

Blackstone

**The Blackstone Group
International Partners LLP**
Investment Firms Prudential Regime
("IFPR") Disclosures

DECEMBER 2023

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1. Governance Arrangements

1.1 Introduction

The Blackstone Group International Partners LLP (“BGIP” or the “Firm”) is a limited liability partnership (“LLP”) registered in England and Wales. BGIP’s immediate controlling corporate member is Blackstone Group International Holdings LLC, a company incorporated in Delaware in the United States of America, and its ultimate parent and controlling party is Blackstone Inc., a corporation listed on the New York Stock Exchange.

BGIP is regulated by the Financial Conduct Authority (“FCA”) as a non-small non-interconnected MIFIDPRU investment firm under the UK Investment Firms Prudential Regime (“IFPR”). These disclosures have been prepared to comply with the relevant MIFIDPRU requirements of the FCA Handbook regarding internal governance arrangements.

1.2 Governance Structure

The Executive Committee (“ExCo”)

The Executive Committee (“ExCo”) is BGIP’s governing body, with responsibility for the supervision and oversight of BGIP’s business, strategic objectives, internal governance, senior management and compliance with all applicable laws and regulations. The ExCo is ultimately responsible for BGIP’s risk management and is supported by business functions for day-to-day and periodic monitoring. The ExCo meets at least quarterly (and more frequently as required) and receives updates regularly from relevant business functions and activities including, but not limited to: business initiatives, finance updates including financial reports, internal and external audit reports, legal & compliance updates and human resources related updates. Certain members of the ExCo are also members of global governance committees, which allows for issue escalation within BGIP and Blackstone. The governance framework is in place to ensure that the ExCo defines, oversees and is accountable for the implementation of arrangements to ensure effective management of the Firm, including the prevention of conflicts of interest, and in a manner that promotes market integrity and client interests.

The ExCo has 12 members as of 30 November 2023 who are part of BGIP’s senior management.

BGIP is not subject to the MIFIDPRU requirements requiring firms to have Risk, Remuneration and Nomination Committees.

1.3 Conflicts of Interest

BGIP has a conflicts of interest policy which is reviewed and acknowledged by the ExCo on a periodic basis. The policy sets out how BGIP seeks to prevent and address conflicts of interest.

Conflicts of interest are mitigated through measures including but not limited to:

- Information walls between business units;
- Independent management structures and reporting lines;
- Remuneration structures that ensure staff are not incentivized in a way where conflicts of interest may arise;
- Ensuring information exchange among the ExCo and the key control and support functions; and
- Disclosure of any business interests which may result in actual or potential conflicts of interest.

1.4 External Appointments

The table below sets out the number of external directorships, within scope of MIFIDPRU 8.3.1R(2), held by the ExCo members.

Table 1: External Directorships¹

#	Name	Title	Senior Management Function (“SMF”)	Number of External Directorships
1	Qasim Abbas	Senior Managing Director, Tactical Opportunities	SMF27 - Partner	2
2	Lionel Assant	Senior Managing Director, Private Equity	SMF27 – Partner	0
3	Marc Bolland	Chairman of Blackstone Group International Partners LLP	SMF9 - Chair of the Governing Body SMF27 - Partner	4
4	Paulo Eapen	Senior Managing Director, Credit	SMF27 - Partner	1
5	Lama Kanazeh	Senior Managing Director, Institutional Client Sales	SMF27 - Partner	0
6	Farhad Karim	Chief Operating Officer of Blackstone Europe	SMF27 - Partner	0
7	Heidi Kniesel	Managing Director, EMEA Head of Compliance	SMF16 - Compliance Oversight function SMF17 - Money Laundering Reporting function SMF27 - Partner	0
8	Rashmi Madan	Senior Managing Director, Private Wealth Solutions	SMF27 - Partner	0
9	Olivier Meyohas	Senior Managing Director, BAAM	SMF27 - Partner	0
10	Anna Mignot	Managing Director, Human Resources	SMF27 - Partner	0
11	Kim Percy	Managing Director, Finance	SMF27 - Partner	0
12	James Seppala	Senior Managing Director, Real Estate	SMF27 - Partner	0

1.5 Diversity and Inclusion

Diversity and inclusion have long been priorities at BGIP and the Firm is committed to a highly inclusive work environment for people of all races, genders, religions, sexual orientations, ethnicities, nationalities, socio-economic and geographic backgrounds. The Firm is committed to attracting, retaining, and advancing talent from the broadest universe possible.

BGIP’s human resources diversity procedures serve to outline specific processes intended to promote diversity among its employees, including among members of the ExCo, and assist BGIP in setting measurable diversity objectives.

The policy captures the Firm’s approach to recruitment, pay, training, appraisals, promotion, conduct at work, disciplinary and grievance procedures, and termination of employment.

Outside of this policy and as detailed on Blackstone’s [website](#), BGIP’s commitment to diversity takes several forms:

¹ As of 30 November 2023

- **Recruiting Diverse Talent:** Widening the funnel of applicants through expanding the number of universities Blackstone proactively works with and engaging talent early through diverse recruitment programmes
- **Retention and Engagement:** Providing tailored talent development opportunities for Blackstone employees through mentorship programmes, competitive benefits and engagement in Blackstone’s affinity networks and partnering with external affiliates to support these efforts
- **Value Creation:** Blackstone leverages the scale of its portfolio to create more value through two key initiatives dedicated to making its portfolio company boards more diverse and finding career opportunities for under-represented populations
- **Giving Back:** Supporting student entrepreneurs at universities through the Blackstone Charitable Foundation’s flagship LaunchPad program and partnering with charitable organizations committed to helping diverse communities across all of Blackstone’s offices (including BGIP), the group creates a supportive environment through high-impact affinity groups: BX Women’s Initiative, BX Diverse Professionals Network, OUT BX, Veterans Network, and BX Working Families Network to foster the recruitment, retention, and development of employees. Each business group appoints Diversity Champions who partner with human resources and the employee affinity networks to help drive diversity and inclusion efforts.

With respect to the ExCo, BGIP is committed to ensuring female representation and striving for ethnic diversity. The ExCo is made up of $\approx 42\%$ (5 of 12) women as of November 2023. As of November 2023, BGIP does not collect ethnicity data of the ExCo members.

To further enhance diversity at the ExCo level, BGIP is committed to:

- Review at appropriate intervals the structure, size, and composition of the ExCo (including the skills, knowledge, independence, experience, and diversity of this population);
- Collect ethnicity data of ExCo members;
- Oversee the development of a diverse pipeline for succession, taking into account the challenges and opportunities facing BGIP;
- Keep under review the setting of measurable diversity objectives for the ExCo; and
- Evaluate the balance of skills, knowledge, experience, independence, and diversity on the ExCo and consider it where an appointment to the ExCo is proposed. When identifying suitable candidates, BGIP:
 - a. Considers candidates from different genders and a wide range of backgrounds; and
 - b. Considers candidates on merit and against objective criteria and with due regard for the benefits of diversity on the ExCo.

2. Own Funds

BGIP's own funds consists of members' capital classified as equity,² retained earnings and other reserves, which are Common Equity Tier 1 ("CET 1") capital, the highest form of Tier 1 capital.

The following tables below,³ in compliance with MIFIDPRU 8.4 of the FCA Handbook, disclose:

- The composition of BGIP's own funds;
- A reconciliation of own funds to the balance sheet per the audited financial statements of the Firm; and
- A description of the main features of the CET 1 capital issued by the Firm.

The financial information presented in the following tables is based on BGIP's Members' Report and Audited Financial Statements as at 31 March 2023.

2.1 Composition of Own Funds

Table 2: Composition of own funds

#	Item	Amount (GBP thousands)	Source based on reference numbers/letters of the balance sheet in the Audited Financial Statements ²
1	Own Funds	263,650	
2	Tier 1 Capital	263,650	
3	Common equity tier 1 capital	263,650	
4	Fully paid up capital instruments	10,537	Members' capital classified as equity
5	Share premium		
6	Retained earnings	59,412	Other reserves classified as equity
7	Accumulated other comprehensive income		
8	Other reserves	193,701	Other reserves classified as equity
9	Adjustments to CET1 due to prudential filters		
10	Other funds		
11	(-) Total deductions from common equity tier 1		
19	CET1: Other capital elements, deductions and adjustments		
20	Additional tier 1 capital	-	
21	Fully paid up, directly issued capital instruments		
22	Share premium		
23	(-) Total deductions from additional tier 1		
24	Additional Tier 1: Other capital elements, deductions and adjustments		
25	Tier 2 capital	-	
26	Fully paid up, directly issued capital instruments		
27	Share premium		

² As BGIP is an LLP, corporate and individual members of the partnership are required to contribute to "members' capital". The LLP does not issue shares to members. For the purposes of this disclosure, members' capital has been disclosed in "Item 4 - Fully paid up capital instruments" in section 2.1.

³ BGIP's financial statements are presented in United States Dollar which is its functional currency. For the purposes of the MIFIDPRU disclosures all values have been translated to Pound Sterling at the rate of 1.2337.

28 (-) Total deductions from tier 2

29 Tier 2: Other capital elements, deductions and adjustments

2.2 Own Funds: Reconciliation of Own Funds to Balance Sheet in the Audited Financial Statements

Table 3: Own Funds: Reconciliation of Own Funds to Balance Sheet in the Audited Financial Statements

		Balance sheet as in published/Audited Financial Statements	Cross-reference to table in 2.1
		As at period end (GBP thousands)	
Assets - Breakdown by asset type according to the balance sheet in the audited financial statements			
1	Tangible Assets	26,631	
2	Debtors: amounts falling due after more than one year	11,778	
3	Debtors: amounts falling due within one year	52,059	
4	Cash at bank and in hand	238,451	
5	Total Assets	328,919	
Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements			
1	Creditors: amounts falling due within one year	39,872	
2	Creditors: amounts falling due after more than one year	624	
3	Total Liabilities	40,496	
Shareholders' Equity			
1	Members' capital classified as a liability	24,773	
2	Members' capital classified as equity	10,537	Box 4
3	Other reserves classified as equity	253,113	Box 6, 8
4	Total Shareholders' Equity	288,423	

2.3 Own Funds: Main Features of Own Instruments Issued by the Firm

BGIP's capital base comprises of corporate member's capital, retained earnings and other reserves. All BGIP's capital base is classified as Common Equity Tier 1 capital ("CET1"), the highest-ranking quality of capital with the exception of individual members capital. Individual members capital is excluded from BGIP's own funds as it does not qualify as CET1 in accordance with MIFIDPRU 3.3.17.

3. Own Funds Requirements

This section has been prepared to comply with MIFIDPRU 8.5 of the FCA Handbook regarding BGIP’s compliance with the own funds requirements and approach to assessing the adequacy of its own funds in accordance with the Overall Financial Adequacy Rule (“OFAR”).

3.1 K-Factor Requirement (“KFR”) and Fixed Overheads Requirement (“FOR”)

Table 4: K-Factor Requirement (“KFR”) and Fixed Overheads Requirement (“FOR”)

	Amount (GBP thousands)
K-factor requirement	
Sum of K AUM, K CMH and K ASA	880
Sum of K COH and K DTF	-
Sum of K NPR, K CMG, K TCD and K CON	-
Total K-factor requirement	880
Fixed overhead requirement	41,660

- **KFR:** K-factors are a series of quantitative measures that aim to represent the impact of risks that a MIFIDPRU investment firm may pose to the Firm, its clients, and markets in which it operates. Due to BGIP’s limited regulatory permissions, only the K-AUM requirement applies. The regulatory definition of ‘assets under management’ includes assets managed under discretionary portfolio management and non-discretionary arrangements constituting investment advice of an ongoing nature. BGIP does not provide discretionary portfolio management; however, it does provide non-discretionary investment advice on a recurring basis, hence the K-AUM is relevant to BGIP.
- **FOR:** The FOR requires firms to hold own funds equal to 1/4 of its fixed overheads for the previous year, using its audited financial statements. BGIP has calculated its FOR based on this rule.

3.2 Approach to Assessing the Adequacy of Own Funds

BGIP’s approach to assessing the adequacy of its own funds in accordance with the OFAR is outlined in BGIP’s internal capital adequacy and risk assessment (“ICARA”) document to ensure it remains financially viable throughout the economic cycle, with the ability to address any potential harms from its ongoing activities and to allow its business to wind-down in an orderly manner. A summary of this approach is as follows:

- **Risk Monitoring:** BGIP documents all risk of harms applicable to its business model and evaluates the likelihood of its occurrence and the impact with and without an effective control to manage the risk. For each relevant material risk of harm identified, scenario testing is conducted to assess the potential own funds and/or liquid assets impact of that risk to BGIP. Further details of this framework are noted in section 4.
- **Stress Testing:** BGIP has considered severe but plausible stress scenarios that could impact its business model / financial forecasting and assessed the impact on its capital positions.
- **Reverse Stress Testing:** BGIP has considered reverse stress testing to identify adverse circumstances which could cause its business model to become unviable.
- **Recovery and Wind-Down Planning:** BGIP has considered the financial and non-financial resources required for the business to wind-down in an orderly manner.

Following the above assessment, through its ICARA process, BGIP has concluded that it holds adequate own funds.

4. Risk Management objectives and policies

This section has been prepared to comply with MIFIDPRU 8.2 of the FCA Handbook.

4.1 Risk Management objectives and policies

- **Own Funds:** This is the level of own funds required to be held by BGIP. In order to determine this, BGIP's principal activities of providing sub-advisory services to Blackstone's US affiliates across the different business units and conducting certain distribution activities are considered to give rise to potential harms arising from inadequate or failed internal processes, people and systems or from external events. For example, systems compromised by cyber security attacks may have financial, regulatory, reputational and/or client impacts and may inadvertently lead to distribution of confidential information. Potential harm is multifaceted and includes the following key areas: Marketing, Legal and Compliance, Finance, Tax, Operations, Information Technology, Human Resources and Governance. BGIP's Own Funds Threshold Requirement ("OFTR") is £41,660k for financial year ended 31 March 2023. This is driven by its FOR which exceeds its own funds required to cover material harms from ongoing operations and the own funds required to effect an orderly wind down. BGIP's approach to assessing the adequacy of own funds is included in section 3.2. BGIP's risk management framework and structure are included in section 4.2 and 4.3.
- **Concentration Risk:** Concentration risk is the current or prospective risk to earnings and capital arising from being too exposed to a single client or counterparty. BGIP is primarily exposed to concentration risk from surplus cash balances placed on deposit with banks and from intra-company receivables. The ExCo believes the probability of BGIP losing its cash deposits to be extremely low as cash deposits are held with large reputable banks. The ExCo believes that the risk of intra-company balances remaining unsettled to also be remote.
- **Liquidity Risk:** Liquidity risk is the current or prospective risk to earnings and capital arising from an inability to meet liabilities when they fall due. Liquidity risk may arise from the removal of intra-group support (e.g., group risk). BGIP maintains a liquidity operating procedure which includes maintaining liquid resources to cover a minimum level of operating expenditure of BGIP. BGIP actively monitors liquidity levels and utilizes forecasts to ensure that sufficient liquidity is maintained and available in future periods to meet its liabilities as they fall due.

BGIP's risk management structure and governance processes are detailed below, which covers the risks noted above.

4.2 **BGIP’s risk management framework and risk appetite**

As part of the risk management process, relevant stakeholders within BGIP and Blackstone provide feedback on BGIP’s risk matrix. The risk matrix documents all risks of harms applicable to BGIP’s business model, as well as the owners of these risks. For each risk of harm, the inherent risk score is determined by evaluating the likelihood of its occurrence and the impact to BGIP’s clients and counterparties, the markets in which it operates and BGIP itself in the absence of controls. Secondly, BGIP considers the systems and controls to identify, monitor and mitigate risk of harms. This provides BGIP with the residual risk score.

Each risk owner assesses and sets the risk appetite for each of BGIP’s material risks as well as the relevant metrics that will be monitored to ensure the mitigants are effective. Additionally, the ExCo has reviewed the risk appetite, the relevant metrics and the thresholds which will trigger escalation. The ExCo reviews BGIP’s risk appetite for its key material risks on an annual basis. There is, however, a limited tolerance for breaches of applicable law or regulation with respect to prudential requirements, regulatory and financial reporting, market abuse and financial crime, including fraud. The risk BGIP poses to its clients and counterparties, the markets in which it operates and BGIP itself is limited due to its business model.

4.3 **Risk management structure and governance**

BGIP’s ExCo as noted in section 1 is ultimately responsible for BGIP’s risk management and is supported by business units and the corporate functions for day-to-day and periodic monitoring and maintenance of risk management controls within BGIP. The relevant business units provide updates to the ExCo on material matters. This structure enables BGIP to assess the effectiveness of its management process. These governance arrangements are appropriate to the size, nature and complexity of the business.

BGIP includes control functions such as Legal & Compliance and Internal Audit that are independent to the business units. These functions shape the control environment and provide independent assurance over risk management practices.

Compliance

The UK Compliance function is led by the EMEA Head of Compliance. UK Compliance develops and enhances policies and procedures, implements new regulations, trains staff on their regulatory responsibilities and obligations; and monitors ongoing activities for compliance with BGIP’s regulatory requirements. UK Compliance provides updates to the ExCo and senior management, as appropriate.

Internal Audit

The Blackstone Internal Audit Department (“**BXIA**”) is a global function at Blackstone with dedicated resources executing risk-based audits. BXIA provides independent assurance to senior management and the Audit Committee of the Board of Directors of Blackstone Inc (“**Audit Committee**”) on the effectiveness of the firm’s governance, risk management and internal control processes. Annually, BXIA submits a comprehensive risk-based audit plan that provides effective coverage of Blackstone’s business units, enterprise, technology and jurisdictions which will include, on a rotational basis, BGIP, to the Audit Committee for review and approval. Additionally, BXIA present the relevant audit plan to ExCo.

Enterprise Risk Committee (“ERC”)

Blackstone’s global enterprise risk management framework is designed to manage non-investment risk areas across the firm, such as strategic, financial, human capital, legal, operational, regulatory, legislative, reputational and technology risks. The

Enterprise Risk Committee (“**ERC**”) assists Blackstone management to identify, assess, monitor, and mitigate such key enterprise risks at the corporate, business unit, and fund levels. The ERC is chaired by Blackstone’s Chief Financial Officer and comprises senior management across business units, corporate functions, and regional locations, including BGIP. Senior management reports to the Audit Committee of the Board of Directors on the agenda of risk topics evaluated by the Enterprise Risk Committee and provides periodic risk reports, a summary of its view on key risks to the firm and detailed assessments of selected risks, as applicable.

5. Remuneration

These disclosures have been prepared to comply with MIFIDPRU 8.6 of the FCA Handbook.

5.1 Introduction

BGIP's principal activity is to provide sub-advisory services to Blackstone's US affiliates across the distinct business units of Real Estate, Private Equity, Hedge Fund Solutions, and Credit. Each US advisor has appointed BGIP as a sub-advisor to advise them on the investment and re-investment opportunities including general advice and information relating to markets, and to assist in arranging investment transactions. BGIP also acts as a distributor of Blackstone funds in certain Europe, Middle East and Africa ("EMEA") jurisdictions. BGIP does not provide investment management or trade execution services.

5.2 Decision-making procedures and governance

The overall size of the annual firmwide compensation pool is set at a group level. Blackstone has a robust process for setting variable remuneration across all regions, including BGIP, and involves feedback from the Strategic Incentives Group ("SIG"), Human Resources ("HR"), senior management, and relevant group heads.

Blackstone Group International Holdings LLC is responsible for taking decisions relating to remuneration of senior or professional staff of BGIP. The Executive Committee of BGIP ("ExCo") reviews and approves the remuneration policy and the variable to fixed ratios annually. The EMEA Head of HR is a member of the ExCo and provides confirmation to the ExCo that remuneration decisions have been made in line with the remuneration policy. Additionally, the ExCo ensures that there is a central and independent annual review of the implementation of the remuneration policy, including whether such implementation is compliant with relevant legal requirements and results in remuneration awards that are in line with BGIP's business strategy and reflects the risk profile, long-term objectives and other relevant goals of BGIP.

5.3 BGIP's remuneration approach and objectives

BGIP's remuneration approach seeks to attract, retain, and motivate highly talented people to deliver sustainable and superior business performance, whilst operating in accordance with Blackstone Inc.'s guiding principles.

BGIP has adopted the following principles in relation to its remuneration policies and practices. BGIP's remuneration policy reflects BGIP's commitment that its compensation arrangements:

- Are in line with BGIP's business strategy, objectives, values and long-term interests (which includes consideration of BGIP's culture and values);
- Are consistent with and promote sound and effective risk management, including promoting risk awareness and prudent risk taking, and do not encourage inappropriate risk taking;
- Encourage responsible business conduct and avoid causing detriment to clients and investors;
- Include measures to mitigate or avoid conflicts of interest in the relationships with clients in the short, medium and long term; and
- Are gender neutral (which includes complying with applicable law on equal pay) by setting performance measures and compensation levels without regard to gender or other protected characteristics and ensuring that they do not result in discrimination

The underlying principles of the remuneration policy are:

- The remuneration and performance assessment of staff must not conflict with BGIP's duty to act in its clients' best interests. In particular, the remuneration policy and related practices must not create a conflict of interest or incentive that

could lead staff to favour their own interests, or those of BGIP, to the potential detriment of any client;

- An appropriate balance between the fixed and variable elements of remuneration is maintained at all times to ensure the remuneration structure does not favour the interests of BGIP or those of its staff against the interests of its clients;
- The fixed element of remuneration represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration, including the possibility to pay no variable remuneration;
- Variable performance-driven compensation must be closely aligned with the principles and values of Blackstone, supportive of BGIP's strategy and must not incentivize inappropriate risk taking; and
- Variable performance-driven compensation must not be solely or predominantly based on quantitative commercial criteria but must also reflect qualitative criteria (including compliance with applicable regulations, the fair treatment of clients, and quality of client service).

5.4 Remuneration structure and components

BGIP's remuneration structure includes fixed and variable components that are reviewed annually.

- **Fixed remuneration**

BGIP pays a base salary to employees and a fixed draw to members, taking into account the relevant employee's or member's experience. Fixed remuneration is pre-determined, non-discretionary, and non-revocable.

In addition to the base salary or fixed draw, all employees and members are entitled to receive standard benefits. Benefits and benefit amounts vary by seniority and are in line with the global policies set by Blackstone. Members who are also partners of Blackstone pay for their own benefits.

- **Variable remuneration**

BGIP operates bonus schemes which are designed to align employee incentives with the interests of Blackstone and BGIP's clients, shareholders, and BGIP's business strategy.

Variable remuneration includes cash and/or equity year-end awards and also encompasses buy-out awards, carried interest awards, incentive fees, retention awards, and severance pay. All permanent employees, including Material Risk Takers ("MRTs"), are eligible to be considered for variable remuneration each year.

BGIP may provide guaranteed variable remuneration in exceptional circumstances (e.g., sign-on or buyout awards for new hires). Guaranteed variable remuneration for MRTs only occurs in the context of hiring and is limited to the individual's first year of service and where BGIP has a strong capital base.

In case of early termination of an employment contract, BGIP may provide severance pay to reflect performance over time and will not reward failure or misconduct. Severance pay may include payments related to the duration of a notice period, a redundancy payment, or such other amount as BGIP determines is appropriate or necessary to manage any legal or operational risks arising from an individual's departure. Any exceptional amounts will be determined after taking into account relevant information regarding the individual's performance over time, their role and seniority.

5.5 Performance measurement and risk adjustment

The bonus component of remuneration for BGIP's employees is discretionary and dependent on the performance of Blackstone, the relevant business units, and the individual. The performance measures are noted below.

- **Firmwide and business unit performance**

The year-end bonus awards take into account risk-adjusted profits of Blackstone globally and business unit performance. All types of current and future risks (both financial risks such as economic profit or economic capital and non-financial risks such as reputation, conduct and customer outcomes, values and strategies) are reviewed. Additionally, Blackstone's capital and liquidity requirements are considered.

The compensation pool may be considerably contracted (potentially to zero) where Blackstone's financial performance is subdued or negative.

- **Employee performance**

Variable remuneration is awarded based on employees' individual performance against financial and non-financial metrics.

As part of the performance evaluation process, employees are evaluated on a mid-year and annual basis. This process measures each employee's performance against the competencies that Blackstone most values and in relation to their job responsibilities. It takes into account the quality and impact of the work performed and considers factors such as professional conduct with colleagues and clients, respect for others, creativity, decision-making, and problem resolution abilities.

Performance is assessed over a full year and certain bonus schemes include the concept of deferral. The use of deferral results in compensation that is based on a multi-year framework, ensuring the assessment is based on longer-term performance, and the payment of performance-based remuneration is spread over a period that takes account of the business cycle of BGIP and its business risks.

The evaluation process is a key factor in determining employee remuneration and any ex-ante and ex-post adjustments.

5.6 Material Risk Takers ("MRTs")

- **Identification of MRTs**

BGIP identifies its MRTs annually and on an ad hoc basis as required. As part of identifying MRTs, BGIP considers the material impact the employees have on BGIP and considers the criteria in line with SYSC 19G.5 of the MiFIDPRU Remuneration Code. BGIP's MRTs include:

- a. BGIP's ExCo members;
- b. Members of senior management that are not on BGIP's ExCo, i.e., heads of key business units;
- c. Employees who have managerial responsibilities for the activities of (i) a control function and (ii) prevention of money laundering and terrorist financing; and
- d. Employees who have responsibility for managing certain key functions such as information technology and security.

- **Application of malus and clawback**

All variable remuneration paid to BGIP's MRTs is subject to malus and clawback. BGIP shall apply malus and/or clawback in the following circumstances:

- a. the relevant MRT participated in or was responsible for conduct which resulted in significant losses to BGIP;
- b. there is reasonable evidence of misbehaviour or material error by the relevant MRT;
- c. the relevant MRT failed to meet appropriate standards of fitness and propriety;

- d. BGIP or the relevant business unit suffers a material downturn in its financial performance;
- e. BGIP or the relevant business unit suffers a material failure of risk management;
- f. the vesting or payment of such variable remuneration award would not be sustainable according to the financial situation of BGIP as a whole nor justified on the basis of the performance of BGIP, the relevant business unit and the relevant MRT; and/or
- g. any other matter which appears relevant from time to time to ensure compliance with the remuneration rules.

BGIP shall apply clawback in circumstances (a), (b), and (c) as outlined above and any circumstance in which the MRT has been involved in fraud or other conduct with intent, or is guilty of severe negligence which led to significant losses for BGIP.

5.7 Quantitative remuneration disclosures

Table 5: Quantitative remuneration disclosures

Item	Senior Management	Other MRT	Non-MRT Staff	Total: All Staff				
Total number of Material Risk Takers (“MRTs”)	12	5	N/A	N/A				
The total amount of remuneration awarded	£73,511,036	£8,878,162	£284,975,266	£367,364,464				
The fixed remuneration awarded	£3,175,640	£1,039,142	£71,886,485	£76,101,267				
The variable remuneration awarded	£70,335,396	£7,839,020	£213,088,781	£291,263,197				
	Amount	Count	Amount	Count	Amount	Count	Amount	Count
The total amount of guaranteed variable remuneration awards made during the performance year and the number of material risk takers receiving those awards	-	-	-	-	N/A	N/A	N/A	N/A
The total amount of the severance payments awarded during the performance year and the number of material risk takers receiving those payments ⁴ ; and					N/A	N/A	N/A	N/A
The amount of the highest severance payment awarded to an individual material risk taker.	N/A	£100,000	N/A	N/A	N/A	N/A	N/A	N/A

⁴ Splitting the total amount of severance payments awarded during the year and the number of MRTs receiving those payments between Senior Management and other MRTs would lead to disclosure of 1 or 2 individuals, therefore this field has been populated as N/A.

Additional notes

1. The quantitative disclosures have been made based on Blackstone and BGIP's performance year which is 1st Jan - 31st December although BGIP's financial year is 1st April - 31st March
2. All compensation received by anyone who was an MRT during any part of the performance year is included in the disclosure. MRT compensation amounts have not been prorated.

General note: All compensation amounts, except for employee benefits, are set in USD and converted to GBP at the average year-to-date FX rate as of Dec 4, 2022. This is the FX rate used for performance year-end non-partner payroll.