

BDT & MSD Partners International, LLP

MIFIDPRU 8 Disclosure

1. INTRODUCTION

BDT & MSD Partners International, LLP (the “Firm”) is authorised and regulated by the Financial Conduct Authority (“FCA”).

The Firm is classified under the UK Investment Firms Prudential Regime as a small and non-interconnected MIFIDPRU investment firm (“SNI MIFIDPRU Investment Firm”) and is required by chapter 8 of the MIFIDPRU Sourcebook in the FCA Handbook to disclose information regarding its remuneration policy and practices.

The purpose of these disclosures is to give stakeholders and market participants an insight into the Firm’s culture and to assist stakeholders in making more informed decisions about their relationship with the Firm. This document has been prepared by the Firm in accordance with the requirements of MIFIDPRU 8. Unless otherwise stated, all figures are as at the Firm’s 31 December 2024 financial year-end.

2. REMUNERATION POLICY AND PRACTICES

2.1. Overview

As an SNI MIFIDPRU Investment Firm, the Firm is subject to the basic requirements of the MIFIDPRU Remuneration Code (as laid down in Chapter 19G of the Senior Management Arrangements, Systems and Controls Sourcebook in the FCA Handbook (“SYSC”). The Firm has applied the provisions within SYSC 19F.

The purpose of the remuneration requirements is to:

- Promote effective risk management in the long-term interests of the Firm and its clients;
- Ensure alignment between risk and individual reward;
- Support positive behaviours and healthy firm cultures; and
- Discourage behaviours that can lead to misconduct and poor customer outcomes.

The objective of the Firm’s remuneration policies and practices are to establish, implement and maintain a culture that is consistent with, and promotes, sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile of the Firm and the services that it provides to its clients.

In addition, the Firm recognises that remuneration is a key component in how the Firm attracts, motivates, and retains quality staff and sustains consistently high levels of performance, productivity, and results. As such, the Firm's remuneration philosophy is also grounded in the belief that its people are the most important asset and provide its greatest competitive advantage.

The Firm is committed to excellence, teamwork, ethical behaviour, and the pursuit of exceptional outcomes for its clients. From a remuneration perspective, this means that performance is determined through the assessment of various factors that relate to these values, and by making considered and informed decisions that reward effort, attitude, and results.

2.2. Characteristics of the Firm's Remuneration Policy and Practices

Remuneration at the Firm is made up of fixed and variable components. The level of fixed compensation will be commensurate with the individuals' experience and the contribution made to the Firm.

An increase in fixed compensation is subject to an annual performance appraisal process. This may result in an increase in fixed remuneration. Variable remuneration is paid on a discretionary basis and takes into consideration the Firm's financial performance and qualitative and quantitative criteria. All staff members are eligible to receive variable remuneration.

The fixed and variable components of remuneration are appropriately balanced: the fixed component represents a sufficiently high proportion of the total remuneration to enable the operation of a fully flexible policy on variable remuneration. This allows for the possibility of paying no variable remuneration component, which the Firm would do in certain situations, such as where the Firm's profitability performance is constrained, or where there is a risk that the Firm may not be able to meet its capital or liquidity regulatory requirements.

When structuring any remuneration package, the Firm must comply with certain remuneration principles as set out within the Firm's remuneration policy. Such principles can be summarised as follows:

- a) Remuneration promotes sound and effective risk management and tolerance;
- b) Remuneration supports business strategy, objectives, values and long-term interests;
- c) Remuneration ensures that conflicts of interest are avoided;
- d) The senior management team which consists of the co-CEOs, Presidents amongst other individuals (together the "Senior Management Team") adopts and reviews the general principles of the remuneration policy and oversees the implementation;
- e) Any control function is appropriately remunerated;
- f) Variable remuneration does not impact on capital and liquidity requirements;

- g) Measures of performance used to calculate variable remuneration accounts for future risks;
- h) Individuals cannot use personal hedging strategies or liability-related contracts of insurance to undermine the risk alignment effects embedded in remuneration arrangements;
- i) The Firm cannot avoid the remuneration principles by paying variable remuneration through vehicles or methods that facilitate avoidance; and
- j) Remuneration is structured in an appropriate manner.

2.3. Governance and Oversight

The Senior Management Team is responsible for setting and overseeing the implementation of the Firm's remuneration policy and practices. In order to fulfil their responsibilities, the Senior Management Team:

- Is appropriately staffed to enable it to exercise competent and independent judgment on remuneration policies and practices and the incentives created for managing risk, capital, and liquidity.
- Prepares decisions regarding remuneration, including decisions that have implications for the risk and risk management of the Firm.
- Ensures that the Firm's remuneration policy and practices take into account the public interest and the long-term interests of shareholders, investors, and other stakeholders in the Firm.
- Ensures that the overall remuneration policy is consistent with the business strategy, objectives, values, and interests of the Firm and of its clients.

2.4. Quantitative Remuneration Disclosure

Owing to the small number of staff members, the Firm considers that the disclosure of their quantitative remuneration would be inconsistent with BDT & MSD's obligations under relevant data privacy legislation.