



# Tradition UK Holdings

MIFIDPRU External Disclosures

2022

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## 1. Introduction

## 1.1. Overview

Tradition UK Holdings Limited ('TUH') is a holding company comprising four entities that are authorised and regulated by the Financial Conduct Authority ('FCA'). The four FCA regulated entities are each classified as non-SNI MIFIDPRU firms:

Tradition (UK) Limited ('TUK')  
Tradition Financial Services Limited ('TFS')  
TFS Derivatives Limited ('TFD')  
Tradition London Clearing Limited ('TLC')

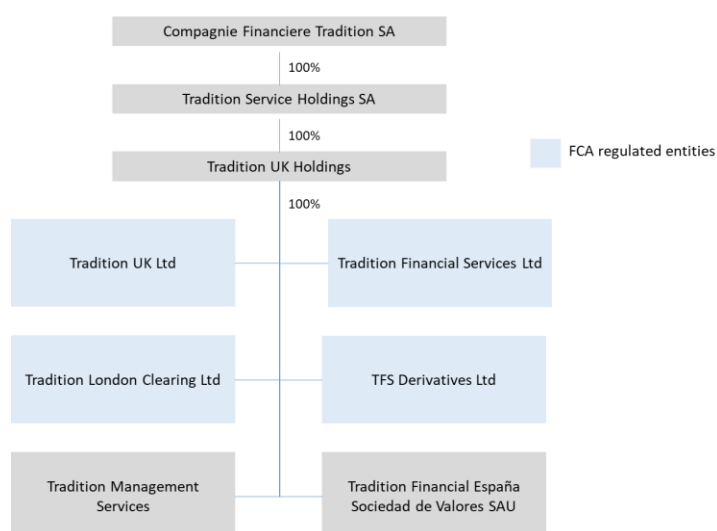
Additionally, TUH has a subsidiary in Spain that is regulated by the Comisión Nacional del Mercado de Valores:

TFS España Sociedad de Valores S.A.U.

TUH entities are provided with administrative support services by a UK incorporated affiliate, Tradition Management Services Limited.

All TUH entities are subsidiaries or affiliates of Compagnie Financiere Tradition ('CFT'), which is the holding company of all the Tradition businesses and is listed on the Swiss stock exchange. CFT is a subsidiary of Viel et Compagnie SA, a company listed on Euronext Paris, which is a subsidiary of Viel et Compagnie Finance SE.

Figure 1 Corporate structure



## 1.2. Business Activities

Three of TUH's regulated subsidiaries (TUK, TFD, TFS) are Wholesale Brokers and the fourth (TLC) is a matched principal trade facilitator operating a cleared broking model. The entities operate as intermediaries in the financial markets facilitating the trading activity of customers – in particular commercial and investment banks. The businesses cover the following major product groups: Treasury Products, Interest Rate Derivatives, Fixed Income, Equities and Energy. TUH provides customers with access to electronic broking platforms across a range of financial products.

TUH's operating subsidiaries provide brokerage services on either a Name Give-up, Matched Principal/Cleared Broking, or Exchange Give-up basis.

In addition to its brokerage services, TUH offers a variety of market information services through its market data division which provides real-time price information to clients and data providers.

### 1.3. Scope of MIFIDPRU External Disclosures

The Investment Firms Prudential Regime ('IFPR') came into force from 1 January 2022 and is applicable to TUH and its subsidiaries that are UK-regulated entities. The IFPR requirements are incorporated into UK regulation in the MIFIDPRU sourcebook section of the FCA handbook. MIFIDPRU transitional arrangements have expired and the year ended 31 December 2022 is the first period for which TUH is making external disclosures under MIFIDPRU 8.

TUH's annual MIFIDPRU external disclosures are released on the date the annual financial statements are published. The disclosures are not required to be independently audited, but where they include data also presented in the Annual Report and Financial Statements, this is independently audited. The disclosures were reviewed and approved by senior management and the Board of Directors. TUH's MIFIDPRU external disclosures are available on the [Tradition.com](https://www.tradition.com) website.

## 2. Governance Arrangements

### 2.1. Internal Governance Arrangements

TUH entities share common directors and the 'TUH Board' meets to govern and oversee the activities of TUH. The TUH Board operates directly under the delegated authority of, and reports to, the CFT Group board. It is responsible for the overall direction, strategy and management of the TUH entities, including setting the culture, values and standards, monitoring of business performance, and establishment and oversight of appropriate systems and controls.

The TUH Board has established a number of sub-committees that report to it directly:

The Audit Committee's delegated responsibilities include monitoring the integrity of and approving TUH financial statements, and overseeing the internal audit function.

The Risk Committee's delegated responsibilities include providing independent assessment and assurance to the TUH Board regarding the effectiveness of the risk management framework. Other responsibilities include:

- reviewing and assessing the enterprise-wide risk management framework (including risk appetite, risk and control self-assessment, and key risk indicators);
- providing independent assurance to the TUH Board on the effectiveness of systems, controls, policies and procedures; and
- reviewing and assessing the adequacy of the business continuity arrangements.

The Remuneration Committee's primary function is to exercise competent and independent judgment on remuneration policies and practices, and on the incentives created for managing risk, capital and liquidity.

The Nominations Committee's primary function is to consider matters relating to the evaluation and effectiveness of the TUH Board and key management personnel, and examination of the skills required of board candidates.

### 2.2. Board Governance and Control

TUH has created a governance and control framework that sets out the way in which the formal Board and Committee structure, and approval systems operate. The framework covers policy, risk appetite, business performance, limits setting, delegation of levels of authority, capital management and assurance mechanisms.

The TUH Board provides the following governance and oversight:

- setting appropriate risk strategy and risk appetite;
- promoting internal risk culture and risk awareness;
- monitoring the implementation of the risk strategy by the Audit and Risk Committee;
- ensuring the independence of the control functions such as Compliance and Risk Management;
- ensuring the independence of Internal Audit; and
- verifying that independent control functions operate correctly.

Figure 2 The number of directorships held members of the TUH management body

|                                | Executive<br>Directorships | Non-Executive<br>Directorships |
|--------------------------------|----------------------------|--------------------------------|
| <u>Non-Executive Directors</u> |                            |                                |
| Martin Abbott                  | 1                          | 1                              |
| Christian Baillet              | 0                          | 17                             |
| Catherine Bienstock            | 1                          | 1                              |
| Francois Brisebois             | 0                          | 0                              |
| Michael Leibowitz              | 0                          | 0                              |
| William Wostyn                 | 0                          | 3                              |
| <u>Executive Directors</u>     |                            |                                |
| Michael Anderson               | 0                          | 0                              |
| Javid Cante                    | 1                          | 0                              |
| Tristan de Saint Ouen          | 0                          | 0                              |
| Stevan Vjestica                | 0                          | 0                              |
| Angus Wink                     | 0                          | 0                              |

### 2.3. Board Recruitment and Diversity

Recruitment of members of the management body follows FCA requirements, and a suitability assessment is completed. A multiple-stage interview and selection process in accordance with TUH's equal opportunities policy is conducted to ensure that the Board is able to assess potential directors' aptitude, skills and experience and gauge the potential contribution to achieving TUH's strategic objectives.

The Board's objective to improve alignment between culture and conduct, and the reward framework is linked to improving gender balance within the Group. Further work on gender balance is being developed under the Group Diversity and Inclusion Policy.

TUH is committed to a diverse and inclusive workplace. As an international group with offices in the major financial centres of the world, the Board is particularly mindful of the Firm's responsibilities as a fair and just employer. Realising the potential of a diverse workforce is critical to business success. It enhances creativity, different approaches to problem solving and more effective team working.

Remuneration policy is gender neutral, and no characteristic of remuneration has dependence on protected characteristics. The Board is committed to ensuring no discrimination in its operations as well as taking positive action to promote equal opportunity to everyone within the Group.

### 3. Risk Management Objectives and Policies

#### 3.1. Risk Management Overview

TUH's Enterprise-wide Risk Management Framework ('EWRMF') provides a high-level overview of the key processes related to risk management, including the approaches that are used for assessment, quantification and reporting of risk, and an overview of the infrastructure that supports those processes. The EWRMF incorporates best practice for managing risk in the most appropriate way given the nature, scale and complexity of TUH's activity.

The objectives of TUH's EWRMF are to:

- identify and assess the risks posed to TUH entities and their branches;
- identify, implement, assess and monitor mitigation strategies in order to reduce TUH entities' gross risk exposure;
- alert TUH Board of a substantive threats to its risk appetite;
- identify, record and analyse risk events;
- monitor key risks and report on their threat levels;
- ensure that issues identified internally or by third parties are recorded, remediated, escalated and reported;
- ensure the various components of the Enterprise-wide Risk Management Framework are integrated and cohesive;
- provide senior management with risk-related information in order to encourage risk-informed decision making;
- embed a robust risk management culture within TUH; and
- contribute to the risk-based quantification of regulatory capital and to the continuous improvement of the management of the capital requirements.

#### 3.2. Risk Oversight

The Executive Committee's function is the development and review of the implementation of the Board's strategy and business plans, including proposed major investments or significant business developments, including the assessment and review of related risk, regulatory, legal, finance, employment, tax, operational and technological issues.

The Risk, Capital, Liquidity Controls and Regulatory Committee ('RCLCRC') receives delegated authority from the Executive Committee. Its purpose is to consider matters relating to the identification, assessment, monitoring and management of the risks associated with the operations of TUH.

#### 3.3. Board Risk Appetite

The Board's approach to setting risk appetite and tolerances is set-out in the Risk Appetite Framework. Details of the measures, tolerances and qualitative statement, that are the TUH Board's assessment of its appetite, are captured in the Risk Appetite Statement. The risk appetite established by the Board is defined in terms of both quantitative measures and qualitative statements, setting tolerance for its applicable principal risks.

The Board requires each Firm to hold sufficient capital resources to meet its requirements under the ICARA process. Capital that falls below the regulatory minimum is outside the Board's risk appetite.

The Board requires each Firm to hold sufficient liquidity resources that are realisable at appropriate intervals to meet stressed liquidity requirements at any point on a six-month forward forecast basis.

#### 3.4. Principal Risks and the Potential for Harm

The Board assesses principal risks and sources of potential harm that TUH could cause through the conduct of its activities and changes to its business model. A central feature of the EWRMF that has

specific importance for identification of principal risks is the Risk and Control Self-Assessment ('RCSA') process where management throughout TUH identify and assess the risks facing their business. The approach is documented in the RCSA Policy.

A principal risk, if it were to crystallise, may cause harm to the Firm's clients, to markets, or to the Firm itself. TUH derives its principal risks from the RCSA results. Risks across the TUH entities are scored for inherent impact and net impact after mitigating controls. The Risk function confirms completeness of the Firm's risk types from the RCSA and can map individual harms.

The Risk Function ensures that the principal risks are actively monitored through key risk indicators ('KRI') and that identified control gaps have associated remedial action plans. Risk MI is reported through TUH's governance structure to promote timely and informed decision-making. The TUH Board discusses the principal risks identified in the RCSA quarterly.

Principal risks identified include:

**Market Risk:** TUH is exposed to foreign currency risk arising through normal operating activities, which generate receivables and payables in foreign currencies.

**Operational Risk:** TUH is exposed to a range of operational risks including covering risk of loss caused by human error, ineffective or inadequately designed processes, system failure or improper conduct.

**Credit Risk:** TUH is exposed to three principal forms of credit risk:

- **Financial Counterparty:** TUH holds funds with banks and clearers that could be at risk of recovery in the event the counterparty defaults.
- **Client Counterparty:** TUH is exposed to settlement risk in its matched principal and cleared broking businesses if a client defaults on one of the legs of the trade.
- **Debtors:** TUH has an inherent concentration risk within its debtor profile. TUH has not experienced any significant credit losses. The universe of core clients of TUH primarily comprises banks and financial institutions.

**Group risk:** TUH is exposed to group risk given its interdependencies with Group entities.

**Business risk:** TUH is exposed to risk arising from changes in its business environment, including the risk that it may not be able to carry out its business plans and its desired strategy.

**Concentration risk:** TUH has an inherent concentration risk within its client profile and financial resources.

**Liquidity risk:** there is a risk that TUH is unable to meet its liabilities as they fall due or is unable to maintain access to effective and stable sources of funding, or that in order to meet liabilities, it is obliged to sell assets at prices that lead to mark-to-market losses.

### 3.5. Strategies to Manage Risks and Reduce Harm

The Board has assessed potential harms to financial markets, to clients or to the Firm itself. The full assessment analysis captures principal risks identified by the RCSA, with associated potential harms arising from the Firm's business activities. The purpose of the assessment is to determine an appropriate level of own funds to hold after systems and controls assessed under the EWRMF.

TUH's governance structure ensures that capital and liquidity adequacy is at the forefront of the TUH Board's and Senior Management's minds throughout the year.

RCLCRC reviews the capital and liquidity position of each entity for signs of deterioration. It receives advance notification from the Executive Committee and / or New Business Initiatives Control Group of business changes that may impact an entity's financial resources or risk profile. RCLCRC assess and



report implications of the proposed changes (to risk profile, strategy or business plans) on capital planning to Executive Committee. If a potential requirement for additional capital then the Board is alerted.

The CRO reports to the Board Risk Committee regarding the risk profile of TUH and highlights issues regarding capital and liquidity. The CRO also considers whether updates to the ICARA document are required for material business changes occurring during the year; this might require a revision to financial projections and/or an update to scenarios to reflect internal changes or external factors.

#### 4. Own Funds

TUH 'share capital', 'share premium' and 'retained earnings' qualify as a Common Equity Tier 1 capital, meeting the conditions of loss absorbency laid out in Chapter 2 of Title I of Part Two of the UK CRR. TUH does not have Alternative Tier 1 capital, and as a result, capital ratios Common Equity Tier 1, Tier 1 and total are identical.

TUK holds Tier 2 capital in the form of an intercompany loan from CFT Group which meets the conditions in Chapter 4 of Title I of Part Two of the UK CRR. The amount of the loan does not exceed the limits for relative qualities of capital, and it qualifies for use as Tier 2 capital in full.

TUH takes capital deductions in accordance with UK CRR Articles 36 and 66, and a prudent valuation adjustment in accordance with UK CRR Article 105. Deductions are taken for intangible assets (including goodwill) and, should they arise over the course of the financial year, for current year losses, and tax charges relating to capital items.

At 31 December 2022 the total own funds of TUH UK regulated entities were as follows:

Figure 3 Composition of TUH regulatory own funds at 31 December 2022 for UK-regulated entities

| £ million |                                                          |  | TUH    | TUK   | TFS   | TFD   | TLC    |
|-----------|----------------------------------------------------------|--|--------|-------|-------|-------|--------|
| 1         | Own Funds                                                |  | 77.9   | 30.3  | 14.4  | 23.7  | 9.6    |
| 2         | Tier 1 Capital                                           |  | 74.8   | 27.2  | 14.4  | 23.7  | 9.6    |
| 3         | Common Equity Tier 1 Capital                             |  | 74.8   | 27.2  | 14.4  | 23.7  | 9.6    |
| 4         | Fully paid up capital instruments                        |  | 103.3  | 35.8  | 15.3  | 23.7  | 28.5   |
| 6         | Retained earnings                                        |  | (8.6)  | (8.5) | (0.4) | 0.1   | 0.2    |
| 8         | Other reserves                                           |  | 0.5    | -     | -     | 0.5   | -      |
| 11        | (-) Total Deductions from Common Equity Tier 1           |  | (20.3) | (0.1) | (0.5) | (0.6) | (19.0) |
| 19        | CET1: Other capital elements, deductions and adjustments |  | (20.3) | (0.1) | (0.5) | (0.6) | (19.0) |
| 20        | Additional Tier 1 Capital                                |  | -      | -     | -     | -     | -      |
| 25        | Tier 2 Capital                                           |  | 3.1    | 3.1   | -     | -     | -      |
| 26        | Fully paid up, directly issued capital instruments       |  | 3.1    | 3.1   | -     | -     | -      |

Figure 4 Main features of own instruments issued by UK-regulated entities

|                                                                 | TUK                    | TUK                        | TFS                                  | TFD                     | TLC                               |
|-----------------------------------------------------------------|------------------------|----------------------------|--------------------------------------|-------------------------|-----------------------------------|
| Issuer                                                          | Tradition (UK) Limited | Tradition (UK) Limited     | Tradition Financial Services Limited | TFS Derivatives Limited | Tradition London Clearing Limited |
| Public or private placement                                     | Private                | Private                    | Private                              | Private                 | Private                           |
| Instrument type                                                 | Ordinary shares        | Subordinated loan          | Ordinary shares                      | Ordinary shares         | Ordinary shares                   |
| Amount recognised in regulatory capital                         | £35.8 million          | £3.1 million               | £15.3 million                        | £23.7 million           | £28.5 million                     |
| Nominal amount of instrument                                    | £35.8 million          | £3.1 million               | £15.3 million                        | £23.7 million           | £28.5 million                     |
| Issue price                                                     | £1                     | £3.1 million               | £1                                   | £1                      | £1                                |
| Accounting classification                                       | Shareholder's Equity   | Loan receivable from Group | Shareholder's Equity                 | Shareholder's Equity    | Shareholder's Equity              |
| Original date of issuance                                       | -                      | 21 February 2008           | -                                    | -                       | -                                 |
| Perpetual or dated                                              | Perpetual              | Perpetual                  | Perpetual                            | Perpetual               | Perpetual                         |
| Maturity date                                                   | None                   | None                       | None                                 | None                    | None                              |
| Issuer call subject to prior supervisory approval               | No                     | No                         | No                                   | No                      | No                                |
| Optional call date, contingent call dates and redemption amount | None                   | None                       | None                                 | None                    | None                              |
| Subsequent call dates                                           | None                   | None                       | None                                 | None                    | None                              |
| Fixed or floating dividend/coupon                               | No                     | Floating rate interest     | No                                   | No                      | No                                |
| Coupon rate and any related index                               | None                   | UK Base Rate plus 0.25%    | None                                 | None                    | None                              |
| Existence of a dividend stopper                                 | No                     | Not applicable             | No                                   | No                      | No                                |
| Convertible or non-convertible                                  | Non-convertible        | Non-convertible            | Non-convertible                      | Non-convertible         | Non-convertible                   |
| Write-down features                                             | No                     | No                         | No                                   | No                      | No                                |

## 5. Own Funds Requirements

### 5.1. Own Funds Requirements

TUH's own funds requirement is calculated in accordance with MIFIDPRU, and is the highest of its:

- permanent minimum capital requirement;
- fixed overheads requirement; and
- K-factor requirement.

Figure 5 TUH own funds requirements for UK-regulated entities

| £ million                           | TUH  | TUK  | TFS | TFD | TLC | TFSE |
|-------------------------------------|------|------|-----|-----|-----|------|
| Permanent Minimum Requirement (PMR) | 3.1  | 0.8  | 0.2 | 0.8 | 0.8 | 0.7  |
| Fixed Overheads Requirement (FOR)   | 30.9 | 18.5 | 5.1 | 5.6 | 0.4 | 3.4  |
| K Factor Requirement (KFR)          | 9.8  | 4.0  | 0.3 | 1.2 | 6.6 | 0.5  |
| of which RtC                        | 4.2  | 3.8  | 0.0 | 0.3 | 0.0 | 0.1  |
| of which RtM                        | 2.6  | 0.2  | 0.2 | 0.6 | 1.1 | 0.4  |
| of which RtF                        | 3.0  | 0.0  | 0.0 | 0.2 | 5.5 | -    |
| Own Funds Requirement               | 30.9 | 18.5 | 5.1 | 5.6 | 6.6 | 3.4  |

### 5.2. Overall Financial Adequacy

TUH is required to hold own funds and liquidity at all times that is adequate in their amount and quality to ensure:

- it is able to remain financially viable throughout the economic cycle, with the ability to address potential material harms that may result from its ongoing activities; and
- its business can be wound down in an orderly manner, minimising harm to consumers or to other market participants.

TUH performs an internal capital adequacy and risk assessment ('ICARA') process to ensure the Firm and each regulated entity meet the overall financial adequacy rule ('OFAR'). The ICARA process is a key component of the Firm's business planning and risk management processes. The embedded risk management, capital and liquidity adequacy assessment processes and a structured wind-down planning enable the Board to refine its understanding of the harms and risks associated with the business, confirm its risk appetite and assess, on an ongoing basis, the level of own funds required to safeguard the financial security of TUH and its stakeholders.

Each TUH regulated entity has a formalised Wind-down Plan ("WDP"), the purpose of which is to confirm the Firm has sufficient financial resources to undertake an orderly wind down of its operations in order to help reduce the risks of harm to clients and market participants. Wind-down planning identifies the steps and resources the Firm needs to wind-down its business, and minimise the potential risk of harm to minimise clients and the market.

## 6. Remuneration Policy and Practices

TUH applies the MIFIDPRU Remuneration Code on a consolidated basis.

Remuneration is a key driver of behaviour for all firms and individuals. Appropriate remuneration policies and practices help support prudential soundness and risk management in regulated environments. They also help ensure appropriate outcomes for customers and markets, and reduce the likelihood of harm.

### 6.1. Approach to Remuneration

TUH's Remuneration Policy sets out the policies, practices and procedures applicable to all TUH employees designed to discourage excessive risk taking behaviour and ensure remuneration is consistent and commensurate to performance.

The TUH Remuneration Policy is consistent with the Firm's approach to risk management and in general accordance with its risk management objectives:

- remuneration policy, procedures and practices are consistent with effective risk management, and do not encourage risk-taking that exceeds the level of risk identified and tolerated by the Board;
- remuneration policy aligns with the Firm's business strategy, objectives, cultural values and long-term interests;
- total variable remuneration will not limit TUH's ability to strengthen its capital base and maintain a healthy balance sheet;
- the structure of employees' remuneration is considered in terms of impact upon effective risk management, and express contractual provision is mandated for disciplinary action, including performance adjustment of bonuses.

### 6.2. Remuneration Governance

TUH's Remuneration Committee monitors the operation and effectiveness of the remuneration policy for TUH. The Committee comprises non-Executive members of the Board, and has oversight of entities within TUH. The Chair and Committee members are members of the TUH Board who perform no executive functions. Their own remuneration is fixed with no variable component.

The Committee is responsible for the preparation of remuneration decisions, which may have implications for the risk profile and risk management of TUH and which are to be taken by the management body. The Committee is also responsible for appointing control functions and internal auditors involved in remuneration reviews, and remuneration of the senior officers in risk management and compliance functions is directly overseen by the Committee.

The Board reviews the Remuneration Policy annually to ensure it remains aligned to the Firm's business strategy, risk appetite, and long-term interests, and maintains consistency with current legislation, including employment law and financial regulation.

### 6.3. Remuneration of Material Risk Takers

The aim of Material Risk Taker identification is to recognise all those individuals whose professional activities can have a material impact on the risk profile of the Firm.

TUH takes into account all relevant areas of the SYSC 19G rules and guidance to conclude which roles or individuals fulfil the criteria. The identification process recognises those individuals whose roles have a material impact on the risk profile of the firm and so have the greatest potential for causing harm to the firm, its customers and financial markets.

Figure 6 Total number of UK material risk takers

|                               | Senior Management | Other Material Risk Takers | Total Material Risk Takers |
|-------------------------------|-------------------|----------------------------|----------------------------|
| Total UK Material Risk Takers | 5                 | 7                          | 12                         |

#### 6.4. Components of Remuneration

Remuneration paid to TUH employees comprises fixed salary, variable pay in the form of bonuses, non-contributory pension and benefits in kind.

All members of staff are subject to a performance review in connection with the setting and adjustment of remuneration. Performance is assessed by reference to appraisals; compliance with internal HR and Compliance policies and regulation and contractual performance clauses.

In addition, from time to time, an independent benchmarking exercise is carried out to ensure that TUH compensation and benefits packages are appropriate and in line with industry peers. During 2022, TUH did not engage an external consultant to develop its remuneration policy and practice.

##### Fixed Compensation

Fixed remuneration principally reflects an individual's professional experience and organisational responsibility, and is permanent, pre-determined, nondiscretionary, non-revocable and not dependent on performance. The fixed component of remuneration at TUH may include: salary including holiday pay; fixed firm-specific allowance; parental leave pay, maternity pay; overtime; pension sacrifice and contribution; study costs; and other benefits, for example healthcare and gym

##### Variable Compensation

There are specific gains associated with variable compensation schemes. Variable pay can lead to an increase in motivation and employee performance. The following criteria determine the types of remuneration which are considered variable: conditional, discretionary and contingent upon a sustainable and risk-adjusted performance; based on performance except for exceptional guaranteed variable remuneration; reflect the long-term performance of the employee.

Variable remuneration may include the following: broker commission; discretionary bonus; variable firm-specific award. TUH does not pay discretionary pension benefits.

Variable remuneration is quantified for all eligible staff using a combination of financial and non-financial performance metrics, and based on multi-year results for the Firm, business unit, and individual.

Post risk events including those related to conduct issues or business unit results may result in an adjustment of bonuses. To align reward and performance, a portion of variable remuneration paid in instruments is deferred at the point of award, subject to certain de minimis thresholds and categorisations, and is retained after vesting subject to requirements terms.

Discretionary – Bonuses are allocated by senior management. Factors considered include the employee's ability, performance and conduct, their personal contribution, the profitability of the employee's desk or business area, and the overall profitability of the Firm.

Formulaic – Some broking staff receive variable remuneration pursuant to a contractually-specified formula. Such formulae are devised pursuant to experience and market practice, and are the subject of regular review.

Management percentage – Certain front office managers receive whole or part of their variable remuneration based on the profitability of the business area(s) for which they have responsibility. Calculations are based on net profits and paid out at the frequency of the broking staff in their

business area(s). Senior management performance is also rewarded in the context of the strength or weakness of TUH's performance in the relevant period and anticipated market conditions.

Figure 7 Aggregate fixed and variable remuneration awarded to UK individuals in 2022

| £ million             | Senior Management | Other Material Risk Takers | Other Staff | Total Remuneration |
|-----------------------|-------------------|----------------------------|-------------|--------------------|
| Fixed Remuneration    | £2.6              | £2.2                       | £57.9       | £62.7              |
| Variable Remuneration | £3.6              | £0.6                       | £59.9       | £64.1              |
| Total Remuneration    | £6.2              | £2.8                       | £117.7      | £126.8             |

Non-broking staff are employed and remunerated in TMS, the affiliate services company. These costs are recharged to TUH entities as part of the back office support costs allocation process.

TUH made no guaranteed variable remuneration awards or severance payments to senior management or other material risk takers in 2022.

## 7. Investment Policy

TUH does not hold shares in any company that are admitted to trading on a regulated market.