

Black Diamond Capital Management Limited - MIFIDPRU 8 Disclosure

Overview

Black Diamond Capital Management Limited (the “Firm”) is classified under MIFIDPRU as a Small and Non-Interconnected firm (“SNI”) and this disclosure is made in accordance with the UK Financial Conduct Authority (“FCA”) Prudential sourcebook for MiFID Investment Firms (“MIFIDPRU”). Unless stated otherwise, all figures contained in this disclosure are based on the firm’s audited annual reports for the year ending 31st December 2022.

Approach to Remuneration

The Firm is subject to the MIFIDPRU Remuneration Code (the “Remuneration Code”). In accordance with the Remuneration Code, the Firm employs risk-focused remuneration policies that are consistent with and promote sound and effective risk management in the long-term interests of the Firm and Black Diamond Capital Management, L.L.C., the Firm’s U.S. parent and sole client (the “U.S. Parent”), and do not expose the Firm or the U.S. Parent to excessive risk.

In addition, the Firm recognizes 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 behavior, 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 the Firm is comprised of fixed and variable components:

- Base salary
- Benefits and Retirement Programs
- Bonus Program

Base Salary

In order to both attract and retain skilled staff, the Firm’s U.S. Parent reviews the fixed remuneration element for all staff annually by taking account of a number of factors including, but not limited to, market competitiveness and individual performance.

Bonus Program

The Firm's bonus program is a discretionary reward scheme based on both the U.S. Parent's overall financial result and individual performance. On an individual level, the bonus program is designed and linked to both financial and nonfinancial criteria. Individual bonuses will be adjusted as deemed necessary by the Firm's U.S. Parent in consideration of the following: (i) an individual's impact on the performance of the U.S. parent; (ii) any compliance or regulatory issues that have occurred or are under investigations internally or externally; (iii) any conduct related matters that have occurred or are under investigation internally or externally; and (iv) any other factors that may publicly impact the U.S. Parent's brand or reputation.

2022 Remuneration

For the year ending 31st December 2022 relevant remuneration was as follows:

£577,889 fixed compensation and £960,598 variable compensation