

MIFIDPRU Public Disclosure Document

As at 19 April 2023

GMO UK Limited

For the year ending 31 December 2022

1. OVERVIEW AND SUMMARY

GMO UK Limited ("GMO UK" or the "Firm") is regulated by the Financial Conduct Authority ("FCA") as a Markets in Financial Instruments ("MiFID") investment firm and is subject to the rules and requirements of the FCA's Prudential Sourcebook for MiFID Investments Firms ("MIFIDPRU") handbook.

As a MiFID investment firm, the Firm has to maintain regulatory capital and liquidity at all times in compliance with the Investment Firm Prudential Regime ("IFPR").

For the purposes of MIFIDPRU, the Firm is 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 without additional tier 1 instruments in issue.

This Public Disclosure Document has been prepared based on the audited financials as at 31 December 2022, covering the financial period 1 January 2022 to 31 December 2022.

GMO UK distributes a range of investment products managed by Grantham, Mayo, Van Otterloo & Co, LLC and other GMO group entities (collectively the "Group") to investors. GMO UK's primary objective is to manage the relationship of existing and prospective investors in relation to the investment products of the GMO Group. GMO UK's sole clients are other members of the Group, specifically GMO.

2. REMUNERATION POLICY AND PRACTICES

The Firm has a remuneration policy in place (the "Remuneration Policy"). The purpose of the Remuneration Policy is to apply the FCA's Remuneration Code (the "Remuneration Code") to the business of the Firm. 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 them to excessive risk.

The Remuneration Policy has been adopted by the Firm's Board of Directors and is reviewed annually by the Board.

The Firm's policy is to provide total remuneration that promotes effective risk management and is competitive in the relevant market considering all appropriate factors, including but not limited to: the annual and long-term performance of the Firm and the Group; the fiscal resources available to the Firm; the performance of the relevant employee; and the remuneration provided by peer institutions or groups. The Firm shall ensure that the ratio between employee salaries and bonuses, if any, is appropriately balanced and that remuneration decisions are internally consistent.

All employees of the Firm are eligible to receive variable remuneration by way of an end of calendar year bonus. The Firm utilises an employee self-evaluation and review process in determining any end of year bonus to be awarded to employees. The review process takes into account the following:

- The FCA remuneration requirements for SNI firms in SYSC 19G and the Policy
- The Firm's revenue and operating income for the current year
- The Firm's revenue and operating income forecasts for the next year
- Group-wide long-term and short-term performance
- The scope of the employee's responsibilities
- Whether the employee achieved the objectives outlined at the beginning of the review period

- The employee's performance during the year and over the long-term, including how the employee demonstrated:
 - The employee acted in the best interest of the Firm, including compliance with Firm policies
 - The employee's commitment to the Firm
 - The employee's focus on the Firm's directions and goals
- The relevant business unit's performance during the year
- Client satisfaction levels and client relationship matters
- Any feedback from risk management and compliance functions

With respect to the Firm's employees, prior to year-end, each employee's supervisor shall review compensation amounts, including salary and bonus recommendations, if any, with members of GMO's Human Resources department. GMO's Human Resources department subsequently reviews all compensation proposals with GMO's Chief Executive Officer ("CEO"). GMO UK's Board of Directors reviews and approves the aggregate bonus amount for the Firm and the bonus of the Firm's CEO together with budgeted aggregate base remuneration for the coming year, considering capital adequacy and liquidity, the Firm's Remuneration Policy Statement and other considerations.

The Firm is a private, wholly owned subsidiary of GMO, which is controlled by active employee-members ("Members"). As a private company and wholly owned subsidiary, the Firm does not issue equity or equity like instruments to its employees as part of remuneration. Remuneration of Firm employees, except for those senior employees who are Members of GMO, is solely comprised of cash awards. Consequently, the Firm cannot issue equity awards to its employees without modifying its corporate structure, and the Firm believes it is not appropriate to institute a claw-back with respect to cash awards to its employees, because to do so would not be consistent with the nature, scale and complexity of the Firm and its activities.

GMO ownership interest awards to Members, are made pursuant to the requirements of GMO's Operating Agreement, as it may be amended from time to time (the "Operating Agreement"). The Operating Agreement provides that the Board of GMO has discretion regarding any such awards, and any such award is determined by considering the employee's contribution to GMO and its objectives as set forth in GMO's mission statement. Absent unusual circumstances, awards are generally subject to three-year vesting, while certain awards are time-limited and expire after one or three years. All awards are determined on a case-by-case basis by the GMO Board based on recommendations made by GMO's CEO after consultation with GMO Human Resources Department and any others the GMO CEO may determine.

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, GMO UK is required to disclose the total amount of remuneration awarded to all staff, split into fixed and variable remuneration.

For the performance year ending 31 December 2022:

Total fixed remuneration awarded £3,630,587

Total variable remuneration awarded £7,950,7113

Total remuneration awarded £11,581,298