

B-Flexion Advisors (UK) LLP

MIFIDPRU 8 Disclosure

December 2023

Introduction

The Financial Conduct Authority (“FCA” or “regulator”) in the Prudential sourcebook for MiFID Investment Firms in the FCA Handbook (“MIFIDPRU”) sets out the detailed prudential requirements that apply to B-Flexion Advisors (UK) LLP (“BFAUK” or the “Firm”). Chapter 8 of MIFIDPRU (“MIFIDPRU 8”) sets out public disclosure rules and guidance with which the Firm must comply, further to those prudential requirements.

BFAUK is classified under MIFIDPRU as a small and non-interconnected MIFIDPRU investment firm (“SNI MIFIDPRU Investment Firm”). As such, the Firm is required by MIFIDPRU 8 to disclose information regarding its remuneration framework 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 BFAUK in accordance with the requirements of MIFIDPRU 8 and is verified by the Partnership Committee. Unless otherwise stated, all figures are as at the Firm’s 31st December financial year-end.

Remuneration Policy and Practices

Overview

As an SNI MIFIDPRU Investment Firm, BFAUK 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 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.

BFAUK is part of the B-Flexion Group (“B-Flexion”). B-Flexion recognises that remuneration is a key component in how the Group attracts, motivates, and retains quality staff and sustains consistently high levels of performance, productivity, and results. As such, the Group’s remuneration philosophy is

also grounded in the belief that its people are the most important asset and provide its greatest competitive advantage.

The B-Flexion Group is committed to excellence, teamwork, ethical behaviour, and the pursuit of exceptional outcomes. 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.

BFAUK has complied with MIFIDPRU 8 in a manner which is appropriate to its size, internal organisation and to the nature, scope and complexity of activities undertaken. To note the applicable remuneration codes to the Firm do permit a proportionate application of the rules and accordingly the Firm has opted to not disclose all details due to confidentiality matters.

Characteristics of the Firm's Remuneration Policy and Practices

BFAUK is part of the B-Flexion Group where group staff provide services to the Firm, allocating a percentage of their time in providing Investment Advisory/Support services to the Firm and its subsidiary companies (the 'Northill Group'). Staff are therefore compensated for services to the Firm and the Northill Group on a fixed component basis only. Staff's variable remuneration is paid on a discretionary basis and takes into consideration the B-Flexion Group financial performance and non-financial performance of the individual in contributing to the success of the B-Flexion Group.

Governance and Oversight

The B-Flexion Group Remuneration Committee (the "Committee") is responsible for setting and overseeing the implementation of the Group's remuneration policy and practices. In order to fulfil its responsibilities, the Committee:

- Is appropriately staffed to enable it to exercise competent and independent judgment on remuneration policies and practices across the Group 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 Group.
- Ensures that the Group's remuneration policy and practices take into account the public interest and the long-term interests of partners, investors, and other stakeholders in the Group and the Firm.
- Ensures that the overall remuneration framework is consistent with the business strategy, objectives, values, and interests of the Firm and where applicable, its clients.

The Group's remuneration framework is reviewed annually by the Group Remuneration Committee.

Quantitative Remuneration Disclosure

For the financial year 1 January to 31 December 2023, the total amount of remuneration awarded to all staff in relation to services to the Firm was £2.65 million which comprised the fixed component of remuneration only. Variable compensation is linked to Group performance only and not the Firm. For these purposes, 'staff' is defined broadly, and includes partners, members and employees of other entities in the group.