

WG Wealth Guardian Ltd
353/17

Disclosure and Market Discipline Report

2019

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I. Overview

I.1 CIF Information

Wealth Guardian Ltd (hereafter the “Company”) is regulated by the Cyprus Securities and Exchange Commission (hereafter “CySEC”) and authorised to operate as a Cypriot Investment Firm since 28 December 2017, under the licence number 353/17.

Table 1 – Company Licence Information (based on the Third Appendix of the Law 144(I)/2007, as amended)

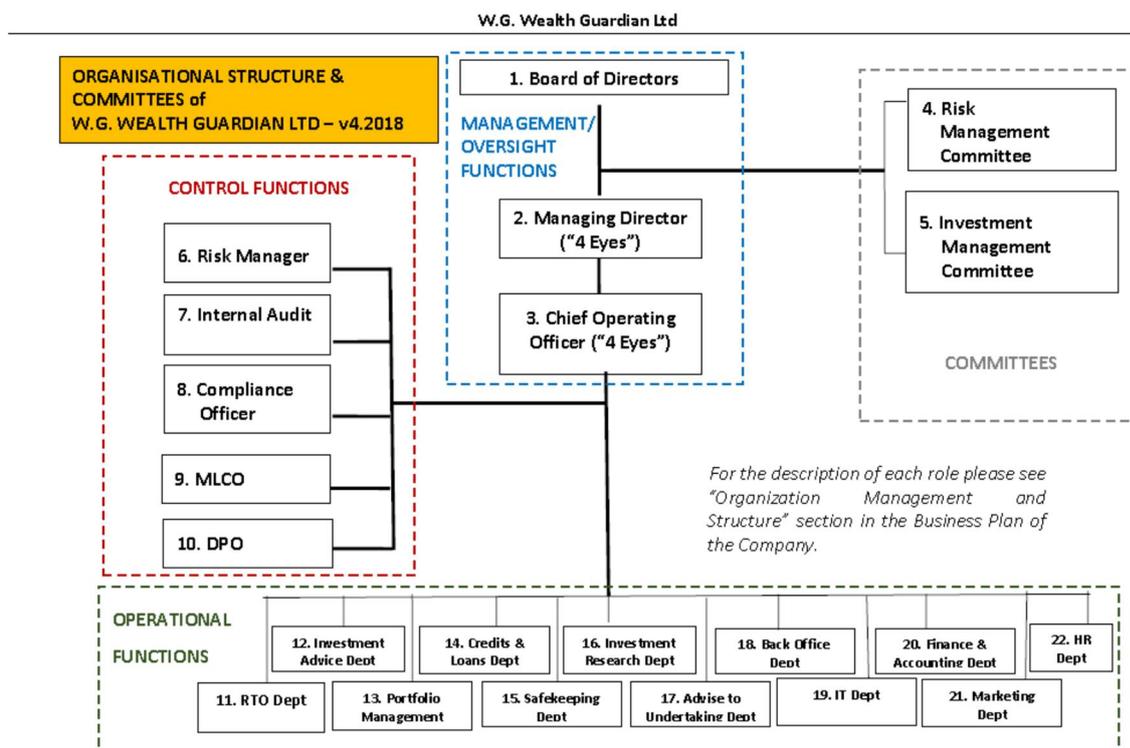
		Investment Services/Activities								Ancillary Services						
		1	2	3	4	5	6	7	8	1	2	3	4	5	6	7
Financial Instruments	1	✓	-	-	✓	✓	-	-	-	✓	✓			✓		
	2	✓	-	-	✓	✓	-	-	-	✓	✓			✓		
	3	✓	-	-	✓	✓	-	-	-	✓	✓			✓		-
	4	✓	-	-	✓	✓	-	-	-	✓	✓			✓		
	5	✓	-	-	✓	✓	-	-	-	✓	✓			✓	✓	-
	6	✓	-	-	✓	✓	-	-	-	✓	✓	-	✓	✓	✓	-
	7	✓	-	-	✓	✓	-	-	-	✓	✓			✓		-
	8	✓	-	-	✓	✓	-	-	-	✓	✓			✓		
	9	✓	-	-	✓	✓	-	-	-	✓	✓			✓		
	10	✓	-	-	✓	✓	-	-	-	✓	✓			✓		-

I.2 Scope of application

The Company is publishing the disclosures on an individual (solo) basis.

Annual Reports and Financial Statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) and the provisions of the Cyprus Company Law, Cap. 113.

I.3 Organisational Structure



I.4 Regulatory framework overview

The Company has prepared this report to fulfil its obligations regarding the public disclosure of information laid down in Directive DI144-2014-14 for the Capital Requirements of Investment Firms (hereafter the “Directive”), issued by CySEC.

This report constitutes a summary of the disclosure and market discipline policy of the company, applying the rights granted in Article 432 of EU 575/2013, omitting one or more of the disclosures listed in Title II if the information provided by such disclosures is not regarded as material, except for the disclosures laid down in Article 435(2)(c), Article 437 and Article 450.

The Mandatory disclosure are as follows:

- the policy on diversity regarding selection of members of the management body, its objectives and any relevant targets set out in that policy, and the extent to which these objectives and targets have been achieved;
- Own Funds
- Remuneration Policy

More details are provided within the report.

The Disclosure and Market Discipline report has been reviewed and approved by the auditors of the company W.G. Wealth Guardian Ltd.

The Directive is based on the “three Pillar concept” as follows:

- Pillar 1 - Minimum Capital Requirements: the calculation of the total minimum capital requirements for credit, market and operational risk is presented, in addition to the calculation of the minimum ratio of capital to risk weighted-assets which is set to 8% and other subsequent capital conservation buffers.
- Pillar 2 - Supervisory Review Process: the key principles of supervisory review, transparency and risk management are discussed, with emphasis to be given to the development of an internal capital adequacy assessment process for ensuring compliance with regulatory requirements regarding capital adequacy.
- Pillar 3 - Market Discipline: the introduction of disclosure requirements and recommendations enhances comparability through the dissemination of information to the market that enables better assessment of the financial strength of investment firms.

The Company’s Disclosures below have been prepared using 31 December 2019 data in accordance with the Directive, and shall be published on annual bases on the Company’s Website www.wguardian.com in conjunction with the date of submission of the financial statements.

II. Risk Management Objectives and Policies:

II.1 Risk Management policy:

Managing risk effectively in a multidimensional organisation, operating in a continuously changing risk environment, requires strong risk management principles. The Company has established an effective risk oversight structure and the necessary internal controls to ensure that the Company identifies and manages its risks adequately, establishing the necessary policies and procedures in line with the applicable legislation. The Company's Risk Management framework is based on the "Three Lines of Defense" approach, summarised below:

First Line of Defense: Business Line Managers are responsible for establishing an effective control framework within their area of operation. Line Managers are accountable for identifying and controlling all risks so that they are operating within the organisational risk appetite.

Second Line of Defense: The Risk Management Function is responsible for proposing to the Board appropriate objectives and measures to define the Company's risk appetite and employ the relevant risk tools to mitigate all the risks across business lines. The Risk Management function will independently monitor the Company's risk profile, providing additional assurance and recommendations to the Board.

Third Line of Defense: The Internal Audit Function is responsible for providing further assurance to the Board and other stakeholders on the operational effectiveness of internal controls. Internal Audit works closely with both the First (Line Managers) and Second (Risk Management Function) Lines of Defense but also is empowered to report directly and independently to the Board if required.

II.2 Corporate Governance

The Board of Directors defines, oversees and is accountable for the implementation of governance arrangements that ensure effective and prudent management of the Company, including the segregation of duties in the organisation and the prevention of conflicts of interest. The governance arrangements have to comply with the following principles:

- The Board of Directors must:
 1. Have overall responsibility for the CIF and approve and oversee the implementation of the CIF's strategic objectives, risk prevention strategy and internal governance
 2. Ensure the integrity of the accounting and financial reporting systems, including financial and operational controls and compliance with the law and relevant standards
 3. Oversee the process of disclosure and announcements be responsible for providing effective supervision of senior management.

4. Periodically, the Board of Directors need to monitor and assess the effectiveness of the CIF's governance arrangements and, when necessary, take appropriate steps to address any deficiencies.

The amended Law required that the Board of Directors:

- Devote adequate time for performing their duties and possess adequate collective knowledge, skills and experience to be able to understand the Cyprus Investment Firm's activities, including the principal risks
- Must act with honesty, integrity and independence of mind to effectively assess and challenge the decisions of the senior management, where necessary, and to effectively oversee and monitor the decision-making of the management.

II.2.1 Board Appointment and Diversity:

Directors are appointed based on their experience and exposure to Investment services, Banking or Law and must also be able to meet the fit and proper criteria of both CySEC and of Company Shareholders itself on an ongoing basis. The Directors are expected to disclose conflicts of interest, matters of fitness and appropriateness that may impact their role on the Board of the Company and any other matter which potentially comprises their role and responsibilities on the Board. All Company Directors were approved by CySEC, and no changes in Board Structure since December 2017.

The Board is composed by the following members:

Director	Position	Executive Directorship	Non- Executive Directorship
Christos Kassianides	Executive Director	1	2
Michael Poyiatzis	Executive Director	1	0
Christos Spanos	Non-Executive	1	1
Alkis Aloneftis	Non-Executive	0	4

The current Board members have a unique mixture of experience in various fields of business, different educational background and vast practical experience.

Investment Committee:

In addition to the Risk Committee, the Company has an Investment Committee, formed to ensure the practice of a proper investment policy and the monitoring of the provision of adequate investment services to Clients.

The Investment Committee shall receive information from the relevant Department(s) to assess the pillars of the Company's investment strategy.

The Investment Committee decisions shall relate to general, and overall decisions as far as investments are concerned which correspond to the Company's risk profile, as applicable. These general and overall decisions relate to various sectors of the economy across multiple regions and countries, general macroeconomic indicators, types of financial instruments, types of financial markets and market segments. Further, these decisions are notified to the relevant Heads of the Departments of the Company, as necessary, to enable discharging of their duties in an effective manner. As far as investments are concerned and when related to specific investment strategies, these decisions are of a prescribed content.

II.2.2 Structure of Risk Management

The principal responsibilities of the Board, the Senior Management, the Internal Auditor, the Risk Management Committee and the Risk Management function in relation to the management of the Company's risks include the following:

- The Board combine various expertise and educational backgrounds (i.e. Finance, Legal, Marketing and Physics) enables the management to look over the various risk types the Company might encounter during the Company operations.
- the Board reviews and discusses, during its meetings, the written reports prepared by the Risk Manager and identifies the risks faced by the Company;
- the Company's Senior Management also reviews the written reports prepared by the Risk Manager, applies the decisions of the Board with respect to risk management and monitors whether all the Company's risk management procedures are followed;
- the Internal Auditor evaluates the adequacy and effectiveness of the Company's internal control systems, policies and procedures with respect to risk management;
- the Risk Management Committee, inter alia, scrutinizes, and decides on various risks associated with the operation of the Company with the view to increase the awareness of, formulate internal policies and measure the performance of the said policies in dealing with the risks associated with the operation of the Company.
- Moreover, the Risk Management Committee reviews the risk management procedures in place (monitors and controls the Risk Manager in the performance of his/her duties and the effectiveness of the Risk Management Department), the Risk Manager ensures efficient management of the Company's risks in the provision of the investment and ancillary services to Clients, as well as the risks underlying the operation of the Company.

II.2.3 Information flow on risk to the Management:

Risk information flows up to the Board directly from the business departments and control functions. The Board ensures that it receives on a frequent basis, at least annually written reports regarding Internal Audit, Compliance, Money Laundering and Terrorist Financing and Risk Management issues and approves the Company's ICAAP report as shown in the table below:

#	Report Name	Responsibility	Recipient	Frequency
1	Risk Management Report	Risk Manager	BoD, CySEC	At least annually
2	ICAAP	Risk Manager	BoD, Upon request of CySEC	Annually
3	Compliance Report	Compliance Officer	BoD, CySEC	Annually
4	Internal Audit Report	Internal Auditor	BoD, CySEC	Annually
5	AMLCO Report	AMLCO	BoD, CySEC	Annually
6	Committees: Risk Investment	Chairman of each Committee	BoD	Semi-annually

III. Analysis of the Risks faced by the Company

III.1 Credit Risk

Credit Risk arises when failures by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the balance sheet date.

During 2019, the Company had no significant concentration of credit risk and has been implementing the Standardized Approach to Credit Requirements for the calculation of its credit risk. Additionally, there was no breach of internal limits as defined and monitored by Risk Management Department.

During the year under review, the Company had no activities with significant exposure to Credit Risk. The main exposures are related to the Company's capital and working capital's liquidity. The Company is using both local and international banks for its deposits.

In addition, the Company has policies in place to ensure that services are provided to Clients with an appropriate credit history. All the custodians of the Company have been assessed in accordance with the provisions of the Company's IOM and CySEC's Directive DI144-2007-01.

The table below shows the exposure to credit risk as at 31 December 2019:

	31/12/2019	31/12/2018
	Euro '000	Euro '000
Risk Weighted Assets		
Institutions	82	43
Other assets and receivables	0	3
Corporates	0	198
Retail	0	0
Total risk weighted assets	82	244
Credit Risk (8% of total risk weighted assets)	6.56	19.52

Credit Risk calculation

The Company follows the Standardised Approach for the calculation of the capital requirements for credit risk. The following tables illustrate the Credit Ratings and RWA calculations per region:

Credit Quality Step	Moody's Rating	Corporate	Institutions			Sovereign
			Sovereign Method	Credit Assessment methods		
				Maturity > 3 Months	Maturity 3 months or less	
1	Aaa to Aa3	20%	20%	20%	20%	0%
2	A1 to A3	50%	50%	50%	20%	20%
3	Baa1 to Baa3	100%	100%	50%	20%	50%
4	Ba1 to Ba3	100%	100%	100%	50%	100%
5	B1 to B3	150%	100%	100%	50%	100%
6	Caa and Below	150%	150%	150%	150%	150%

Type	Cyprus	EU and Equivielent	3 rd Countries	Total
	RWA			
Corporate				-
Institution	13,598.57	66,398.30		79,996.87
Other Items	2,461.00			2,461.00
Retail				0
Total				82,457.87

III.2 Operational Risk

Operational risk means the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk includes legal risk but excludes strategic and reputational risk.

The following list presents some event types, included in operational risk, with some examples for each category:

- Internal Fraud - misappropriation of assets, tax evasion, intentional mismarking of positions, bribery.
- External Fraud - theft of information, hacking damage, third-party theft and forgery.
- Employment Practices and Workplace Safety - discrimination, workers compensation, employee health and safety.
- Clients, Products, & Business Practice - market manipulation, antitrust, improper trade, product defects, fiduciary breaches, account churning.
- Business Disruption & Systems Failures - utility disruptions, software failures, hardware failures.
- Execution, Delivery, & Process Management - data entry errors, accounting errors, failed mandatory reporting, negligent loss of Client assets.

The Company manages operational risk through a control-based environment in which processes are documented and transactions are reconciled and monitored. This is supported by continuous monitoring of operational risk incidents to ensure that past failures are not repeated.

Furthermore, the Company has in place policies and processes whose implementation assists with the evaluation and management of any exposures to operational risk.

For the calculation of operational risk in relation to the capital adequacy reports, the Company

uses the Fixed Overheads methodology. Based on the relevant calculations, the total risk amount for the year 2019 was zero due to the high RWAs for Credit and Market risk.

Operational risk mitigation:

The Company has established various techniques for the mitigation of operational risk. These techniques include the following:

- Maintaining a four-eye structure and implementing board oversight. The Board of Directors reviews significant strategic decisions made by management and monitors their activities.
- The compliance officer must ensure the accuracy of any statements made during the marketing and advertising processes and ensure that the information addressed to the client is fair, clear and not misleading.
- The compliance officer ensures that proper information/reports are sent on time to CySEC.
- Management formally communicates duties and responsibilities to employees through regular meetings, seminars and trainings.
- Internal audit visits are implemented to ensure that employees comply with the Company's internal procedures.
- Several policies and procedures have been established and followed in an attempt to identify and minimize any fraudulent activities.

III.3 Market Risk:

Market risk is the risk that the value of an investment will decrease due to movements in market prices and in particular, due to changes in interest rates, foreign exchange rates and equity and commodity prices. The associated market risk factors are the interest rate risk, the currency risk, the equity risk and the commodity risk.

Market risk mitigation:

The Company follows the following procedures as example to mitigate the market risk:

- The Company employs a risk manager who is responsible for the monitoring of the Company's risk exposure; any deviation ought to be reported to the risk management committee where appropriate action must be taken. More specifically, if market risk exceeds desired levels, appropriate actions should be taken to hedge risk until intended levels are achieved.
- Risk management committee is an independent unit reporting directly to the Board of Directors.

The Following table illustrates the related risks:

Market Risk	2019	2018
	Euro '000	Euro '000
Equity	0	0
Foreign Exchange	20	83
Commodities	0	0
Total Exposure	20	83

III.4 Interest Rates Risk:

Interest rate risk is the risk that the value of financial instruments (including currencies) will fluctuate due to changes in the market interest rates. The Company is exposed to interest rate risk in relation to its bank deposits.

During the year under review, the Company's income and operating cash flows were substantially independent from changes in market interest rates, due to the fact that the Company other than cash at bank which attracts interest at normal commercial rates, had no other significant interest bearing financial assets or liabilities.

None-the-less, the Risk Manager monitors the interest rate fluctuations with the assistance of the accounting function and based on the fluctuations of the relevant rates, the necessary hedging activities will be undertaken, as and where applicable.

III.5 Foreign Exchange Risk:

Foreign exchange risk is the effect that unanticipated exchange rate changes have, on the Company.

In the ordinary course of business, the Company is exposed to foreign exchange risk, which is monitored through various control mechanisms.

The foreign exchange risk in the Company is effectively managed by setting and controlling foreign exchange risk limits, such as through the establishment of maximum value of exposure to a particular currency pair as well as through the utilization of sensitivity analysis.

The Company is mainly exposed to the fluctuation of the Great Britain Pound (GBP) versus the Euro, mainly because the Company's main debit balances are denominated in GBP, whereas the reporting currency is the Euro.

III.6 Funding Liquidity Risk

Funding liquidity risk is the possibility that, over a specific horizon, the Company will be unable to meet its demands/needs for money (i.e. cash) through mismatch of assets and liabilities (i.e. the ability to settle obligations with immediacy).

For the year under review, the Company was not exposed to funding liquidity risk.

Policies and procedures for the measurement and management of the Company's net funding position and requirements, on an ongoing and forward-looking basis, have been established in order to mitigate any funding liquidity risk.

Under the Capital Requirements Regulation ("CRR" or Regulation (EU) No 575/2013) , investment firms shall comply with the requirements limiting large exposures as the excessive

concentration of exposures to a single client, or group of connected clients, may result in an unacceptable risk of loss and can be considered prejudicial to the solvency of an investment firm. Limits to large exposures as well as compliance with large exposures requirements are set out in Articles 395 and 396 of CRR

The Company reported an exposure of EUR 5,000 one Director and no other exposure to the Shareholders

III.7 Reputation Risk

Reputation risk is the current or prospective risk to earnings and capital arising from an adverse perception of the image of the Company by Clients, counterparties, shareholders, investors or regulators. Reputation risk could be triggered by poor performance, the loss of one or more of the Company's key directors, the loss of large Clients, poor Client service, fraud or theft, Client claims, legal action, regulatory fines and from negative publicity relating to the Company's operations whether such fact is true or false.

The Company has policies and procedures in place when dealing with possible Client complaints in order to provide the best possible assistance and service under such circumstances. The possibility of having to deal with Client complaints is low as the Company does its best to provide high quality services to its Clients.

In addition to the above, it should be noted that the Company's Board members and Senior Management comprise experienced professionals who are recognised in the industry for their integrity and ethos, and, as such, add value to the Company.

III.8 Strategic Risk

Strategic Risk could occur as a result of adverse business decisions, improper implementation of decisions or lack of responsiveness to changes in the business environment. The Company's exposure to strategic risk is moderate as policies and procedures to minimize this type of risk are implemented in the overall strategy of the Company.

III.9 Business Risk

Business Risk includes the current or prospective risk to earnings and capital arising from changes in the business environment including the effects of deterioration in economic conditions. Research on economic and market forecasts are conducted with a view to minimize the Company's exposure to business risk. These are analyzed and taken into consideration when implementing the Company's strategy.

III.10 Capital Risk Management

Capital Risk is the risk that the Company will not comply with capital adequacy requirements. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company has a regulatory obligation to monitor and implement policies and procedures for capital risk management. Specifically, the Company is required to test its capital against regulatory requirements and has to maintain a minimum

level of capital. This ultimately ensures the going concern of the Company. Such procedures are explained in the Procedures Manual of the Company.

The Company is further required to report on its capital adequacy quarterly and has to maintain at all times a minimum total capital adequacy ratio which is set at 8%. The capital adequacy ratio expresses the capital base of the Company as a proportion of the total risk weighted assets. Management monitors such reporting and has policies and procedures in place to help meet the specific regulatory requirements. This is achieved through the preparation on a monthly basis of management accounts to monitor the financial and capital position of the Company.

III.11 Regulatory Risk

Regulatory risk is the risk the Company faces by not complying with relevant Laws and Directives issued by its supervisory body. If materialized, regulatory risk could trigger the effects of reputation and strategic risk. The Company has documented procedures and policies based on the requirements of relevant Laws and Directives issued by the Commission; these can be found in the Procedures Manual. Compliance with these procedures and policies are further assessed and reviewed by the Company's Internal Auditors and suggestions for improvement are implemented by management. The Internal Auditors evaluate and test the effectiveness of the Company's control framework at least annually. Therefore the risk of non-compliance is very low.

III.12 Information Technology Risk

Information Technology (hereinafter, "IT") risk could occur as a result of inadequate information technology and processing, or arise from an inadequate IT strategy and policy or inadequate use of the Company's IT. Specifically, policies have been implemented regarding backup procedures, software maintenance, hardware maintenance, use of the internet and antivirus procedures.

The Internal Auditor along with the Compliance Officer, as part of the annual on-site inspections, evaluated and assessed whether the Company's electronic trading systems are generally in compliance with the ESMA Guidelines on systems and controls in an automated trading environment for trading platforms, investment firms and competent authorities', which are mandatory since the 1st of May 2012. The results of this assessment were communicated to the Company. In this respect, they identified some deficiencies; however, the Company and its management, have displayed a clear intention to work towards the recommendations of the Internal Auditor.

The aim of the Company is for the materialisation of the IT risk to be minimised to the lowest possible level and, as such, the Risk Manager shall take the respective rectifying measures, as and when deemed necessary.

Specifically, policies have been implemented and measures have been taken regarding backup procedures, software maintenance, and hardware maintenance, use of the internet and antivirus procedures, and disaster recovery, as applicable.

III.13 Compliance Risk

Compliance risk is the current and prospective risk to earnings or capital arising from violations of, or non-conformance with, laws, bylaws, regulations, prescribed practices, internal policies, and procedures, or ethical standards. This risk exposes the Company to financial loss, fines, civil money penalties, payment of damages, and the voiding of contracts. Compliance risk can lead to diminished reputation, reduced Company value, limited business opportunities, reduced expansion potential, and an inability to enforce contracts.

During the year under review, the Compliance Officer of the Company undertook on-inspections in order to assess the Company's compliance with the regulatory framework.

Following the inspections, the CO provided the Company with a list of recommendations for improvement in different compliance related areas.

The Company's aim is for the materialisation of the Compliance risk to be minimised to the lowest possible level and, as such, the Company has reviewed and examined in detail the CO's recommendations and shall take all necessary remedy measures/actions in order to fully comply with the regulatory framework.

Furthermore, Company's Compliance Officer has initiated an ongoing program to supervise and examine in detail the level of compliance of certain areas of the Company with the relevant legislation in light of any deficiencies identified during the year under review, propose remedy measures/actions, and provide the relevant training to the Company's personnel, as and when required.

IV. Own Funds:

The Company's eligible own funds consist entirely of Tier 1 items (Equity Share Capital, Share Premium and Reserves).

The total eligible own funds of the Company are only subject to the relevant regulatory capital deductions, restrictions or limits. The Company must have own funds which are at all times more than or equal to the sum of its capital requirements. In addition, they must not fall below the level of its initial capital in no case.

The Company manages its capital structure and makes adjustments to it in light of the changes in the economic and business conditions and the risk characteristics of its activities.

The Company fulfilled its obligations by successfully submitting, on a quarterly basis, the Capital Adequacy and Large Exposures Reports.

Furthermore, CySEC requires every Cyprus Investment Firm to maintain a minimum ratio of capital to risk weighted assets of 8%. The capital adequacy ratio expresses the capital base of the Company as a proportion of the total risk weighted assets. CySEC may impose additional capital requirements for risks not covered by Pillar I of Basel II.

Moreover, the minimum Capital Adequacy Ratio (i.e. 8%) was maintained by the Company during the year under review. It is noted that the Company's Capital Adequacy Ratio as at December 2019 was 26.63%.

The Company's Own Funds, Capital Requirements and Capital Adequacy Ratio reported as at 31st of December 2019, were the following:

	31/12/2019	31/12/2018
Eligible Own Funds - Tier 1*	Euro '000	Euro '000
Shares	3	3
Shares Premium	403	323
Reserves	-140	-20
Total Common Equity Tier 1	266	306
Additional Tier 1	0	0
Deduction Tier 1**	-69	-69
Total Tier 1 Capital	197	237
Tier 2	0	0
Total Eligible Own Funds	197	237
Capital Requirements/Risk Weighted Assets		
Credit Risk	83	244
Position, Foreign Exchange and Commodity Risk	20	83
Fixed Overheads exposure	633	188
Other Risk exposures	5	0
Total Capital Requirements	741	515
Capital Adequacy Ratio	26.63%	45.96%

The company is requested to maintain a CCB in addition to Company Tier 1 to meet the own funds requirements imposed by article 92 of Regulation (EU) No 575/2013

**Additional deductions of CET1 Capital due to Article 3 CRR as of 2016 (CySEC Circular C162)

Audited Balance Sheet Reconciliation:

Institutions shall disclose a full reconciliation of Common Equity Tier 1 items, Additional Tier 1 items, Tier 2 items and filters and deductions and the balance sheet in the audited financial statements of the institution as follows:

	2019	2018
	Euro '000	Euro '000
Equity		
Share Capital	3	3
Share Premium	403	323
Retained Earnings	-140	-20
Total Equity	266	306
Regulatory Deductions		
Intangible Assets	-1	-1
Additional deduction of CET1 (Article 3 CCR)	-68	-68
Total Deduction		
Own Funds as per CoRep	197	237

Internal Capital Adequacy Assessment Process

In order to assess the adequacy of the internal capital, the Company will utilize in 2019 a combination of analytical tools including ICAAP as well as other key solvency ratios, calculated and documented in quarterly reports. The capital adequacy assessment is communicated frequently to the Board both formally (quarterly meetings) and informally.

The ICAAP report will describe how the Company implemented and embedded its ICAAP within its business. The ICAAP will also describe the Company's Risk Management framework e.g. the Company's risk profile and the extent of risk appetite, the risk management limits if any, as well as the adequate capital to be held against all the risks (including risks other than the Pillar 1 risks) faced by the Company.

The Company has adopted the Pillar 1 minimum capital requirement approach whereby it determines the minimum capital required under Pillar I methodology and subsequently incorporates in that methodology the risks that are either not covered or are partially covered by Pillar I

In addition to the final ICAAP assessment, which considers the amount of capital required in order to mitigate potential losses occurred by all the key risks faced by the Company, the

Company performs vigorous stress testing using mainly sensitivity analysis and scenario analysis of various risk factors.

IV. Remuneration Disclosures

In accordance with the requirements of the Directive, the Company publicly discloses information regarding the remuneration policy and practices for those categories of staff whose professional activities have a material impact on the risk profile of the investment firm.

The Company has established a remuneration policy, which its purpose is to set out the remuneration practices of the Company taking into consideration the salaries and benefits of the staff, in accordance with the provisions of the Directive as well as the Circular 031 on remuneration policies and practices, where these comply with specific principles in a way and to the extent that is appropriate to the Company's size, internal organization and the nature, scope and complexity of its activities.

The remuneration of staff is dependent on various elements such as jurisdiction legal and regulatory requirements, employment law requirements, market and industry practices and competition analysis. The Human Resources Department and the Board of Directors decide the remuneration of the Company's Senior Management and employees with reference to the above elements.

The Company does not retain external consultants although external consultants are used from time to time to ask for advice on specific issues. The Board also seeks advice from the HR Department and Managing Directors/Senior Managers, who may provide relevant information and advice to the Board.

The setting of remuneration supports the business objectives and corporate values of the Company and is aimed at promoting prudent risk management and to avoid excessive risk taking by attracting, retaining and motivating the key talent needed to achieve these outcomes, accordingly, the Company Directors and Senior Management are entitled to fixed remuneration, while only the sales staff are eligible to variable remuneration based on achieving their targets.

The Company's remuneration arrangements represent a combination of salary, bonuses and long term incentive schemes that are designed to align the interest of the Company and its employees with those of its clients and other stakeholders to ensure the Company's continued long term profitability. Non-salary remuneration plans are completely variable, based on the Company's performance and individual performance.

The Current Table illustrates the amounts paid to Company Employees during 2019:

Department	Amounts in Euro		Total
	Fixed	Variable	
Directors	74,299		74,299
Senior Management	56,230		56,230
Sales & Marketing			
Admin			
Total	130,529		130,529

V. Performance Appraisal

The Company implements a performance appraisal method, which is based on a set of Key Performance Indicators, developed for each business unit. These Indicators include quantitative as well as qualitative criteria. The appraisal is being performed as follows:

- a. Objectives are set in the beginning of each month, quarter and/or year (each department is being appraised on different periods) defining what the Company functions, departments and individuals are expected to achieve over an upcoming period of time.
- b. Performance checks and feedbacks: managers provide support and feedback to the concerned staff during the time periods decided, during the daily activities or during formal or informal performance reviews; the aim is to assist the staff to develop their skills and competencies.
- c. Annual performance evaluation: takes place annually, usually at the end of each year

VI. Further Information

For further information regarding this report, please contact the Compliance Department at compliance@wguardian.com