

# Disclaimer

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Thank you for accessing our Website, which is provided and owned by Piton Capital LLP (The Owner) who provides access to and the use of this Website subject to the following Terms and Conditions (the Terms).

## 1. Your Acceptance of these Terms:

Your use of our Website constitutes your agreement to all the terms and conditions contained in this document. If you do not agree with the terms of this document either in full or in part, you should cease using this website immediately.

## 2. Changes to the Terms:

The Owner reserves the right to change, add to or delete items of these Terms at any time and will post these changes on this Website. You are therefore advised to visit the Owners Website on a regular basis to be informed of the present Terms.

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## 4. Lawful Use:

You may only use this Website for lawful purposes, and in a manner which does not infringe the rights of, or restrict or inhibit the use and enjoyment of this Website by any third party. Such restriction or inhibition includes, without limitation, conduct which is unlawful, or which may harass or cause distress or inconvenience to any person and the transmission of obscene or offensive material within this Website.

## 5. No Warranty:

The Owner is providing this Website and its contents on an “as is” and an “as available” basis without any representation or endorsement made and without warranty of any kind whether express or implied, including but not limited to the implied warranties of satisfactory quality, fitness for a particular purpose, non-infringement, compatibility, security and accuracy. In no event will the Owner be liable for any damages including, without limitation, indirect or consequential damages, or any damages whatsoever arising from or in connection with the use of our Website or loss of use or data or profits suffered by you, whether in action of contract, negligence or other tortious action, arising out of or in connection with the use of, or inability to use the Website.

Whilst the Owner will try to ensure that the standard of this Website remains high, we do not warrant that the Website will be uninterrupted or error free, that defects will be corrected, or that this Website or the server that makes it available are free of viruses or bugs or represents the full functionality, accuracy, reliability of the information.

#### 6. Local Laws and regulations:

The website is not for use by any person in any jurisdiction where for any reason the publication or availability of the website or its content is prohibited. The Owner does not represent that either the Website or its content are appropriate for use or permitted by local laws in all jurisdictions. Those who access the Website do so on their own initiative and are responsible for compliance with applicable local laws or regulations; competent legal advice should be sought in cases of doubt.

#### 7. Indemnity:

You agree to indemnify, defend and hold harmless each of the Owner, its employees, representatives and agents from and against any claims, actions demands or other proceedings brought against any of the Owner, its employees, representatives or agents, by a third party, to the extent that such claim suit action, or other proceeding brought against the Owner, its employees, representatives and agents is based on or arises in connections with:

a. Your use of the website

b. Any breach by you of these terms and conditions

c. A claim that any use of the Website by you that: (i) infringes any intellectual property rights of any third party; (ii) or infringes any right of personality or publicity; (iii) or is libelous or defamatory, or otherwise results in injury or damage to any third party.

d. Any deletions, additions, insertions, or alterations to, or any unauthorized use of, the Website by you; or

e. Any misrepresentation or breach of representation or warranty made by you contained herein.

References in this section of the Terms to your use of the Website shall be deemed to include any use by a third party where such third party accesses the Website using your computer.

You agree to pay the Owner, its employees, representatives and agents any and all costs, damages, and expenses (including reasonable legal fees) awarded against any of them or otherwise incurred by any of them in connection with or arising from any such third party claim, suit, action or proceeding attributable to any such third party claim.

#### 8. Waiver:

No waiver by the owner of any breach of any obligation arising under these terms shall constitute a waiver of any other breach and no failure to exercise or to partially exercise by the Owner of any remedy shall constitute a waiver of the right subsequently to exercise that or any other remedy.

#### 9. No Conflict:

If there is a conflict between these Terms and any other rules and/or specific terms of use appearing on this site relating to specific material then the latter shall prevail.

If any of these Terms and Conditions should be determined to be illegal, invalid or otherwise unenforceable by reason of the laws of any state or country in which these Terms and Conditions are intended to be effective, then to the extent and within the jurisdiction which that Term or Condition is illegal, invalid or unenforceable, it shall be severed and deleted from these Terms and Conditions and the remaining Terms and Conditions shall survive, remain in full force and effect and continue to be binding and enforceable.

#### 10. Governing Law and Jurisdiction:

These Terms and Conditions shall be governed by and construed in accordance with the laws of England and Wales. The courts of England and Wales are to have exclusive jurisdiction to settle any disputes arising out of or in connection with the use of this website.

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## Privacy Notice

For the purposes of the General Data Protection Regulation ('GDPR'), Piton Capital LLP will be the 'controller' of the personal data you provide. Please read the following information carefully in order to understand the Firm's practices in relation to the treatment of your personal data. Should you have any questions, please email us at [privacy@pitoncap.com](mailto:privacy@pitoncap.com).

### **What data privacy principles does the Firm adhere to?**

- The Firm will process all personal data in a lawfully, fair and transparent manner;

- The Firm will only collect personal data where it is necessary;
  - For the Firm to provide a service to you;
  - For you to provide a service to the Firm;
  - For the Firm to keep you informed of its products and services; or
  - For the Firm to comply with its legal and regulatory obligations.
- The personal data collected by the Firm will be adequate, relevant and limited to what is necessary in relation to the specific purpose for which your data will be processed;
- The Firm will take all reasonable steps to ensure that personal data is accurate and, where necessary, kept up-to-date;
- The Firm will maintain personal data in a form that permits identification no longer than is necessary for the purposes for which the personal data has been collected for processing, in accordance with the Firm's record retention requirements as mandated by the Financial Conduct Authority;
- The Firm will hold and process personal data in a manner that ensures appropriate security;
- The Firm will only share personal data where it is necessary to provide the agreed service or where it is necessary for the Firm to comply with its legal and regulatory requirements.
- The Firm will only utilise a service provider based outside of the EEA for the processing of personal data where this is strictly necessary to facilitate our services to you. In all cases, we will ensure service providers are fully compliant with GDPR ahead of transferring any personal data.

#### **What personal data does the Firm collect and why?**

In the course of providing products/services to you, the Firm may collect information that is considered personal information (e.g. name, contact details, address, passport number, driving licence).

As a client, contact or employee of Piton Capital LLP, we will require some personal information in order to verify your identity and have the applicable relationship with you. Some of this information may be required to satisfy legal obligations (e.g. to comply with obligations arising under the money laundering regulations whereas other information may be required in connection with the provision of services to you). The information collected will vary depending on the service the Firm provides to you or you provide to the Firm, but typically includes:

- Personal information: Such as your name, date of birth, passport number or national insurance number;
- Contact information: Including your address, telephone number and email address.

#### **Where does the Firm store my personal data?**

The Firm has comprehensive policies and procedures in place to ensure your personal data is kept safe and secure, with these including:

- Data encryption;
- Firewalls;
- Intrusion detection;
- 24/7 physical protection of the facilities where your data is stored (i.e. Microsoft's UK data centres);
- Background checks for personnel that access physical facilities; and
- Security procedures across all service operations.

#### **How long does the Firm retain personal data?**

As a regulated entity, the Firm is required to maintain its books and records for a prescribed period (five years from either the ceasing of a business relationship, or, in the case of non-clients, from the making of a record – or alternatively, for seven years, where specifically requested to do so by the Financial Conduct Authority). As such, information that falls in scope of either of these requirements is retained in line with the mandated timeframe.

Any information that is outside the scope of this requirement will be retained whilst relevant and useful, and destroyed where this ceases to be the case or where the data subject specifically requests this.

### **How have I been categorised in accordance with GDPR?**

The GDPR requires the Firm to inform you of the legal basis on which we maintain your personal data. Typically, the Firm will reach out to you personally to confirm this; however, as a general rule the following is applicable:

- Clients – Information is maintained on the basis of contractual obligation and/or legitimate interests (where relevant);
- Service providers – Information is maintained on the basis of contractual obligation; and
- Database/marketing contacts – Information is maintained on the basis of legitimate interest.

### **What are my rights?**

Once you have provided your details to the Firm, you have certain rights which apply, depending on your relationship with the Firm, the information you have shared with us and the Firm's legal and regulatory obligations.

- You have the right to request a copy of the information that we hold about you. If you would like a copy of some, or all, of your personal information, please email the Firm at EMAIL. The Firm will provide this information to you within one month (with the ability to extend this by an additional two months where necessary), free of charge.
- You have the right to request that the information the Firm holds about you is erased under certain circumstances including where there is no additional legal and/or regulatory requirement for the Firm to retain this information.
- As a client, you have the right to request that any information the Firm holds about you be provided to another company in a commonly used and machine-readable format, otherwise known as 'data portability'.
- You have the right to ensure that your personal information is accurate and up to date, or where necessary rectified. Where you feel that your personal data is incorrect or inaccurate and should therefore be updated, please contact [privacy@pitoncap.com](mailto:privacy@pitoncap.com).
- You have the right to object to your information being processed, for example for direct marketing purposes.
- You have the right to restrict the processing of your information, for example limiting the material that you receive or where your information is transferred.
- You have the right to object to any decisions based on the automated processing of your personal data, including profiling.
- You have the right to lodge a complaint with the Information Commissioner's Office (<https://ico.org.uk/concerns/> if you are not happy with the way that we manage or process personal data.

### **Will I be notified of changes to this policy?**

The Firm may, from time to time, review and update this policy. The Firm will maintain the latest version of this policy on its website, and where the changes are deemed material, it will make you aware of these.

### **Who should I direct questions to?**

If you have any questions, concerns or complaints about the practices contained within this document or how the Firm has handled your data, please email: [privacy@pitoncap.com](mailto:privacy@pitoncap.com).

Alternatively, you may write to: Data Protection Officer, Piton Capital LLP, 16-19 Eastcastle Street, London W1W 8DY

**MIFIDPRU Public Disclosure Document**

**PITON CAPITAL LLP**

**Date as at 25<sup>TH</sup> April 2023**

**For the period to year end 2022**

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## **1 Overview and summary**

Piton Capital LLP is regulated by the Financial Conduct Authority (“FCA”) as a Markets in Financial Instruments (“MiFID”) firm and subject to the rules and requirements of the FCA’s Prudential Sourcebook for MiFID Investments Firms (“MIFIDPRU”) handbook.

For the purposes of MIFIDPRU, the Firm has been classified as a small non-interconnected (“SNI”) firm.

The Firm has produced this Public Disclosure Document in line with the rules and requirements of MIFIDPRU 8, as applicable to SNI firms.

This Public Disclosure Document has been prepared based on the audited financials as at 25<sup>th</sup> April 2023, covering the financial period 1<sup>st</sup> January to 31<sup>st</sup> December 2022

The Firm’s main business activity is an investment manager to 4 UK venture capital funds.

## **2 Risk management objectives and policies**

The Firm has implemented and embedded risk management framework, policies and procedures across all relevant risk areas of the Firm. The Partnership Board sets the business strategy and risk appetite statement of the Firm, which flows through to the risk management framework of the Firm.

In line with the Firm’s business strategy, risk appetite and risk management framework the Firm identifies and further assesses key risks within the Firm’s Internal Capital and Risk Assessment (“ICARA”) process.

The Firm maintains a risk register, which includes risk assessment and rating methodologies in accordance with its risk appetite statement. Key risks are reported to the governing body as they arise.

### **2.1 Own funds requirements – MIFIDPRU 4**

As an SNI firm without permissions for dealing as principle or holding client money or client assets, the Firm is subject to a Permanent Minimum Requirement of £75,000.00.

The Firm calculates its own funds requirements based on the Fixed Overhead Requirement (“FOR”) calculation and is not subject to any K-factor requirements.

The Firm has further assessed any risks facing its business operations within its ICARA and quantified additional own funds and liquidity, where required.

## 2.2 Concentration risk – MIFIDPRU 5

The Firm does not conduct any trading on own account and does not have regulatory permissions for dealing as principal. The Firm therefore does not have any concentration risks on or off-balance sheet and does not operate a trading book.

## 2.3 Liquidity – MIFIDPRU 6

The Firm maintains minimum liquidity at all times in compliance with the Basic Liquid Asset Requirement (BLAR), being at least 1/3 of its FOR.

The Firm does not provide any client guarantees and therefore its entire liquidity requirement is driven by its expenses, as captured by the FOR.

As part of the ICARA, the Firm also maintains liquidity to satisfy its net wind-down costs and any additional liquidity requirements which the ICARA identified for supporting the ongoing business activities of the Firm.

## 3 Own funds

### 3.1 Own funds resources

In line with MIFIDPRU 8.4 the Firm has prepared the reconciliation of own funds in line with MIFIDPRU 8 Annex 1 as follows:

### Capital Adequacy

	2022	
Fully paid up capital instruments	£	160,000
Eligible members capital	£	2,954,121
Share premium	£	-
Retained earnings	£	-
<b>Total CET1 resources</b>	<b>£</b>	<b>3,114,121</b>
<b>CET1 Deductions</b>		
Losses for the current financial year	£	-
Intangible assets	£	-
Excess drawings by members	£	577,655
<b>Total CET1 Deductions</b>	<b>£</b>	<b>577,655</b>
<b>Total CET1 Capital</b>	<b>£</b>	<b>2,536,466</b>
Subordinated loans	£	-
<b>Total T2 Resources</b>	<b>£</b>	<b>-</b>
<b>Total Regulatory Capital</b>	<b>£</b>	<b>2,536,466</b>

Base Capital Requirement	£	75,000
Fixed Overhead Requirement	£	306,061
<b>IFPR Capital Requirement</b>	<b>£</b>	<b>306,061</b>
<b>Capital surplus / deficit</b>	<b>£</b>	<b>2,230,406</b>

### 3.2 Own funds requirements

The Firm calculates its own funds requirements as an SNI firm in line with the rules and requirements in MIFIDPRU 4.3 for SNI firms.

<b>Fixed Overhead Requirement</b>		
Total annual costs	£	1,483,242
Total variable costs	£	259,000
<b>Fixed costs for FOR</b>	<b>£</b>	<b>1,224,242</b>
<b>Fixed Overhead Requirement</b>	<b>£</b>	<b>306,061</b>

In addition, the Firm has completed its ICARA and analysis to determine its net wind-down requirements and any additional own fund requirements to fund its on-going operations.

The Firm's risk appetite statement and assessment of risks through its risk management framework and risk register form the basis of its ICARA and assessment of the overall financial adequacy rule in line with MIFIDPRU 7.4.7.

The Partnership Board reviews, challenges and approves the ICARA and conclusions of own funds requirements.

## 4 Remuneration arrangements

The Firm has adopted a remuneration policy and procedures that comply with the requirements of chapter 19G of the FCA's Senior Management Arrangements, Systems and Controls Sourcebook ("SYSC").

In accordance with MIFIDPRU 8.6.2 the Firm makes the following qualitative remuneration disclosures:

- The Firm's remuneration policies and practices are reviewed annually to ensure they are appropriate and proportionate to the nature, scale and complexity of the risks inherent in the business model and the activities of the firm.
- The Partners, as the Remuneration Committee, is directly responsible for the overall remuneration policy.
- The Firm ensures that its remuneration structure promotes effective risk management and balances the fixed and variable remuneration components for all Staff.
- Variable remuneration is adjusted in line with capital and liquidity requirements as well as the firm's performance.

All Staff are eligible to receive variable remuneration.

Piton Capital LLP does not benefit from exceptional government intervention.

Piton Capital LLPs Remuneration Policy sets out the criteria for setting fixed and variable remuneration. All remuneration paid to staff members is clearly categories as either fixed or variable remuneration.

Fixed remuneration is based upon a staff member's professional experience and organisational responsibility. It is permanent, pre-determined, non-discretionary, non-revocable and not dependent on performance.

Variable remuneration is based upon staff members performance or, in exceptional cases, other conditions.

Performance reflects the long-term performance of the staff member as well as performance in excess of the staff member's job description and terms of employment, and

- includes discretionary pension benefits; and
- includes carried interest, as referred to in SYSC 19G.1.27R.

Total remuneration is based on balancing both financial and non-financial indicators together with the performance of the Firm and the staff member's business unit.

The Firm ensures that fixed and variable components of the total remuneration are appropriately balanced; and the fixed component represents a sufficiently high proportion of the total remuneration to enable the operation of a fully flexible policy on variable remuneration.

The Firm monitors fixed to variable compensation to ensure SYSC 19G is adhered to with respect to Total Remuneration.

## Quantitative Remuneration

All firms are required to publicly disclose certain quantitative information in relation to the levels of remuneration awarded.

As an SNI firm and in accordance with MIFIDPRU 8.6.8, Piton Capital LLP is required to disclose the total amount of remuneration awarded to all staff, split into fixed and variable remuneration: This information is disclosed in the partnership audited accounts filed at Companies House [here](#).