governance framework for the process of ceasing its operations while ensuring minimal adverse impact to clients, markets, or the entity's counterparties. The WDP provides a detailed guide and practical steps to assist Amius's Board and its members in making timely and effective decisions to wind down AML in the event of a severe financial stress. The WDP includes key actions and a timeline from when a Point of Non-Viability ("PoNV") metric is triggered, which determines a wind-down event, through to the preparation, execution and endpoint of the process. The WDP is reviewed and updated annually. The Board has assessed the viability of its wind-down plan and it is deemed that the firm would be able to do so in an orderly manner, minimising harm to the markets.

Review and approval of ICARA

The ICARA is reviewed, challenged and approved annually, or more frequently if fundamental changes to the business require it, by the Management Committee.

7) Remuneration

As a MIFIDPRU Investment firm (Non – SNI), Amius is subject to the FCA rules on remuneration set out in MIFIDPRU 8.6. However, as Amius performance period began before 01/01/2022 and ended on 30/09/2022, the firm has decided to disclose, as per TP 12.8, the remuneration requirements as per SYSC 19C. These rules ensure greater alignment between risk and individual reward, discourage excessive risk taking and support positive behaviours and a strong and appropriate conduct culture within firms.

Remuneration is both fixed (e.g. salary) and variable (e.g. bonus) and is provided to attract, motivate, and maintain high-calibre employees whilst at the same time promoting sound and effective risk management.

Fixed remuneration is relative to the individual's knowledge and competency and is generally benchmarked to industry standards. Variable remuneration aims to recognise individual performance and overall contribution to the firm whilst still applying strong risk management and appropriate conduct. This is assessed at a minimum, on a quarterly basis through an appraisal process.

Amius are a Level 3 firm and therefore adopt a proportionate approach in respect of the Remuneration Code Principles to the extent it is permitted to do so. Amius do not therefore consider it proportionate to adopt a formal Remuneration Committee given the size of its business. Remuneration is therefore

determined by Amius' Board of Directors. Factors they consider when making their assessment include profit, conduct, risk and compliance metrics.

FYE ending 30 September 2022

- No sign on bonuses were paid to Code Staff

Category	Number of Code Staff	Remuneration (\$) / 000
Total	11.5	5,541

8) Non - Applicable disclosures

The following disclosures specified in MIFIDPRU 8 are not applicable to Amius this year as the firm is taking advantage of TP12.6 and meet the relevant criteria for non-disclosure:

- MIFIDPRU 8.2: 'Risk management objectives and policies';
- MIFIDPRU 8.6: 'Remuneration policy and practices'; as mentioned in section Amius meets the criteria to still use BIPRU 11.5 as per TP 12.8;
- MIFIDPRU 8.7: 'Investment policy'.