

Beauclerc Advisory Services Limited (“BAS”) Remuneration Policy Statement (“RPS”)

1. Introduction

A firm which provides investment services to clients must, among other things, ensure that it does not remunerate or assess the performance of its staff in a way that conflicts with its duty to act in the best interests of its clients. A firm must not make any arrangement by way of remuneration, sales targets or otherwise that could provide an incentive to its staff to recommend a particular financial instrument to a retail client when the firm could offer a different financial instrument which would better meet that client’s needs.

As a result of the implementation of the IFPR with effect from 1 January 2022, Beauclerc Advisory Services Limited (“BAS”), as a MIFIDRU Investment Firm, has become subject to the MIFIDPRU Remuneration Code in SYSC 19G.

Depending on their size and complexity, investment firms are either classified as Small and non-interconnected FCA investment firms (SNIs) or as non-SNIs. BAS is classified as an SNI that is subject to the basic requirements of SYSC 19G.

Basic requirements that would apply to BAS are as follows:

➤ **Remuneration policies and practices - SYSC 19G.2**

As a simple SNI, this remuneration policy is prepared taking proportionality into account and the Senior Management of the Firm can confirm that this remuneration policy is a gender-neutral remuneration policy in line with the Equality Act 2010.

This RPS has been carefully considered by Senior Management to ensure that the Firm’s remuneration policies and practices are in line with the business strategy, objectives, and long-term interests of the Firm. The Firm’s risk appetite, culture and values have been considered as well as avoiding conflicts of interest and promoting responsible business conduct.

The Firm will not pay variable remuneration to members of the management body who do not perform any executive function in the firm.

➤ **Oversight of remuneration policies and practices - SYSC 19G.3.1R to SYSC 19G.3.3R**

As a small SNI, BAS does not have a remuneration committee. The Board of Directors (BoD) therefore oversees the implementation of the Firm’s policies and practices established in this RPS.

The Firm’s senior management will as standard practice conduct a review of whether the implementation of its remuneration policies and practices complies with this RPS adopted by the BoD in its supervisory function.

➤ **Control functions - SYSC 19G.3.6R to SYSC 19G.3.8G**

Senior Management seek to ensure that staff engaged in control functions are independent from the business they oversee and have appropriate authority; and are remunerated in accordance with the achievement of the objectives linked to their functions, independent of the performance of the business areas they control.

Senior Management ensure that the remuneration of the senior officers in risk management and compliance functions is directly overseen by the BoD.

These practices are designed to manage the conflicts of interest which may arise if other business areas had undue influence. In a small firm such as BAS and with limited number of staff, it is not always possible to have demarcation and roles of individuals overlap in most cases.

➤ **Fixed and variable components of remuneration - SYSC 19G.4.1R to SYSC 19G.4.5R and SYSC 19G.4.7G(1)**

The characteristics of fixed and variable remuneration are set out in SYSC 18G,4.2 as follows:

Fixed remuneration:

- (i) should primarily reflect a staff member's professional experience and organisational responsibility as set out in the staff member's job description and terms of employment; and
- (ii) should be permanent, pre-determined, non-discretionary, non-revocable and not dependent on performance.

Variable remuneration

- (i) should be based on performance or, in exceptional cases, other conditions;
- (ii) where based on performance, should reflect the long-term performance of the staff member as well as performance in excess of the staff member's job description and terms of employment;
- (iii) includes discretionary pension benefits; and
- (iv) includes carried interest (SYSC 19G.1.27R).

Senior Management of BAS seek to ensure that

- (1) the fixed and variable components of the total remuneration are appropriately balanced; and
- (2) the fixed component represents a sufficiently high proportion of the total remuneration to enable the operation of a fully flexible policy on variable remuneration, including the possibility of paying no variable remuneration component.

➤ **Remuneration and capital - SYSC 19G.6.1R**

The Senior Management of BAS ensure that variable remuneration does not affect the Firm's ability to ensure a sound capital base and to meet its regulatory capital adequacy requirements.

➤ **Exceptional government intervention - SYSC 19G.6.2R**

Not applicable to the Firm.

2. Remuneration Committee

BAS's "Remuneration Committee" is the Board of Directors. The members of the Board throughout 2022 were:

- Alex Zimmermann
- Jean-Philippe Beaumont

The Board meets as often as necessary but, in any case, annually to consider human resource issues relating to terms and conditions of employment and remuneration. The Board approves the remuneration policy and in doing so considers the pay and conditions across the Firm and industry scales.

This includes the terms of bonus and other long-term incentive plans. The Board will assess how remuneration decisions made within the organisation and evaluate their alignment with this RPS.

The Board takes full account of the company's strategic objectives in setting the Remuneration Policy and is mindful of its duties to all stakeholders. The Board seeks to preserve shareholder value by ensuring the successful retention, recruitment, and motivation of staff.

Remuneration is determined and reviewed by the Board of Directors.

3. Remuneration of Directors

Any remuneration for members of the Board of Directors is established on an annual basis by the Board. This remuneration consists of fixed annual salaries and incentive based variable remuneration.

4. Remuneration of Staff and the "Appraisal System"

Annual appraisals are carried out to assess staff performance for the year against set objectives as well as several key performance indicators.

The key performance indicators used in appraisal and assessment are **Leadership, Initiative, Adaptability, Integrity, Excellence, Organisation skills, Entrepreneurial spirit, Respect and understanding for others, Teamwork, External and Customer impact.**

Remuneration is made up of fixed salary including any agreed benefits and performance related discretionary bonus. Based on the appraisal, changes in job description or promotion, members of the Board of Directors propose and agree changes to fixed annual salaries and discretionary bonuses.

The Firm may from time to time use external consultants to ensure its remuneration levels remain in line with industry standards.

Should the Firm decide to make a severance payment, it will reflect performance over time and will not reward failure.

5. Variable Remuneration

The firm operates the following types of variable remuneration:

➤ Staff and Partners/Directors Variable Remuneration

Variable remuneration is based on a mix of company success as well as individual performance as described in the annual or semi-annual appraisal KPIs. For avoidance of doubts individual performance reflects the long-term performance of the staff member as well as overall performance more than the staff member's job description and terms of employment.

BAS is solely an investment advisor, and its only client is Beauclerc limited. Therefore, there are no "sales" targets or sales incentive for any of the employees. Also, a balance between fixed and variable components of remuneration is maintained at all times, with the variable components representing only a marginal part of the total remuneration.

The ratio of the potential variable component of remuneration to the fixed component of remuneration is significantly lower for employees in risk management and compliance functions than for employees in other business areas whose potential bonus is a significant proportion of their remuneration.

Finally, the total remuneration package offered to those employees having a risk or compliance function is sufficient to attract and retain staff with the skills, knowledge and expertise to discharge those functions.

All arrangements are linked to performance. The Firm will make no guaranteed bonus arrangements.

6. Material Risk Taker (MRTs)

The group of employees to which the more prescriptive area of the Remuneration Code apply are referred to as “Material Risk Takers”. The firm classifies the following as Material Risk Takers:

- All persons performing a significant influence/management function;
- Senior managers who manage/supervise a business unit;
- All staff, whose total remuneration takes them into the same bracket as senior management; and
- Those whose professional activities could have a material impact on the Firm’s risk (material risk takers).

A current list of Material Risk Takers can be found at **Annex A**.

7. Disclosures – MIFIDPRU 8.6

BAS must disclose a summary of:

- its approach to remuneration for all staff (“staff” interpreted according to SYSC 19G.1.24G);
- the objectives of its financial incentives; and
- the decision-making procedures and governance surrounding the development of the remuneration policies and practices the Firm is required to adopt in accordance with the MIFIDPRU Remuneration Code, to include, where applicable:
 - (a) the composition of and mandate given to the remuneration committee (BoD for BAS); and
 - (b) details of any external consultants used in the development of the remuneration policies and practices.

8. Conclusion

Beaumont & Co. Advisory Services remuneration policy and appropriate internal procedures are designed with a view to ensuring that clients are treated fairly, and their interests are not impaired by the remuneration practices adopted by the firm in the short, medium, or long term.



Annex A

LIST OF REMUNERATION MATERIAL RISK TAKERS

| NAME | POSITION | INTERNAL TITLE | SENIOR MANAGEMENT RESPONSIBILITIES |
|------------------------|--|-------------------|------------------------------------|
| Alex Zimmermann | Executive Director | Director | SMF3 |
| Jean-Philippe Beaumont | Managing Director, Compliance Officer and MLRO | Managing Director | SMF3 // SMF16 // SMF17 |