



Governance, Risk Management, Regulatory Capital and Remuneration Disclosures

for BT Pension Scheme Management Limited trading as Brightwell
October 2026



BT Pension Scheme Management and Administration Limited t/a Brightwell

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Introduction and Context

BT Pension Scheme Management Limited (“BTPSM”), trading as Brightwell, is a full-scope Markets in Financial Instruments Directive (“MiFID”) firm and is therefore in-scope for the FCA’s Investment Firm Prudential Regime (“IFPR”) requirements. The key requirements under IFPR (which are documented in the FCA MIFIDPRU sourcebook) are for firms to understand the potential harm that they can cause to clients, the market and themselves and then set aside an appropriate amount of regulatory capital to mitigate these risks and ensure the ongoing operations of the business.

The process for determining the amount of harm that firms can cause and then calculating the required regulatory capital that a firm must hold to mitigate those harms is called the Internal Capital Adequacy and Risk Assessment (“**ICARA**”) process. Once Brightwell has calculated the amount of regulatory capital that it must hold, it has a requirement (under MIFIDPRU 8) to disclose this information, along with a number of other pieces of information. The additional items that Brightwell needs to disclose information on are:

1. Risk management objectives and policies
2. Governance arrangements
3. Remuneration arrangements

This document has been developed to meet those disclosure requirements. This document will be reviewed and updated on an annual basis.

Risk management objectives and policies

Brightwell has an established Enterprise Risk Management Framework (the Framework) which supports the achievement of business objectives by providing an integrated approach to considering and managing risk across the business.

The Framework comprises the components that make up the organisational arrangements for the management of risk at Brightwell. As such, it describes the vision for how risk should be managed and the expectation that everyone in Brightwell understands this vision and their responsibilities. The Framework therefore plays a key role in the communication and promotion of the risk culture.

Brightwell recognises that the assumption of risk is inherent in its business model and that risk does not always need to be fully eliminated. Some staff have the authority to take on risk in accordance with their roles and responsibilities, but risks must be understood and assessed to ensure risk exposure is commensurate with Brightwell's risk appetite. The identification, assessment and management of risk is made across all business-as-usual activities and across key business change initiatives.

Brightwell adopts a Three Lines of Defence governance model for risk management. This model provides a consistent, transparent, and clearly documented allocation of accountability and segregation of functional responsibilities. The segregation of responsibility helps to establish a control framework that improves understanding and encourages the continuous improvement of the management of risk in the business.

Risk Management Strategy

Brightwell recognises that risk cannot always be eliminated and as such embraces risk management as a core competency that ensures decision makers have transparency over the uncertainty of achieving objectives. Brightwell's risk strategy is to ensure that effective risk management is embedded in all core operating and decision-making processes across the firm and that existing and emerging risks are identified and managed to within acceptable risk tolerances.

The Framework is an important part of the risk management toolkit as it provides a common approach to risk management, setting out the governance, principles and requirements for effective risk management through the organisation of risks aligned to the risk taxonomy with defined roles and responsibilities of key stakeholders.

The holistic management of risk, enabled by the Framework, is designed to support the effective identification and management of risks inherent to Brightwell, potential risk incidents and trends that may significantly impact the firm's ability to achieve its strategic goals or maintain its operations.

The Board is responsible for the governance and effective management of risk within Brightwell, including but not limited to the setting of the direction of how risk should be approached and addressed, and in relation to the development of strategy and the effects of risk on the achievement of objectives.

Risk Culture

To reinforce and support implementation of the Framework, Brightwell has adopted an approach to promote and embed a risk aware culture across the firm, including reinforcing individual behaviours and capabilities that are aligned to Brightwell's core values and beliefs. This approach also includes alignment of remuneration and performance structures which incentivise risk accountability and the right risk aware behaviours.

Risk Governance

Governing risk forums add challenge, oversight and independent assurance of risk management in all business operations. The Board is collectively responsible for Brightwell's long-term sustainable success within a framework of prudent and effective controls. The Board is responsible for the overall strategy, oversight of financial and operational performance and key risks. It sets the direction on how the firm approaches and addresses strategic, operational and financial risks at the firm. The Board has overall responsibility for risk management but delegates certain matters.

The Board Risk, Audit, and Compliance Committee ("RACC") has been delegated responsibility for overseeing the effectiveness of the firm's risk management and regulatory compliance arrangements.

Brightwell's Executive management team (the "Executive") have primary responsibility for identifying and managing risks which originate from the business functions for which they are responsible.

Processes and methodologies

In addition to the Framework, processes and methodologies have been developed to enable the identification, assessment and reporting of risk management, including:

Risk appetite

- Board approval of the firm's risk appetite statements and qualitative and quantitative tolerances to measure the firm's exposure.

Policies and procedures

- Developing and implementing risk management policies supported by procedures and standards. The scope of the Risk Policy covers Strategic and Operational Risk, Market Risk, Credit Risk and Liquidity Risk and is approved at the RACC.

Risk identification and assessment

- The identification and assessment of risks that arise from day-to-day activities and through business change initiatives. This also includes horizon scanning for new and emerging risks.

Monitoring and measurement

- Investigation, root cause analysis and recording of risk incidents
- Risk-based monitoring reviews
- Developing and monitoring KRIs to support Brightwell's risk appetite process

Scenario analysis

- Performing scenario and stress test analysis to measure potential risk exposures

Reporting

- Reporting on the firm's risk profile, risk appetites and key performance indicators to the relevant governance forums as set out below.

Adequacy of risk management

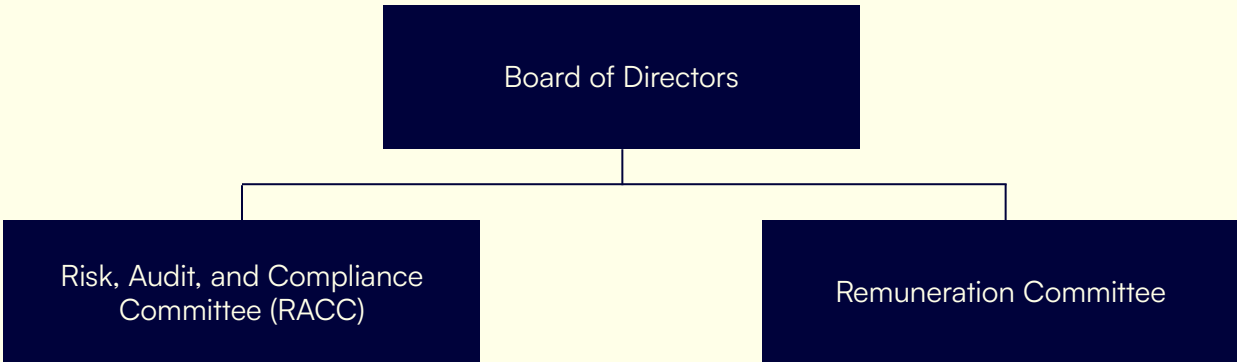
Brightwell is satisfied that its Enterprise Risk Management Framework is appropriate for the size and complexity of the business and is operating effectively. The design and effectiveness of the Framework is subject to periodic review by our audit partners.

Governance arrangements

Internal governance arrangements

The Board is collectively responsible for the firm’s long-term sustainable success within a framework of prudent and effective controls which it oversees. To support the Board in its oversight and leadership, there is an established committee framework as outlined below. The internal governance arrangements are the pathways through which the Board discharges its duties, supported by the Governance and Secretariat function.

Image 1: Brightwell Governance Framework



The Board

Brightwell’s corporate governance framework is designed to support the Board’s oversight of the firm’s purpose of working together for a better future, which is integral to the business. The framework demonstrates the Board’s commitment to high standards of governance. Whilst Brightwell is not required to follow a corporate governance code, the Board aims to apply the UK Corporate Governance Code where practicable. The Board’s non-executive directors bring a level of independent challenge to the CEO and his management team. As a Board, we are committed to evolving our governance arrangements in support of Brightwell’s strategic growth.

Director	Bio	Active Directorships
 Mike Bussey	Independent non-executive appointed July 2026. Mike Bussey is the Board Chair and joined the Brightwell Board in July 2026. He brings extensive international experience in financial services, having spent over 20 years with HSBC Group in senior leadership roles across Asia, the Gulf, Africa, North America and the UK. He subsequently served for a decade as Chief Executive of three global private banking and trust businesses. Since 2011, Mike has built a portfolio of chair and non-executive roles, reflecting his strong governance expertise and strategic leadership. He is currently Chair of Deutsche UK Bank Ltd, a position he has held since 2020, and was appointed Chairman of The London Clinic, the UK’s leading private charitable hospital, in 2024.	Other appointments: • Deutsche UK Bank Ltd, Chair • Chairman of the London Clinic Senior Manager Function Designations: SMF9

Director	Bio	Active Directorships
 Morten Nilsson	Chief Executive Officer (CEO) <i>appointed October 2018.</i> Morten joined Brightwell in 2018 and is responsible for leading all aspects of the business in support of its clients and the workforce. Morten has spent most of his career in financial services. He joined the pensions and investment industry in 2001 and spent over 10 years with the £90 billion Danish pension scheme ATP, where he held different senior positions across administration, investments, product and business development. In 2010 he moved to London where he founded NOW: Pensions and, as CEO, grew the business to become one of the largest defined contribution providers in the UK.	Other appointments: • Procentia Limited - Non-executive Chair • BT Pension Scheme Administration Limited — Executive Director Senior Manager Function Designations: SMF1, SMF3
 Dr Paula Walter	Independent non-executive <i>appointed March 2025.</i> Paula joined Brightwell's Board and RACC in 2025, bringing extensive technology and risk management experience. Her career within financial services has spanned technology, data, digital, cybersecurity and operations. Prior leadership roles include Chief Technology Officer at Newton Investment Management, Chief Operating Officer at Ruffer LLP, Chief Technology and Information Officer at Aldermore Group and Vice President at Goldman Sachs International. An alumna of the Universities of Cape Town and Oxford, she holds honours degrees in mathematics and linguistics and a DPhil in linguistics. She completed the Advanced Management Programme at IESE Business School.	Other appointments: • Royal College of Music, Council Member & Member of Audit and Risk Committee • German School London, Deputy Chair & Chair of IT Committee • University of Cape Town Trust, Trustee • Learning with Parents, Trustee • Zopa Bank Limited, Non-Executive Director
 David Fripp	Independent non-executive <i>appointed July 2025.</i> David Fripp joined the Brightwell Board in July 2025. He is a seasoned pensions and investment expert with over four decades of experience spanning banking, consultancy, and board-level leadership. In 1995, David joined KPMG as a senior manager and director, becoming a Partner in 1998. Over his 21-year tenure, he led multidisciplinary teams advising FTSE 100 companies and major pension funds on funding strategies, investment structuring, and governance frameworks. David currently serves as Independent Chair of the Harrods Group Pension Plan, where he has overseen a strategic overhaul of the Board, introduced a new investment approach aligned with cash flow needs, and helped guide the fund from deficit to surplus. He previously served as a Trustee and Investment Committee Member of the Imperial Tobacco Pension Fund, managing approximately £5bn in assets.	Other appointments: • Chair, Harrods Group Pension Plan • Director, Harrods Group Trustees Limited

There is an Equal Opportunities and Diversity strategy and policy for Brightwell. Whilst there is not a standalone Board diversity policy, the Board continues to promote diversity across the firm.

Furthermore, the Board has publicly demonstrated this commitment by becoming a participant in the Diversity Project, which champions a more inclusive culture within the Investment and Savings profession.

Assessment of conflicts and effectiveness

The Board operates a Conflicts of Interest Policy, and all members are asked to declare any new conflicts of interest at the start of each meeting, either generally or in relation to specific agenda items. Additionally, the directors must attest annually to any conflicts and that they have adhered to the Conflicts of Interest Policy. All employees are required to disclose conflicts of interest that impact the firm, clients, employees or the market. These can then be appropriately mitigated through internal controls or other appropriate measures. This helps to promote the integrity of the market and is in the interest of clients.

The Board periodically assesses its skills and experience, and the effectiveness of the governance framework using an internal resource. This considers recommending necessary skills and attributes of members of the management body as defined in SYSC 4.3A. Where any gaps are found, an action plan is created and executed by the Company Secretary.

Board committees

The Board is responsible for the overall strategy, oversight of financial and operational performance, key risks and regulatory compliance. The Board manages certain operations independently but delegates others to its committees. There are two formal Committees of the Board; RACC and Remuneration Committee, both of which are required under MIFIDPRU 7.3. A summary of each forum's areas of focus is outlined below.

Board Risk, Audit & Compliance Committee ("RACC")

Chaired by non-executive director, Paula Walter, the RACC's key purpose is to provide oversight and advice to the Board in relation to the current and potential future risk profiles and exposures of the firm, including the risk appetite, and on the effectiveness of the risk management framework. The RACC also assists the Board in carrying out its responsibilities relating to accounting policies/approaches, internal controls (e.g., compliance and audit) and financial reporting functions, including consideration of any relevant non-financial disclosures or related controls which may impact the financial statements.

Board Remuneration Committee ("RemCo")

The purpose of the RemCo is to support the Board in the aim of ensuring that Brightwell's remuneration arrangements are aligned to the successful delivery of Brightwell's long-term strategy. The RemCo membership consists only of non-executive directors and is chaired by Mike Bussey.

Other inputs to the Board

Executive (Exec) -The Board has delegated day-to-day management of the firm to the CEO who executes this responsibility via management meetings, such as the Executive meetings (the “Exec”). It functions as the executive decision-making body for all entities within Brightwell, with the exception of Procentia. Each member of the Exec has individual responsibility for business areas within Brightwell.

Own Funds

BT Pension Scheme Management Limited, trading as Brightwell, has calculated its Own Funds in line with the regulatory requirements set out in MIFIDPRU 3. The Own Funds disclosures, as required by MIFIDPRU 8.4, are provided below. They have been provided in the format set out in MIFIDPRU 8 Annex 1R. They relate to the most recent audited financial accounts (i.e., 1st July 2025 – 30th June 2026).

Composition of regulatory own funds			
	Item	Amount (GBPs)	Source based on reference numbers / letters of the balance sheet in the audited financial statements
1	Own Funds	35,876,816	Calculated as share capital (4), retained earnings (6) additional capital from Subsidiaries (20) less investment in subsidiaries and intangible assets
2	Tier 1 Capital	35,876,816	As above
3	Common Equity Tier 1 Capital	35,876,816	As above
4	Fully paid-up capital instruments	37,800,000	Audited accounts note 17
5	Share premium	-	
6	Retained earnings	37,662,873	Audited accounts company statement of changes in Equity
7	Accumulated other comprehensive income	-	
8	Other reserves	-	
9	Adjustments to CET1 due to prudential filters	-	

Composition of regulatory own funds			
10	Other funds	-	
11	(-) Total deductions from CET1	-	Audited accounts
19	CET1: Other capital elements, deductions and adjustments	-	
20	Additional Tier 1 Capital	1,470,000	15% of BTPSA cost £9.8m
21	Fully paid-up, directly issued capital instruments	-	
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

		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	Fixed Assets — investment in Subsidiaries	40,813,053	-	Audited accounts note 9
2	Intangible assets	243,004	-	Audited accounts note 11
3	Tangible assets	378,080	-	Audited accounts note 12
4	Debtors	11,552,311	-	Audited accounts note 13
5	Cash at Bank	35,647,210	-	
6	Total Assets	88,633,658	-	

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

1	Creditors falling within one year	10,863,216	-	Audited accounts note 14
2	Creditors falling due after one year	2,082,959	-	Audited accounts note 15
3	Provision for liabilities and charges	224,610	-	Audited accounts note 16
4	Total Liabilities	13,170,785	-	

Shareholders' Equity				
1	Called up share capital	37,800,000	-	Audited accounts note 17
2	Profit and loss account	37,662,873	-	Audited accounts Company Statement of Changes in Equity
3	Total Shareholders' Equity	75,462,873	-	Audited accounts Company Statement of Changes in Equity

Risk profile and Own Funds, Concentration risk and Liquidity requirements

Brightwell has completed the ICARA to determine its Own Funds Requirement. The Own Funds Requirement is the highest of the:

- Permanent Minimum Requirement;
- Assessment from ongoing operations (K-Factor requirement + additional own funds to mitigate harm posed to others not covered by K-Factors); and
- Assessment from Wind-down (Fixed Overhead requirements + additional capital required for orderly wind-down).

The three values are provided below:

1. Permanent Minimum Requirement - £75,000
2. Assessment from ongoing operations - £12,126,315
3. Assessment from Wind-down £12,524,837

Therefore, the Own Funds Requirement for BTPSM is £12,524,837.

On at least an annual basis, Brightwell completes the ICARA process. This involves assessing the potential harms that it poses to itself, clients and the market and then quantifying the financial impact if these harms were to occur. Brightwell only looks to include potential harms that are not covered by the K-Factors. The amount of capital required to satisfy this requirement is referred to as the Own Funds Threshold Requirement. In order to satisfy the Overall Financial Adequacy Rule (OFAR), Brightwell must maintain appropriate capital to satisfy the higher of the Own Funds Requirement and Own Funds Threshold Requirement as well as meet the requirements of the Liquid Assets Threshold Requirement. Brightwell currently holds sufficient capital to meet the requirements of the OFAR.

Harm assessment

Under MIFIDPRU, Brightwell is required to hold adequate capital and liquid assets to ensure the firm remains financially viable, to ensure it remains able to mitigate the impacts of the harms that may arise from its business activities and to ensure that, if required, the firm can be wound-down in an orderly manner.

Brightwell undertakes an ICARA to determine the potential harms that may occur through its business activities that are grouped into three categories:

- **Harm to Clients:** Operational incidents that impact our business activities that could result in financial or reputational damage to our clients;
- **Harm to Firm:** The impact to the firm's balance sheet of operational incidents that could result in financial or reputational damage to Brightwell;
- **Harm to Market:** The impact to the integrity of broader financial markets that could arise from operational incidents at Brightwell.

The ICARA, which is approved by the Brightwell Board, is undertaken in accordance with the MIFIDPRU rules and is used to assess and document that Brightwell has sufficient own funds and liquid assets to support business activities. As part of the ICARA, Brightwell performs a comprehensive risk identification and assessment of the potential material harms that may arise through business activities. This enables Brightwell to:

- Identify risks that may result in material harms to our clients, to the firm and to broader financial markets. This is achieved using both a “bottom-up” assessment based on relevant risk information from the firm’s risk register and a “top-down” assessment made by the Executive Team and Senior Management;
- Assess the potential likelihood and impact of harms occurring;
- Assess the adequacy of systems and controls in place to identify and reduce potential harms; and
- Develop scenario analysis and stress testing to determine whether additional capital or liquid assets are required to further mitigate any residual risk.

Risk profile

Brightwell is exposed to various forms of risks and seeks to manage these to protect its clients’ best interests, achieve its business objectives and to meet regulatory obligations. As an investment management firm, the most material risks the firm faces are operational, strategic and financial risks (which include liquidity risk, credit risk and market risk). Our risk framework is designed to ensure that key risks remain within the Brightwell Board’s appetite.

Liquidity Risk

Brightwell ensures it has sufficient cash resources, borrowing arrangements, overdraft, or standby facilities to enable it to always have the level of funds available that are necessary for the achievement of its business objectives and to avoid harm to employees, the business or the market. It has identified the minimum number of days of operating expenses it seeks to always have on hand and set in place means to ensure cash deposits of a sufficient level to always match those requirements. Brightwell monitors cash levels daily to ensure adherence to the policy standards of maintaining sufficient cash levels. If liquidity levels cannot be properly maintained by the Head of Finance, the Executive Committee will direct the Head of Finance to take action that will return liquidity to within agreed tolerance.

Concentration Risk

Brightwell does not deal on its own account, nor does it hold client money and therefore has limited concentration risk. Brightwell has concentration risk with respect to the financial institutions and instruments where the firm’s own assets are held. Assets could be at risk in the event of creditworthiness or liquidity issues at the counterparty bank. Brightwell manages the concentration risk that may arise from the placement of its own cash by ensuring the cash is:

- Deposited as per the list of approved banks. The creditworthiness of relevant financial institutions is subject to ongoing monitoring and;
- Invested in large, highly diversified, high credit quality, money market funds offering daily liquidity. The money markets funds are monitored by 1st line and 2nd line teams.

If concentration risk cannot be managed within these parameters, the Executive Committee will direct the Head of Finance to act.

Remuneration policy and practices

Introduction

This section of the MIFIDPRU disclosures sets out the principles, control approach and governance arrangements to be followed in Brightwell when managing remuneration.

Purpose

The primary purpose of the Policy is to have a remuneration policy that allows the business to retain and attract talent to ensure the success of the business. The policy is also set out to ensure that the business promotes sound and effective risk management as well as good corporate governance and to incentivise Directors and employees to act in ways which do not undermine this primary purpose; and which achieve the delivery of Brightwell's business plan and strategic goals as determined by the Brightwell Board.

The policy is designed to outline Brightwell's approach to compensation (fixed and variable). The arrangements required under this Policy are designed to:

- Support the delivery of the strategy, whilst ensuring adherence to its risk appetite.
- Ensure remuneration is competitive to attract and retain talent.
- Ensure fair outcomes for our people, clients, and shareholder and,
- Align incentive schemes to drive behaviours consistent with Brightwell's purpose, culture, and values.

Scope

The policy applies to all Brightwell employees and Executive Directors (BTPSM and BTPSA), including:

- the risk-management function;
- the function which internally evaluates adequacy and effectiveness of the system of governance.

The policy excludes Procentia.

Remuneration Committee

Brightwell has established a Remuneration Committee ('RemCo') in accordance with agreed terms of reference, to provide a forum responsible for reviewing the Policy requirements set out below and for overseeing the implementation of the Policy and compliance with it. The role of the RemCo is to ensure that:

- this Policy is applied in making all remuneration decisions; and
- remuneration payable is consistent with the financial performance of Brightwell.

The membership of the RemCo is documented in its Terms of Reference and approved by the Brightwell Board.

Principles

Brightwell has in place a remuneration framework based on the following principles:

- A pay-for-performance philosophy exists where variable pay will fluctuate year-on-year based on performance against KPIs, taking into account business, team and individual performance;
- Performance is measured both on what is achieved and how it is achieved and will affect individuals' reward with an emphasis on appropriate risk management and alignment to our values. Risk events that exceed the firm's overall tolerance in that area could impact performance and therefore remuneration;
- Brightwell has job families and grades to ensure skills sets are recognised in reward levels and rewards are supported by external insights;
- Employees are not remunerated for holding a position as an Executive Director on a Brightwell Group or client-related legal entity board;
- Material Risk Takers (MRTs) are identified and all variable remuneration awarded to MRTs is capable of being subject to ex-post risk adjustment, including the operation of malus and clawback;
- Brightwell has taken measures to avoid conflict of interest which are outlined below.
- Ensuring equal pay for equal work and that colleagues are compensated fairly, consistent with Brightwell's policies on equality, diversity and inclusion.

For the purposes of the Policy, remuneration comprises basic salary, variable remuneration (bonus), certain benefits, and pension arrangements.

Brightwell has had regard to applicable good practice on remuneration and corporate governance in establishing the Policy. In considering the risks arising from the Policy, Brightwell will conform to its statutory duties in relation to equal pay and non-discrimination.

To promote sound and effective risk management behaviours, Brightwell will:

- specify pay ranges applicable to basic salary for all Directors including Executive Directors and employees, taking account of market data;
- assess eligibility for any annual increases in remuneration against specified performance criteria;
- assess both the financial and non-financial performance of its Directors and employees;
- ensure that no employee or Director plays a role in setting their own remuneration or of another employee where there is a conflict of interest; and
- ensure appropriate levels of Directors' and Officers' insurance is in place for all Directors.

The Policy is aligned to Brightwell objectives and is designed to support Brightwell values and long-term interests.

The approach to the remuneration principles below is consistent for all colleagues, regardless of role, unless explicitly stated otherwise.

Base Salary

Base salary is set based on information from the external market on the position, the skills and experience of the colleague in question and internal relativities. In setting the pay and conditions of any employee, the Exec member takes account of the remuneration of other employees, including any base salary increases awarded, to ensure consistency of approach throughout the firm.

The base salary is normally set for the first year of employment, with a commitment to conduct a salary review process in line with any salary review process for employees generally.

Remuneration Reviews / Salary Increases

The RemCo reviews and agrees salary budgets annually with changes effective from 1 July in line with the new financial year.

When Exco review individual salaries they must take into account job roles, benchmarking data (including the most up to date market data and salary surveys) which is reviewed with the intention that any remuneration remains within a competitive range. Consideration is also given to the scope of each role, the level of experience, responsibility, progress in role and pay levels for similar roles in comparable companies, as well as where there is a genuine retention risk of a critical role.

Grades one to five in BTPSA are unionised, a standard increase will be negotiated and agreed with the Unions for these grades. This will be the minimum percentage increase applied to colleagues in grades one to five roles within BTPSA only. For all other employees salary increases is at the sole discretion of the firm.

Promotions

In cases where a new role is created or a manager or Function Head identifies an individual who they believe warrants a promotion, the relevant Function Head must submit a promotion form to HR and Executive sponsor. Promotions will be reviewed and approved by the Executive Committee.

Promotions may be awarded where one or more of the following has been identified:

- New role at a higher level
- Newly created role (which would be advertised internally, and the normal recruitment process will be followed)
- The colleague has grown significantly within the current role and where there is a business rationale to increase the size of the role
- The colleague is working at a level above the current grade consistently and where there is a business rationale to increase the size of the role.

Compensation is reviewed separately in line with the salary review process detailed above.

Bonus / Variable Pay

Bonuses are paid in accordance with the approach to reward described above, taking into consideration job family, pay grades and variable pay ratios, as well as whether or not a colleague is a Material Risk Taker (MRT), see below. Where variable pay involves a deferred element, the rules surrounding the deferral are described below.

In assessing individual and company performance, financial as well as non-financial criteria are taken into account. Non-financial criteria include adherence to effective risk management through a robust ERM framework, compliance, regulatory requirements, conduct, values and behaviours. Risk events that exceed the firm's overall tolerance in that area could impact performance and therefore variable pay.

Colleagues will be eligible to be considered for participation in the discretionary bonus scheme if they are in active employment with the firm, have at least three months service within the performance year and are not under notice of termination at the date on which bonus payments are made. Employees who are subject to disciplinary proceedings will not normally be eligible to receive an award.

All bonus payments are discretionary, non-contractual and non-pensionable.

Absence

Colleagues who are absent for more than 20 consecutive working days will receive a pro-rated bonus based on the number of months worked within the performance year. Examples where this would apply would include sickness absence, maternity leave and paternity leave. Where a colleague is absent due to maternity leave, the first two weeks of maternity leave will not be considered in pro-rating of awards.

Cash Bonus

Cash bonus payments are made through July payroll and will be subject to the usual deductions of income tax and national insurance.

Deferred Bonus

Deferred bonuses are deferred over two years.

They will be adjusted by CPI and paid one and two years after the performance year. Deferred awards are paid in November of the relevant year.

The deferred element will vest in 2 tranches over a 2-year period as follows:

- ½ will vest on the first Anniversary of the Grant Date and,
- ½ will vest on the second Anniversary of the Grant Date

Upon Vesting, the value of the tranche will be determined by measuring the change in CPI over the Performance Period from the Grant Date to the anniversary Vesting Date (i.e. 12- or 24-month period depending upon the vesting tranche) and applying it to the initial value of the Award.

The cost of remuneration is considered by the Finance function and incorporated within capital and liquidity planning to confirm that there is appropriate liquid and own funds.

Leaver Provisions

A Participant who ceases to be in the employment of the firm or who has resigned or has received notice of termination during the Vesting Period (the 2 years following the date of the award) shall have no right to any unvested deferred incentives and the entire unvested deferred incentive element will immediately lapse.

Good Leaver

Good leavers deferred incentive awards will vest in line with their original vesting schedule. A “good leaver” is an individual who ceases their employment due to retirement, ill health, death, or any other circumstance deemed appropriate at the discretion of the RemCo.

Malus and Clawback

The variable reward of colleagues who have been identified as Material Risk Takers is subject to the application of malus and clawback. Malus refers to the ability to reduce or cancel any unvested deferred element of variable remuneration before the remuneration vests if certain predefined conditions are not met. This could include misconduct or failure to meet regulatory requirements. Clawback refers to the ability to require an individual to repay an amount of variable remuneration after it has been paid, regardless of whether the award was deferred or not. Clawback would apply in cases where, for example, misconduct is later discovered. For colleagues who are participants in the Discretionary Deferred Incentive Plan, the deferred element of their award is subject to malus and clawback.

Other types of remuneration that are subject to malus and clawback are: guaranteed variable remuneration, retention awards, severance pay and buy-out awards.

Change of control

On a change of control or corporate event, where a Participant of the Discretionary Deferred Incentive Plan ceases to be employed by the same entity that granted the initial Award (excluding situations caused by internal re-structuring), the RemCo will have full discretion over any movement in award vesting dates. For example, a vesting date may be brought forward to the date of the respective event or kept in line with the original schedule.

RemCo will determine the value of the deferred element based upon CPI up to the date of the change of control.

Benefits

Exco have the discretion to offer employees benefits which are competitive within the local market. No benefits are pensionable.

Pension

All staff are eligible to join the company pension scheme. The RemCo may amend the form of any employee's pension arrangements in response to changing pension legislation or similar developments, so long as any amendment does not increase the cost to Brightwell of an employee's pension provision by any greater percentage than the increase to the provision for all other staff. Brightwell shall ensure that its pension policy is in line with its business strategy, objectives, values and long-term interests. Changes to pension arrangements are subject to statutory consultation processes.

Executive Directors

BTPSM does not remunerate Executive Directors for being an Executive Director. As a result, Brightwell does not currently offer payments for loss of office or liquidated damages arrangements.

Executive Committee

Remuneration for the CEO, CEO's direct reports and SMF 16 and 17 role holder are agreed by the RemCo.

Severance Pay

Brightwell follows the statutory entitlements when paying severance pay, however it reserves the right to consider enhancements as appropriate on a case-by-case basis or following the outcome of any collective consultation.

Recruitment

When recruiting either externally or internally, the line manager with consultation from HR will set a remuneration package for the new incumbent taking into account the skills and experience of the candidate, as well as the market rate and remuneration levels across Brightwell. The Executive member may consider making additional awards, taking into account pay or benefits forfeited by a candidate on leaving a previous employer, payments made for relocation, expenses or other costs or benefits as a result of the recruitment. Where a guaranteed bonus is paid to an external new joiner in respect of future awards that have been forfeited by the candidate from a previous employer, Brightwell will take all reasonable steps to determine the value of the awards and only award up to that amount, and to pay them in line with the original schedule as set out by the previous company. Any such payments for incoming employees must be signed off by CEO and CPO. The appointment and remuneration package of CEO's direct reports must be approved by the RemCo.

Material Risk Takers

Brightwell identifies Material Risk Takers (MRTs) and informs them of the regulations that impact their remuneration, including the requirement to make public disclosures, and apply malus and clawback to variable pay. MRT identification is reviewed annually. MRTs have been identified in the following categories of staff, including, but not limited to, senior management, managers of control functions, those responsible for managing a material risk, those responsible for managing a business unit that undertakes specified regulated activities, and those whose activities materially impact the firms' risk profile.

Should the need to provide retention awards arise for any material risk taker, this will be done in line with regulatory requirements.

Conflicts of Interest

Brightwell has taken measures to avoid conflicts of interest. Conflicts of interest may arise when employees are involved in the determination of remuneration for their own business area. Brightwell ensures that remuneration decisions are independent, and that no employee plays a role in setting their own remuneration or of another employee where there is a conflict of interest. Remuneration of employees in oversight functions is not directly linked to the performance of the business areas they oversee. Any Executive Committee member attending a meeting of the RemCo must declare an interest and exclude themselves from the meeting to the extent it considers their remuneration. For all colleagues below the Executive Committee, the CEO is responsible for setting the remuneration with input from other Executive Committee members, as appropriate.

Public Disclosures

Brightwell makes public disclosures regarding remuneration in line with the requirements set out in the regulations. This information is included below:

Data Item	Population		
	Senior Management	MRTs (17 staff)	Other
Total amount of remuneration awarded ¹	£4,157,827	£5,109,786	£11,315,707
The fixed remuneration awarded ²	£1,907,917	£2,938,806	£7,839,667
The variable remuneration awarded	£3,475,534 ³	£2,554,736 ³	£2,505,263 ³
	£2,099,334 ⁴	£1,700,436 ⁴	£2,207,663 ⁴
The total amount of guaranteed variable remuneration awards made during the financial year and the number of MRTs receiving those awards ⁵	£29,325 (2)	£0	N/A
The total amount of the severance payments awarded during the financial year and the number of MRTs receiving those payments	£382,883.92 (3)		N/A
The amount of the highest severance payment awarded to an individual MRT	£203,076.92	£127,615.00	N/A

Senior Management and MRT disclosures include all individuals identified as Senior Managers and MRTs at any point during the reporting period and remuneration relating to that period, including individuals who ceased employment or ceased to be classified as such before the reporting date.

¹ Salary, bonus paid, PMI, health cash, Pension payment and ER pension for months worked

² Salary pro-rated for months worked between 01/07/25 - 30/06/26

³ Bonus awarded as at July 2026 for performance in the reference period plus deferred bonus paid November 2025

⁴ Bonus paid as at July 2026 for performance in reference period plus deferred bonus paid November 2025

⁵ Includes any off-cycle bonus payments

⁶ Whilst the obligation is to split this information between senior management and MRTs, we have relied on an exemption under MIFIDPRU 8.6.8 (7), allowing us to aggregate the data to prevent individual identification of a material risk taker.

Shareholder Approvals

The following matters are subject to both Brightwell Board and shareholder approval:

- the Remuneration policy
- material changes to the compensation structure e.g. performance-related compensation arrangements or any profit-sharing, share option, bonus, or other incentives schemes.