

# Mesirow Financial International UK Limited

## 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 Mesirow financial International UK Limited (“MFIUK” 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.

MFIUK 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 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 MFIUK in accordance with the requirements of MIFIDPRU 8 and is verified by the Governing Body. Unless otherwise stated, all figures are as at the Firm’s 31 March 2023 financial year-end.

### *Remuneration Policy and Practices*

#### **Overview**

As an SNI MIFIDPRU Investment Firm, MFIUK 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.

The objective of MFIUK’s remuneration policies and practices is 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, MFIUK 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.

MFIUK 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.

### **Characteristics of the Firm’s Remuneration Policy and Practices**

Remuneration at MFIUK is made up of fixed and variable components. The fixed component is set in line with market competitiveness at a level to attract and retain skilled staff. Variable remuneration is paid on a discretionary basis and takes into consideration the Firm’s financial performance as well as the financial performance of each business unit, and the financial and non-financial performance of the individual in contributing to the Firm’s success. All staff members are eligible to receive variable remuneration.

The below table summarises the financial and non-financial criteria of performance used across the Firm in assessing the level of variable remuneration to be paid:

	<b>Financial Performance Criteria</b>	<b>Non-Financial Performance Criteria</b>
<b>Firm</b>	Revenue and P&L goals being met	Reputational development and goodwill
	Appropriate utilization of platform	
<b>Business Unit</b>	Revenue and P&L goals being met	Brand development
	New business creation	Talent identification and development
<b>Individual</b>	Product performance	New revenue lines developed

	Expansion of client base	

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.

### **Governance and Oversight**

The Governing Body with support from the firm's Remuneration/Compensation Committee is responsible for setting and overseeing the implementation of MFIUK's remuneration policy and practices. In order to fulfil its responsibilities, the Governing Body and Remuneration/Compensation Committee:

- 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.

MFIUK's remuneration policy and practices are reviewed annually by the Governing Body.

### **Quantitative Remuneration Disclosure**

For the financial year 1 April 2022 to 31 March 2023, the total amount of remuneration awarded to all staff was £2,921,000, of which £2,050,000 comprised the fixed component of remuneration, and £871,000 comprised the variable component. For these purposes, 'staff' is defined broadly, and includes, for example, employees of the Firm itself, directors, employees of other entities in the group, employees of joint service companies, and secondees.