

Citadel Advisors Europe Limited

Section 172(1) Statement for the year ended 31 December 2022

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As set out in section 172 of the UK Companies Act 2006 (the "Act"), the Directors are required to act in a way that they consider, in good faith, to be most likely to promote the success of the Citadel Advisors Europe Limited ("CAEU" or the "Company") for the benefit of its members as a whole. In performing its duty under the Act, the Board is required to have regard to, amongst other matters to the likely consequences of any decision in the long term: the need to foster the Company's business relationships with suppliers, customers and others; the impact of the Company's operations on the community and environment and the need to engage with key stakeholders in order to maintain a reputation for high standards of business conduct. The Directors give careful consideration to the factors set out above in discharging their duties.

BOARD ROLES, RESPONSIBILITIES AND DECISION MAKING

The Company is a consolidated subsidiary of Citadel Limited Partnership ("CLP") which is privately owned and ultimately controlled by Kenneth Griffin, its founder. Given its ownership structure and its role within the Citadel Group, the Board of Directors looks to implement the Citadel Group strategy through the Company whilst ensuring adherence with local requirements and considering the impact on key stakeholders. The Board of Directors has responsibility for decision-making with respect to matters deemed to be of significance or strategic importance for CAEU.

At 31 December 2022, the Board comprised three Directors, one of whom is also part of the Citadel Group leadership team and was employed by a U.S. affiliate. The Board, in discharging its duties, delegates authority to Management. The remit and responsibility of each committee is clearly defined and updated periodically as required. The principal management committee is the Executive and Operating Committee (the "EOC"), which consists of senior management of the Company and other group employees. The Board receives regular updates from Management on the Company's financial performance, risk limits, and compliance with laws, rules and regulation, which all are considered as part of the Board of Directors' ongoing oversight to ensure the Company is managed in a manner that promotes its long term success. Management also presents proposals on significant matters to the Board of Directors for review, challenge and approval, including but not limited to changes to the Company's risk appetite and tolerances. In considering these and other matters, the Board of Directors consistently considers whether the proposal would promote the long-term success of the Company.

STAKEHOLDER ENGAGEMENT

The Directors recognise the value of building strong and transparent relationships with stakeholders in promoting and achieving the long-term success of the business. In making decisions and performing its oversight role, the Board of Directors take into account the views and interests of key stakeholders, including its shareholder, related companies and service providers, regulators, trading venues and suppliers. Considering the impact on a broad range of stakeholders is an important part of the decision-making process and the Board seeks to consider the interests and priorities of each stakeholder group. However, the Board acknowledges that in balancing different perspectives it is not always possible to deliver the desired outcome for all stakeholders.

Shareholder, Related Companies and Service Providers

The Company is a wholly owned subsidiary of a privately owned group. One of the Directors is part of the Citadel Group leadership team and will consider the interest of the ultimate owner and strategy of the wider Citadel Group in decision making to ensure alignment. In addition, the Directors are in frequent dialogue with the wider Citadel Group senior management to ensure their feedback is sought with respect to decision-making.

The Company and its key service providers operate as a meritocracy and in doing so recognise the importance of hiring, developing and retaining leading professionals across each function. Robust processes are in place to attract the best talent to work in highly effective teams. The Citadel Group believes in hiring people and having employees who do things the right way, who act with integrity and who practice sound judgement and common sense in all their actions and who conform to the letter and spirit of the law at all times. Further, a culture of continual learning and development for all employees is supported to ensure they continue to remain effective and can grow in their roles.

All significant departments and functions are represented on the EOC or other management level committees attended by the UK-based Directors of the Company. This helps to ensure active feedback and engagement between employees supporting the investment management activities of the Company and the Board. In addition, the Citadel Group has regular town hall meetings to which all employees of key service providers are invited to help ensure the Citadel Group strategy and plans are understood by the employees.

Section 172(1) Statement (continued)

The Company promotes a strong compliance culture, led by its Board of Directors and Management. This is maintained through the operational risk management framework, compliance monitoring program and remuneration policy, which promotes effective risk management.

The Board also receives regular updates on conduct risk metrics, which provides it with relevant data and information on employee conduct, culture, and emerging issues of key service providers.

Regulators and Trading Venues

The Board recognises the importance of an ongoing constructive dialogue with regulators and policymakers to share the Citadel Group's experience as a market stakeholder and its recommendations on best practices across financial market legislative and regulatory developments. The Citadel Group is committed to the integrity, transparency, efficiency, competitiveness and stability of financial markets. The Company has consistently engaged with policymakers and regulators to ensure the successful implementation of key financial services regulations. The Board has requested and received regular updates on regulatory matters of relevance for the Company and on the status of the Citadel Group's regulatory engagement and dialogue.

Suppliers

The Company is committed to supporting and developing strong relationships with suppliers, and understands the importance of meeting payment terms, particularly for smaller businesses. The Directors noted that the Company had met its key performance indicators in relation to payment periods.

On behalf of the Board



Steven Atkinson, Director

12 April 2023