

TPG Credit Management (UK) LLP Remuneration

TPG Credit Management (UK) LLP (“the Firm”) is authorised and regulated by the Financial Services Authority (“FSA”). The Firm is a limited licence firm under BIPRU and, therefore, is subject to the FSA’s rules on remuneration (“the Remuneration Code”). The Remuneration Code is set out in Section 19A of the Senior Management Systems and Controls Sourcebook.

Subject to the remuneration principles proportionality rule referred to below, the Firm’s policies relating to remuneration comply with the requirements of the Remuneration Code, and such policies:

- are consistent with and promote sound and effective risk management;
- do not encourage risk-taking that exceeds the Firm’s level of tolerated risk;
- are in line with the business strategy, objectives, values and long-term business interests of the Firm;
- include measures to avoid conflicts of interest.

The Remuneration Code applies to ‘Remuneration Code Staff’ (“Code Staff”). This includes senior management, risk takers, staff engaged in control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the firm’s risk profile.

Proportionality

When establishing its policies relating to remuneration, a firm is permitted to comply with the Remuneration Code in a way and to the extent that is appropriate to its size, internal organisation and the nature, the scope and the complexity of its activities (the remuneration principles proportionality rule). For this purpose, the FSA has adopted four proportionality tiers for categorising firms to which different standards will apply when considering the application of certain principles of the remuneration Code. The Firm falls within proportionality tier four and, accordingly, has more flexibility to dis-apply the relevant principles of the Remuneration code than firms in the other three tiers. This disclosure statement has been prepared by reference to the categories of information that the FSA considers should be disclosed by firms in proportionality tier four.

Disclosures

The following disclosures are required to be made on at least an annual basis regarding the Firm’s remuneration policies and practices for those categories of staff whose professional activities have a material impact on the Firm’s risk profile:

1. Information concerning the Firm’s decision-making process used for determining its remuneration policies.

Due to its size, the Firm does not have a separate remuneration committee and, accordingly, the Firm’s partners are responsible for reviewing the general principles of the Firm’s remuneration policies and their implementation.

The Remuneration Policy will be reviewed, at least, annually by the Firm's partners to ensure that it remains consistent with the Remuneration Code Principles and the Firm's objectives. In addition, the Compliance Officer, as part of the Firm's regulatory monitoring, will include a review of the implementation of this Policy by the Firm.

2. Information on the link between pay and performance.

The remuneration of the Firm's code staff is made up of an annual salary and an annual discretionary bonus. Salary levels are market driven and not strongly affected by individual performance. Individual performance during a financial year is critical in determining an individual's bonus award for that year.

There is no specific financial metric for measuring individual performance. However, depending on the function of the individual, there may be financial related aspects of the individual's performance which are taken into account. There are a range of non-financial related metrics which are taken into account in measuring performance, including, commitment, leadership, technical skills, quality of work and diligence.

Awards will reflect the Firm's financial performance. The Firm will not ordinarily make any variable remuneration awards should it make a loss. In exceptional circumstances such payments may need to be considered. In such cases the governing body, in conjunction with the Compliance Officer, will consider and document whether such an award would be in keeping with the Remuneration policy.

Code Staff Aggregate remuneration for year ended 31 December 2011

Aggregate quantitative information on remuneration, by senior management and members of staff whose actions have a material impact on the risk profile of the Firm

Given the relatively small size of the Firm's business, and that the Firm has only one business area (Investment Management), the following aggregate remuneration data should be read in that context. The remuneration disclosure is made under Pillar 3 framework. The Firm's non-remuneration disclosures can be found in its annual report and financial statements.

Investment Management: £975,525.

Senior Management: Nil. [Note that two of the Firm's CF4 partners, along with the Firm's CF10 Compliance Manager, are employees of TPG Credit Management, L.P. in the United States and therefore there is no remuneration of those individuals by the Firm.]

Note: There are no omissions from the above information on the grounds of data protection.