

Remuneration Policy Statement

London Capital Group Holdings plc (LCG) is the ultimate parent company of London Capital Group Ltd, ProSpreads Limited (ProSpreads), and London Capital Group Pty Limited collectively “the Group”. LCG Ltd is authorised and regulated by the Financial Services Authority (FSA) in the UK, LCG Pty Ltd is authorised and regulated by the Australian Securities and Investments Commission (ASIC) in Australia and ProSpreads is authorised and regulated by the Financial Services Commission (FSC) in Gibraltar. LCG Ltd is a full scope BIPRU 730k investment firm. The structure is such that the Group is a non-EEA sub-Group and UK consolidation Group and as such falls under consolidated supervision.

As a full scope BIPRU 730k firm, LCG is required to comply with SYSC19A: Remuneration Code. The Code applies to the firms regulated as well as unregulated activities in a prudential context. It also applies to other members of the Group. The aim of the Remuneration Code is to ensure that firms have risk-focused remuneration policies which are consistent with and promote effective risk management and do not expose the firm to excessive risk.

LCG has in place a Remuneration Committee that is made up of its independent Non-Executive Directors which can be found here <http://londoncapitalgroup.com/boardofdirectors.html>.

The Remuneration Committee is responsible for: setting and approving the remuneration policy of the Group; reviewing salary levels, discretionary bonuses, equity/option awards and terms and conditions of service of the Senior Managers of the Group. The Committee also reviews the compensation contracts and compensation decisions (including termination payments) made in respect of senior management, as well as the bonus distribution policy across the Group.

Effective risk management underpins the culture at LCG. LCG has a documented and implemented Risk Management Framework and Risk Appetite statement. This is communicated to staff through policies and procedures and other widely circulated information such as the delegation of authority, ICAAP and annual reports.

Individuals are not permitted to take risk that exceeds the Group’s Risk Appetite; such action is viewed as gross misconduct where deliberate or negligent. Where risks crystallise as a result of poor controls or management which is not deliberate or negligent; the Group will investigate the root causes and carry out remedial actions to correct issues. Staff are not rewarded where found to be at fault in not fulfilling their responsibilities.

The Group’s remuneration structures have an appropriate split of short term and long term incentives through bonus arrangements and share options. This ensures that the way in which staff are remunerated supports business strategy, objectives and long term interests.

The Governance structure of the Group ensures that employees engaged in control functions remain independent from business units they oversee and have appropriate authority. Furthermore that there are the reporting lines, escalation procedures, and whistle blowing arrangements in place to facilitate effective Governance.

Those engaged in control functions are appropriately remunerated by benchmarking remuneration packages both externally and internally to ensure the highest calibre of staff are retained and rewarded throughout the organisation. The remuneration committee reviews control function staff salaries annually.

The remuneration policy for the Group is approved by the Board which includes the firm’s risk management and compliance functions. This ensures there is sufficient input from all areas of the Group into the remuneration policy. Concerns about specific behaviour are raised as appropriate at Board meetings and with HR to ensure that this is fed into the appraisal and remuneration process as well as escalated to the Remuneration Committee.