

## **Balanz Capital UK LLP IFPR Disclosure Statement**

### **I. Introduction to Balanz Capital UK LLP**

This document is designed to meet the disclosure obligations of Balanz Capital UK LLP (the “Firm”).

The Firm is subject to the Investment Firms Prudential Regime (“IFPR”). The Firm is categorised as a small and non-interconnected investment firm (“SNI Firm”).

The disclosures below are made pursuant to the Prudential Sourcebook for MiFID Investment Firms (“MIFIDPRU”) of the Financial Conduct Authority (“FCA”) handbook of rules and guidance (the “FCA Handbook”). This disclosure document has been prepared by the Firm in accordance with the requirements of Chapter 8.6 of MIFIDPRU. The Firm issues such disclosures at least annually. Unless otherwise stated, all information is provided as at January 2023.

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### **II. Remuneration Disclosure Requirements**

#### **PART A: QUALITATIVE DISCLOSURES**

##### **1. Objectives of the Firm’s Financial Incentives**

The Firm's financial incentives aim to create a direct link between reward and performance and to incentivise staff in alignment with the Firm's risk profile, including potential conflicts of interest. The Firm's remuneration structure is evaluated regularly to ensure its continued alignment with relevant regulatory requirements. The objective of the remuneration structure is to align individual and team contributions with performance objectives in a manner that:

- is consistent with and promotes sound and effective risk management;
- does not encourage excessive risk taking;
- includes measures to avoid conflicts of interest in accordance with the Firm's policies, including the Integrity Policy; and
- is in line with the Firm's business strategy, regulatory obligations, objectives, values, and long-term interests.

## 2. Fixed and Variable Remuneration

Total remuneration is determined in light of:

- individual performance both commercially and with reference to the appraisal methods detailed in the Firm's Remuneration Policy;
- the performance of the relevant business unit; and
- the results of the Firm as a whole.

The assessment of performance to determine variable remuneration takes into account financial as well as non-financial criteria. **The non-financial criteria are intended to: (i) form a significant part of the performance assessment process; (ii) where appropriate, override financial criteria; (iii) consider the individual's conduct and which will make up a substantial portion of the non-financial criteria; and (iv) evaluate the individual's performance in relation to effective risk management and compliance with the Firm's policies.**

All staff are eligible to receive variable remuneration.

### 3. Remuneration Governance and Decision-making Procedures

The Firm has set up governance processes aimed at ensuring the oversight of rewards, management of any potential conflicts of interests, and the review of the alignment between reward and performance.

- The Firm's Remuneration Policy is reviewed and approved annually by the Firm's Board. Additionally, the Remuneration Policy is subject to review and comment by the Firm's senior manager for compliance oversight ("SMF 16") as well as representatives of Balanz Capital UK LLP Senior Management and Finance departments.
- Remuneration decisions are made by Balanz Capital UK LLP following procedures implemented by the Board of Directors including the Senior Management which includes consultation with line managers of personnel and presentation and approval by senior leadership. Such remuneration decisions include application of relevant financial and non-financial criteria (as further described herein).
- The Firm's SMF 16 holds periodic meetings with Senior and Board members of Balanz Capital UK LLP to discuss compliance and conduct matters relevant to the Firm and/or specific personnel.

The Firm is a SNI Firm and does not have a remuneration committee.

### 4. Key Characteristics of Remuneration Policies and Practices

The Firm has adopted a Remuneration Policy which:

1. has been prepared in line with the Firm's business strategy, objectives, values and interests, including consideration of the Firm's risk appetite and strategy, the Firm's culture and values (including prioritising clients' activity), and any long-term effects;
2. is designed to ensure that the Firm maintains and applies a sound and prudent remuneration process which does not impair compliance with any of its obligations; and

3. is intended to identify and manage any conflicts of interest and promote sound and effective risk management and prudent risk taking.

## **CATEGORIES OF REMUNERATION:**

The Firm provides the following categories of remuneration to its staff, which may be fixed, or variable as specified below:

- base salary (fixed); and
- discretionary bonuses (variable)

## **REMUNERATION CRITERIA:**

Remuneration is based on an assessment of both financial and non-financial criteria generally including the following elements:

### **Criteria Pertaining to the Firm:**

- the performance and profitability of the Firm;
- the Firm's risk appetite and strategy;
- the Firm's desire to identify and manage any conflicts of interest; and
- the Firm's culture and values.

### **Criteria Pertaining to Individual Business Units:**

- the performance and profitability of the relevant business unit;
- the objectives set for the relevant business unit;
- where applicable, the long-term effects of the decisions made by the business unit; and ***provided, however,*** that
- personnel in control functions will be compensated, amongst other factors, by reference to objectives linked to those functions (i.e., independently of the performance of the business areas they control).

**Criteria Pertaining to Individuals:**

- the individual's responsibilities and history with the Firm;
- performance in relation to the individual's job description and terms of employment;
- the individual's compliance with the Firm's policies
- the individual's adherence to the Firm's culture and values.
- \_ when appropriate individual's adherence to the FCA Conduct Rules