

THIS DOCUMENT AND ANY ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action you should take, you are recommended to seek immediately your own personal financial advice from your stockbroker, bank manager, solicitor, accountant, fund manager or other appropriate independent financial adviser, who is authorised under the Financial Services and Markets Act 2000 (“FSMA”) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you sell or transfer or have sold or transferred all of your Ordinary Shares, please send this document, together with the Form of Proxy and/or CREST Proxy Instruction, at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee, except that such documents should not be distributed, forwarded or transmitted in or into any jurisdiction where to do so might constitute a violation of local securities laws or regulations, including, but not limited to, the United States. If you have sold part of your holding of Ordinary Shares, please retain this document and contact immediately the stockbroker, bank or other agent through whom the sale or transfer was effected.

You should read the whole of this document, and all documents incorporated into it by reference, in their entirety. In particular, your attention is drawn to the risk factors set out in Part II (*Risk Factors*) of this document for a discussion of the risks that might affect the value of your shareholding in Tullett Prebon plc. You should not rely solely on information summarised in Part I (*Summary*) of this document.



TULLETT PREBON PLC

*(Incorporated and registered in England and Wales under the Companies Act
with registered number 05807599)*

Proposed acquisition of ICAP plc’s global hybrid voice broking and information business

Proposed issue of 310,314,296¹ New Tullett Prebon Shares of £0.25 each in connection with the proposed acquisition and application(s) for re-admission of the existing 243,516,227¹ Ordinary Shares, and admission of 310,314,296¹ New Tullett Prebon Shares, to the premium listing segment of the Official List and to trading on the London Stock Exchange’s main market for listed securities

and

Notice of General Meeting

Rothschild

Sponsor and Financial Adviser

This document, which comprises (i) a circular prepared in accordance with the Listing Rules for the purposes of the Tullett Prebon General Meeting convened pursuant to the notice of general meeting set out in Part XXV (*Notice of General Meeting*) of this document and (ii) a prospectus relating to the Ordinary Shares prepared in accordance with the Prospectus Rules of the Financial Conduct Authority (the “FCA”) made under section 73A of FSMA, has been approved by the FCA in accordance with Section 87A of FSMA and made available to the public in accordance with Rule 3.2 of the Prospectus Rules.

NEITHER THE US SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THE NEW TULLETT PREBON SHARES TO BE ISSUED IN CONNECTION WITH THE ACQUISITION OR HAS PASSED UPON THE ADEQUACY OR ACCURACY OF THE DISCLOSURE IN THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

¹ Tullett Prebon has agreed to issue New Tullett Prebon Shares comprising 56 per cent. of Tullett Prebon’s share capital, calculated on a fully diluted basis and immediately following such issuance. Accordingly, any new Ordinary Shares issued by Tullett Prebon other than the New Tullett Prebon Shares and the 302,148 new Ordinary Shares that may be issued as a result of the exercise of a vested share option award under the Company’s long term incentive plan between 26 February 2016 (being the last practicable date prior to the date of this document) and Admission will result in Tullett Prebon being required to issue additional New Tullett Prebon Shares. The maximum number of New Tullett Prebon Shares to be issued by the Company, under this prospectus, of 325,426,232 allows for up to 15,111,936 additional New Tullett Prebon Shares to be issued in connection with the Transaction compared with the 310,314,296 that are expected to be issued which allows the Company to issue up to 12,175,812 new Ordinary Shares prior to Admission.

All the New Tullett Prebon Shares are to be issued to a new group holding company (“**ICAP NewCo**”) which will hold 100 per cent. of the issued share capital of ICAP plc (“**ICAP**”) following a scheme of arrangement (as further described in this document) becoming effective and to ICAP Shareholders in connection with the acquisition by Tullett Prebon of ICAP’s global broking business, including ICAP’s associated technology and broking platforms (including iSwap and Fusion), ICAP’s associated information services businesses and certain of ICAP’s joint ventures and associates (together, “**IGBB**”) (the “**Transaction**”). No Ordinary Shares have been marketed to, nor are any available for purchase, in whole or in part, by the public in the United Kingdom or elsewhere in connection with the Transaction. This document is being made publicly available for information purposes only.

The existing Ordinary Shares are admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange’s main market for listed securities. As the Transaction is classified as a reverse takeover for the purpose of the Listing Rules, upon Initial Completion, the listing of the existing Ordinary Shares to the premium listing segment of the Official List will be cancelled. Simultaneously, application will be made for the re-admission of the existing Ordinary Shares and the admission of the New Tullett Prebon Shares which will be issued at Initial Completion to the premium listing segment of the Official List maintained by the FCA and to trading on the London Stock Exchange’s main market for listed securities. On Option Completion, application will be made for the admission of the New Tullett Prebon shares which will be issued at Option Completion to the premium listing segment of the Official List maintained by the FCA and to trading on the London Stock Exchange’s main market for listed securities. No application has been, or is currently intended to be, made for the Ordinary Shares and the New Tullett Prebon Shares to be admitted to listing or dealt with on any other stock exchange. ICAP Shareholders should also read the ICAP Scheme Document in its entirety for information regarding the ICAP Scheme.

This document does not constitute an offer or invitation to the public to subscribe for or purchase Ordinary Shares but is being issued for the purposes of Admission and for the purposes of the Tullett Prebon Shareholders approving the Transaction.

The distribution of this document into jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with any such restrictions may breach the securities laws or regulations of such jurisdiction. In particular, subject to certain exceptions, this document should not be distributed, forwarded to or transmitted in or into the United States.

The Directors and the Proposed Director, whose names appear on page 49 of this document, and Tullett Prebon accept responsibility for the information contained in this document. To the best of the knowledge of Tullett Prebon, the Directors and the Proposed Director (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and contains no omission likely to affect its import. No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been so authorised by Tullett Prebon, the Directors and the Proposed Director.

Without prejudice to any legal or regulatory obligation on Tullett Prebon to publish a supplementary prospectus pursuant to section 87G of FSMA and Prospectus Rule 3.4, neither the delivery of this document nor Admission shall, under any circumstances, create any implication that there has been no change in the business or affairs of Tullett Prebon or the Tullett Prebon Group taken as a whole since the date of this document or that the information in it is correct as of any time after the date of this document. The Company will comply with its obligation to publish a supplementary prospectus containing further updated information if so required by law or by any regulatory authority but assumes no further obligation to publish additional information.

Your attention is drawn to the letter from the Chairman of Tullett Prebon which is set out in Part VII (*Letter from the Chairman of Tullett Prebon plc*) of this document on pages 52 to 59 (inclusive) which contains the unanimous recommendation of the Directors that you vote in favour of the Resolutions to be proposed at the Tullett Prebon General Meeting. You should read the whole of this document and any documents incorporated herein by reference.

Notice of a General Meeting of Tullett Prebon plc to be held at the offices of Allen & Overy LLP, One Bishops Square, London E1 6AD, United Kingdom at 12:15 p.m. on 24 March 2016 is set out at the end of this document. A Form of Proxy for use at the Tullett Prebon General Meeting is enclosed and, to be valid, should be completed and returned as soon as possible, but in any event so as to be received by Tullett Prebon’s registrar, Capita Asset Services (the “**Registrar**”), no later than 12:15 p.m. on 22 March 2016. If you hold your Ordinary Shares in CREST, you may appoint a proxy by completing and transmitting a CREST Proxy Instruction form so that it is received by the Registrar by no later than 12:15 p.m. on

22 March 2016. The time of receipt will be taken to be the time from which the Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. The completion and return of a Form of Proxy or completion and transmission of a CREST Proxy Instruction will not prevent you from attending the Tullett Prebon General Meeting and voting in person should you wish to.

Rothschild, which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the FCA and the Prudential Regulation Authority, is acting as sponsor and financial adviser exclusively for Tullett Prebon and no-one else in connection with the Transaction and Admission and will not regard any other person (whether or not a recipient of this document) as a client in relation to the Transaction and Admission and will not be responsible to anyone other than Tullett Prebon for providing the protections afforded to clients of Rothschild or for providing advice in relation to the Transaction, Admission or any other matter referred to herein.

Apart from the responsibilities and liabilities, if any, which may be imposed on Rothschild by FSMA or the regulatory regime established thereunder, Rothschild accepts no responsibility whatsoever and makes no representation or warranty, express or implied, for or in respect of the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with Tullett Prebon or the New Tullett Prebon Shares, and nothing in this document is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or future. Rothschild accordingly disclaims to the fullest extent permitted by law all and any responsibility and liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this document or any such statement. Any reproduction or distribution of this document, in whole or in part, and any disclosure of its contents or use of any information contained in this document for any purpose other than considering an acquisition of New Tullett Prebon Shares is prohibited.

THE CONTENTS OF THIS DOCUMENT SHOULD NOT BE CONSTRUED AS LEGAL, BUSINESS OR TAX ADVICE. EACH PROSPECTIVE SHAREHOLDER SHOULD CONSULT HIS, HER OR ITS OWN LEGAL ADVISER, INDEPENDENT FINANCIAL ADVISER OR TAX ADVISER FOR LEGAL, FINANCIAL OR TAX ADVICE.

Notice to Overseas Shareholders

The New Tullett Prebon Shares have not been and will not be registered under the US Securities Act of 1933 (as amended) (the “**Securities Act**”) and may not be offered or sold in the United States of America (the “**United States**”) or to, or for the account or benefit of, US persons (as defined in Regulation S under the Securities Act) except pursuant to an applicable exemption from or in a transaction not subject to the registration requirements of the Securities Act and in compliance with any securities laws of any State or any other jurisdiction of the United States.

No actions have been taken to allow a public offering of Ordinary Shares under the applicable securities laws of any jurisdiction. Subject to certain exceptions, the Ordinary Shares may not be offered or sold in any jurisdiction, or to or for the account or benefit of any national, resident or citizen of any jurisdiction. This document does not constitute an offer of, or the solicitation of an offer to subscribe for or purchase, any of the Ordinary Shares, to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

Enforceability of foreign judgments

Tullett Prebon is organised under the laws of England and Wales and its registered office is Tower 42, Level 37, 25 Old Broad Street, London, EC2N 1HQ, United Kingdom. The majority of Directors, the Proposed Director and senior management and the experts named in this document are residents of jurisdictions outside the United States. The majority of Tullett Prebon’s assets and the assets of those persons are located outside the United States. As a result, US investors may find it difficult to effect service of process within the United States upon Tullett Prebon or these persons to enforce judgments obtained against Tullett Prebon or these persons in US courts outside the United States. Likewise it may also be difficult for an investor to enforce judgments obtained against Tullett Prebon or these persons in courts in jurisdictions outside the United States in US courts, including actions predicated upon the civil liability provisions of the US federal securities laws.

Certain information in relation to the Tullett Prebon Group is incorporated by reference into this document as set out in Part XXIII (*Documents Incorporated by Reference*) of this document.

Unless the context requires otherwise, capitalised terms used in this document have the meanings ascribed to them in Part XXIV (*Definitions*) of this document.

This document is dated 1 March 2016.

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PART I
SUMMARY

Summaries are made up of disclosure requirements known as “Elements”. The Elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of security and issuer (defined below). Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of “not applicable”.

SECTION A—INTRODUCTIONS AND WARNINGS		
A.1	Introduction	<p>Warning</p> <p>This summary should be read as an introduction to the full text of this document.</p> <p>Any decision to invest in the Ordinary Shares and the New Tullett Prebon Shares should be based on consideration of this document as a whole by the investor.</p> <p>Where a claim relating to the information contained in this document is brought before a court within the European Economic Area (“EEA”), the plaintiff investor might, under the national legislation of the relevant member state of the EEA, have to bear the costs of translating this document before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled the summary, including any translations thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with other parts of this document or if it does not provide, when read together with the other parts of this document, key information in order to aid investors when considering whether to invest in Ordinary Shares.</p>
A.2	Subsequent resale or final placement of securities by financial intermediaries	<p>Not applicable.</p> <p>Tullett Prebon is not engaging any financial intermediaries for any resale of securities or final placement of securities.</p>
SECTION B—ISSUER		
B.1	Legal and commercial name	Tullett Prebon plc.
B.2	Domicile and legal form, applicable legislation and country of incorporation	The Company is a public limited company, incorporated on 5 May 2006 in England and Wales with registered number 05807599 and its registered office is situated in England. The Company operates under the Companies Act 2006.

<p>B.3</p>	<p>Current operations and principal activities</p>	<p>Tullett Prebon</p> <p>The Tullett Prebon Group’s business involves the provision of broking services to counterparties operating in the world’s major wholesale over-the-counter (“OTC”) and exchange traded financial and commodity markets. As an intermediary, the Tullett Prebon Group provides a valuable service to its clients through its ability to create liquidity through price and volume discovery to facilitate trading. The business offers broking services in five major product groups: fixed income securities and their derivatives, interest rate derivatives, treasury products, equities and energy. The Tullett Prebon Group also has an Information Sales business and a Risk Management Services business.</p> <p>Principal Activities</p> <p><i>Fixed Income</i></p> <p>The Tullett Prebon Group’s operations cover the broking of cash bonds including US Treasuries, US government agencies, US mortgage-backed securities, US municipal bonds, and European government bonds. The fixed income business also covers credit products including high-grade and high-yield corporate bonds, credit default swaps, and emerging markets bonds. In the financial year ended 31 December 2015, the Tullett Prebon Group’s fixed income securities product group generated revenue of £171.2 million (2014: £186.5 million).</p> <p><i>Interest Rate Derivatives</i></p> <p>The Tullett Prebon Group brokers products covering the full yield curve on a multi-currency basis including interest rate swaps in all forms (spread, coupons and basis), interest rate options, and forward rate agreements. In the financial year ended 31 December 2015, the Tullett Prebon Group’s Interest Rate Derivatives product group generated revenue of £135.3 million (2014: £140.6 million).</p> <p><i>Treasury Products</i></p> <p>The Tullett Prebon Group brokers treasury products including spot and forward foreign exchange, non-deliverable forwards in non-convertible currencies, foreign exchange options, and cash and deposits. In the financial year ended 31 December 2015, the Tullett Prebon Group’s Treasury Products product group generated revenue of £185.0 million (2014: £190.5 million).</p> <p><i>Equities</i></p> <p>The Tullett Prebon Group offers broking services in a variety of equity derivative products including index and single stock options, and in some cash equity products including American depositary receipts and global depositary receipts. In the financial year ended 31 December 2015, the Tullett Prebon Group’s Equities product group generated revenue of £46.3 million (2014: £39.5 million).</p>
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Energy

The Tullett Prebon Group's broking activities in the energy markets cover a wide variety of products in oil (including crude oil, fuel oil, gas oil, gasoline, naphtha and derivatives related to those products), power (electricity) and gas, as well as in commodities such as metals, coal and soft commodities. In the financial year ended 31 December 2015, the Tullett Prebon Group's Energy product group generated revenue of £204.3 million (2014: £100.0 million).

Information Sales and Risk Management Services

The Tullett Prebon Group's Information Sales business provides high quality independent real-time and end of day price information from the wholesale interdealer brokered financial and commodity markets to both major data vendors and directly to end users. The Tullett Prebon Group's Risk Management Services business provides clients with services to facilitate their post-trade management of interest rate risk in a number of currencies and date mismatch risk on deliverable forward contracts. In the financial year ended 31 December 2015, these businesses generated revenue of £53.9 million (2014: £46.4 million).

The table below shows the Tullett Prebon Group's revenue for the financial year ended 31 December 2015, broken down by product group:

	<u>Year ended 31 December 2015</u> (£ in millions)
Revenue by product group	
Fixed Income	171.2
Interest Rate Derivatives	135.3
Treasury Products	185.0
Equities	46.3
Energy	204.3
Information Sales and Risk Management Services	<u>53.9</u>
Total	796.0

Principal Markets

The Tullett Prebon Group manages its operations on a regional basis. Each region provides broking services in the five product groups, information sales and risk management services.

Europe and the Middle East

The Tullett Prebon Group has offices in London, Paris, Frankfurt, Madrid, Zurich, Luxembourg, Warsaw, Geneva, Bahrain and Dubai. The Tullett Prebon Group also has an office in Johannesburg, which is managed as part of Europe and the Middle East. Revenue from the Tullett Prebon Group's activities in Europe and the Middle East for the financial year ended 31 December 2015 was £455.3 million (2014: £405.6 million), representing 57 per cent. of total Tullett Prebon Group revenue (2014: 58 per cent.). Broker headcount in Europe and the Middle East as at 31 December 2015 was 799, with 634 brokers based in the Tullett Prebon Group's offices in London, and 165 brokers based in offices in Continental Europe and the Middle East.

Americas

The Tullett Prebon Group has offices in New York, Jersey City, Houston, Toronto, Sao Paulo and Mexico City. Revenue from the Tullett Prebon Group's activities in the Americas for the financial year ended 31 December 2015 was £234.5 million (2014: £201.6 million), representing 29 per cent. of total Tullett Prebon Group revenue (2014: 29 per cent.). Broker headcount in the Americas as at 31 December 2015 was 543, with 503 brokers based in the Tullett Prebon Group's offices in North America and Mexico (primarily New York and New Jersey), and 40 brokers based in Brazil.

Asia Pacific

The Tullett Prebon Group has offices in Singapore, Hong Kong, Tokyo, Sydney, Seoul, Jakarta, and Manila. The Tullett Prebon Group also operates through associated companies with offices in Shanghai, Mumbai and Bangkok. Revenue from the Tullett Prebon Group's activities in Asia Pacific for the financial year ended 31 December 2015 was £106.2 million (2014: £96.3 million), representing 13 per cent. of total Tullett Prebon Group revenue (2014: 14 per cent.). Broker headcount in Asia Pacific as at 31 December 2015 was 385.

The table below shows the Tullett Prebon Group's revenue for the financial year ended 31 December 2015, broken down according to region:

	<u>Year ended 31 December 2015</u> (£ in millions)
Revenue by region	
Europe and the Middle East	455.3
Americas	234.5
Asia Pacific	<u>106.2</u>
Total	796.0

IGBB

IGBB is the global broking business of ICAP plc and is composed of:

- (a) ICAP's three regionally managed hybrid voice broking businesses in EMEA, the Americas and Asia Pacific including all e-trading products and services developed by ICAP's e-commerce team (including Fusion) (together "**IGBB Global Broking**");
- (b) ICAP's 40.23 per cent. economic interest in iSwap Limited ("**iSwap**"), a global electronic trading platform for EUR, USD and GBP interest rate swaps;
- (c) revenues and operating profits from sales of information services products directly attributable to IGBB Global Broking and iSwap ("**IGBB Information Services**"); and
- (d) certain of ICAP's joint ventures, associates and investments, including but not limited to SIF ICAP, SA de CV (Mexico), Totan ICAP Co Limited (Japan), Central Totan Securities Co Limited (Japan) and Corretaje e Informacion Monetaria y de Divisas, SA (Spain).

Principal Activities

Rates

IGBB's Rates business comprises the broking of interest rate derivatives, government bonds and repos and is the largest asset class by revenue for IGBB. The main revenue contributors are voice/voice-electronic hybrid broking of OTC interest rate derivatives and government bonds in London, Jersey City and, to a smaller extent, Australia. IGBB's Rates business includes the electronic interest rate swap platform iSwap. In the year ended 31 March 2015, the IGBB Rates product group generated revenue of £315 million (2014: £360 million).

Emerging Markets

IGBB is active in the emerging markets product group across Asia Pacific, Latin America, Central and Eastern Europe and Africa. IGBB Emerging Markets product group revenue includes domestic broking in local markets and cross-border broking activity in globally traded emerging markets financial instruments. IGBB Emerging Markets product group revenues are generated in both offshore centres and onshore centres. The largest offshore centres are London and Jersey City and the largest onshore presence is in Brazil. In the year ended 31 March 2015, the IGBB Emerging Markets product group generated revenue of £132 million (year ended 31 March 2014: £150 million).

Commodities

IGBB is involved in the broking of transactions in various commodities, in particular energy (including power and electricity, oils, natural gas, coal and alternative fuels), metals and other bulk commodities. It is largely comprised of broking oils, natural gas and power in the United States and Europe. The United States business is spread across numerous locations with Jersey City and Kentucky being the largest offices. The European business is largely based in London and has smaller offices across Continental Europe including Norway, Spain and Holland. In the year ended March 2015, the IGBB Commodities product group generated revenue of £121 million (2014: £139 million).

Equities

IGBB's Equities revenues are generated largely from equity derivatives broking in IGBB's Jersey City and London offices. In the year ended 31 March 2015, the IGBB Equities product group generated revenue of £103 million (2014: £113 million).

FX and Money Markets

IGBB's FX and Money Markets revenues are generated largely by broking foreign exchange ("FX") forwards with smaller businesses in spot FX and cash deposits. These revenues are primarily generated in Jersey City and London. In the year ended 31 March 2015, the IGBB FX and Money Markets product group generated revenue of £74 million (2014: £78 million).

		<p><i>Credit</i></p> <p>IGBB's Credit revenues are generated almost entirely from broking corporate bonds with a small presence in credit derivatives, largely from IGBB's Jersey City and London offices. In the year ended 31 March 2015, the IGBB Credit product group generated revenue of £63 million (2014: £73 million).</p> <p>Principal Markets</p> <p>IGBB manages its operations on a regional basis in EMEA, Americas and Asia Pacific.</p> <p><i>EMEA</i></p> <p>IGBB's key offices in EMEA are in London, Frankfurt and Copenhagen. IGBB Global Broking (including iSwap) revenue in EMEA for the year ended 31 March 2015 was £374 million (2014: £411 million, 2013: £452 million), representing 46 per cent. of total IGBB revenue (2014: 45 per cent., 2013: 46 per cent.).</p> <p><i>Americas</i></p> <p>IGBB's key offices in the Americas are in New York, Jersey City, Houston and Sao Paulo. IGBB Global Broking revenue in the Americas for the year ended 31 March 2015 was £297 million (2014: £362 million, 2013: £394 million), representing 37 per cent. of total IGBB revenue (2014: 40 per cent., 2013: 40 per cent.).</p> <p><i>Asia Pacific</i></p> <p>IGBB's key offices in Asia Pacific are in Singapore, Hong Kong, Tokyo, Sydney, Seoul, Jakarta, and Manila. IGBB Global Broking (including iSwap) revenue in Asia Pacific for the year ended 31 March 2015 was £96 million (2014: £102 million, 2013: £110 million), representing 12 per cent. of total IGBB revenue (2014: 11 per cent., 2013: 11 per cent.).</p> <p>The table below shows IGBB's revenue for the six months ended 30 September 2015 and for the financial year ended 31 March 2015, split between the three regions of IGBB Global Broking (including iSwap) and IGBB Information Services:</p> <table data-bbox="555 1408 1414 1714"> <thead> <tr> <th></th> <th style="text-align: right;"><u>Six months ended 30 September 2015</u></th> <th style="text-align: right;"><u>Year ended 31 March 2015</u></th> </tr> <tr> <th></th> <th colspan="2" style="text-align: center;">(£ in millions)</th> </tr> </thead> <tbody> <tr> <td colspan="3">Revenue by region</td> </tr> <tr> <td colspan="3">IGBB Global Broking and iSwap:</td> </tr> <tr> <td>EMEA</td> <td style="text-align: right;">164</td> <td style="text-align: right;">374</td> </tr> <tr> <td>Americas</td> <td style="text-align: right;">128</td> <td style="text-align: right;">297</td> </tr> <tr> <td>Asia Pacific</td> <td style="text-align: right;">50</td> <td style="text-align: right;">96</td> </tr> <tr> <td>IGBB Information Services</td> <td style="text-align: right;">24</td> <td style="text-align: right;">41</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">366</td> <td style="text-align: right;">808</td> </tr> </tbody> </table>		<u>Six months ended 30 September 2015</u>	<u>Year ended 31 March 2015</u>		(£ in millions)		Revenue by region			IGBB Global Broking and iSwap:			EMEA	164	374	Americas	128	297	Asia Pacific	50	96	IGBB Information Services	24	41	Total	366	808
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Total	366	808																											
B.4a	Significant recent trends for the Enlarged Tullett Prebon Group and its industry	<p>Tullett Prebon</p> <p><i>Market conditions</i></p> <p>Tullett Prebon Group generates revenue from commissions it earns by facilitating and executing customer orders. The level of revenue is substantially dependent on customer trading volumes, which are affected by the conditions in the financial markets, by customers' risk appetite, and by their willingness and ability to trade.</p>																											

		<p>The level of activity in the wholesale OTC financial markets during 2015 continued to be under pressure from the cyclical and structural factors affecting the interdealer broker industry.</p> <p>Volatility, and the steepness and absolute level of yield curves, are key drivers of activity in the financial markets. Measures of financial market volatility have been a little higher during 2015 than in the previous two years but have remained low in absolute terms, and volatility and trading volumes in many product areas continued to be sporadic. Interest rates for many of the major currencies have fallen further during 2015 and this has often been accompanied by a further flattening of the yield curve, with a reduction in the spread between short and longer term rates. Credit spreads in many of the major bond markets have also become further compressed. The increase in interest rates in the United States towards the end of the year was a small step towards a more normal interest rate environment.</p> <p>Volumes in the financial markets also continue to be adversely affected by the more onerous regulatory environment applicable to many of our bank customers whose trading activity has been suppressed by the deleveraging of their balance sheets and lower risk appetite.</p> <p>In contrast, activity in the Energy and commodities markets, particularly in oil and oil related financial instruments, has been buoyant. Commodity prices, particularly crude oil which is the world's most actively traded commodity, were volatile throughout 2015, resulting in a higher level of market activity.</p> <p><i>Cost management and operating margin</i></p> <p>The business actively manages its direct cost base to reflect market conditions. As the level of activity and revenue in the traditional interdealer product areas has fallen action has been taken in the product areas and geographies most affected to align the cost base with the lower level of revenue.</p> <p>The cost improvement programme implemented towards the end of 2015 is focused on reducing headcount in Europe and the Middle East and on restructuring broker contracts in North America to reduce fixed costs and to reduce the level of pay out as a percentage of broking revenue. Front office broking headcount is being reduced by approximately 70 heads representing a reduction of around 7.5% of the front office headcount in Europe and the Middle East and in North America in Treasury Products, Interest Rate Derivatives, and Fixed Income.</p> <p>The overall contribution margin of the business, after broker employment costs and other front office direct and variable costs, was 0.7% points higher in 2015 than in the prior year, reflecting the reduction in the broker compensation to broking revenue percentage, a full year of PVM which has a higher contribution margin than the average group broking contribution margin, and the growth in Information Sales and Risk Management Services which have a relatively low level of variable costs.</p> <p>The investments that have been made in developing Tullett Prebon Group's capabilities in managing strategic initiatives and in strengthening the control and support functions have resulted in an increase in management and support costs and one-off project costs in the year. These investments are important for the business to retain its competitive advantage, to innovate, and to grow revenue and earnings.</p>
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OTC market regulation

Regulatory reforms of the OTC derivatives markets have been effected in the United States through the implementation by the CFTC and the Securities Exchange Commission of the provisions of the Dodd-Frank Act, and are being effected in the European Union through the European Markets Infrastructure Regulation (“EMIR”) and the Markets in Financial Instruments Directive (“MiFID II”) and Markets in Financial Instruments Regulation (“MiFIR”).

Tullett Prebon Group’s swap execution facility (“SEF”) in the United States, which was granted temporary registration by the CFTC in September 2013, was granted permanent registration by the CFTC in January 2016.

In the European Union, the implementation of EMIR, which contains provisions governing mandatory central clearing requirements and trade reporting requirements for certain OTC derivatives, is coming into effect in stages as the various technical standards are approved. The mandatory reporting of the details of all relevant derivatives contracts to recognised trade repositories came into effect from February 2014. The first clearing obligations are expected to come into effect in June 2016, and margin requirements for non-cleared trades are expected to apply from September 2016.

The legislative framework governing permissible trade execution venues, and governance and conduct of business requirements for trading venues, through the introduction of MiFID II and MiFIR is currently set to become effective from 3 January 2018.

IGBB

IGBB revenue from continuing businesses decreased by 5% on a constant currency basis and on a reported basis during the three-month period to 31 December 2015 compared to the same period last year, driven by a decline in revenue in IGBB Global Broking partly offset by an increase in information revenue.

In IGBB Global Broking, revenue from continuing businesses decreased by 7% on a constant currency basis and on a reported basis for the period compared to the same period last year. Year-on-year revenue performance in November and December was much improved on October. The ongoing structural and cyclical factors affecting the division persist, including further deleveraging by the investment banks. Strong revenue growth from electronic matching sessions continues to develop especially in the Asia Pacific region and the Americas.

IGBB’s revenue from continuing businesses for the six months ended 30 September 2015, on a constant currency basis, was 1 per cent. higher on the same period in the prior year, primarily reflecting an increase in revenue from IGBB Information Services. The performance of IGBB Global Broking in that period has been mixed across regions as lower levels of market activity in EMEA and the Americas were offset by an improved performance in APAC.

IGBB Global Broking revenue in EMEA was adversely impacted as traders held positions in the lead up to the UK general election and due to reduced activity levels driven by uncertainty with regard to Greece’s economic position. Revenue in the Americas was down due to the continued low interest rate volatility, lack of clear movement from the Federal Reserve and slow market trading (especially in FICC), driven by uncertainties over the health of the United States economy.

		<p>APAC revenue improved on the prior year driven by Australian rates and government bonds following the announcement of a further interest rate cut. Improved APAC performance, together with some increase in IGBB Information Services revenue generation, helped offset the adverse performance in EMEA and the Americas.</p>																																				
<p>B.5</p>	<p>Description of the Enlarged Tullett Prebon Group</p>	<p>Tullett Prebon</p> <p>The Company is the ultimate holding company of the Tullett Prebon Group. The purpose of the Company is to act as a holding company within the Tullett Prebon Group and to raise external financing for the Tullett Prebon Group. The principal trading subsidiaries of the Tullett Prebon Group are:</p> <table border="0"> <thead> <tr> <th style="text-align: left;"><u>Name</u></th> <th style="text-align: left;"><u>Country of Incorporation</u></th> </tr> </thead> <tbody> <tr> <td>PVM Oil Associates Limited</td> <td>Bermuda (operating in England)</td> </tr> <tr> <td>Tullett Prebon Americas Corp</td> <td>USA</td> </tr> <tr> <td>Tullett Prebon (Europe) Limited . . .</td> <td>England</td> </tr> <tr> <td>Tullett Prebon Financial Services LLC</td> <td>USA</td> </tr> <tr> <td>Tullett Prebon (Hong Kong) Limited</td> <td>Hong Kong</td> </tr> <tr> <td>Tullett Prebon Information Limited .</td> <td>Guernsey (operating in England)</td> </tr> <tr> <td>Tullett Prebon (Securities) Limited .</td> <td>England</td> </tr> <tr> <td>Tullett Prebon (Singapore) Limited .</td> <td>Singapore</td> </tr> </tbody> </table> <p>IGBB</p> <p>IGBB is the global broking business of ICAP plc and is composed of:</p> <ul style="list-style-type: none"> (a) IGBB Global Broking; (b) iSwap; (c) IGBB Information Services; and (d) certain of ICAP's joint ventures, associates and investments, including but not limited to SIF ICAP, SA de CV (Mexico), Totan ICAP Co Limited (Japan), Central Totan Securities Co Limited (Japan) and Corretaje e Informacion Monetaria y de Divisas, SA (Spain). <p>The following table contains a list of IGBB's principal trading subsidiaries:</p> <table border="0"> <thead> <tr> <th style="text-align: left;"><u>Name</u></th> <th style="text-align: left;"><u>Country of Incorporation</u></th> </tr> </thead> <tbody> <tr> <td>ICAP Global Derivatives Limited</td> <td>England</td> </tr> <tr> <td>ICAP Energy Limited</td> <td>England</td> </tr> <tr> <td>ICAP Europe Limited</td> <td>England</td> </tr> <tr> <td>ICAP Securities Limited</td> <td>England</td> </tr> <tr> <td>ICAP Capital Markets LLC</td> <td>USA</td> </tr> <tr> <td>ICAP Corporates LLC</td> <td>USA</td> </tr> <tr> <td>ICAP Energy LLC</td> <td>USA</td> </tr> <tr> <td>ICAP Securities USA LLC</td> <td>USA</td> </tr> </tbody> </table>	<u>Name</u>	<u>Country of Incorporation</u>	PVM Oil Associates Limited	Bermuda (operating in England)	Tullett Prebon Americas Corp	USA	Tullett Prebon (Europe) Limited . . .	England	Tullett Prebon Financial Services LLC	USA	Tullett Prebon (Hong Kong) Limited	Hong Kong	Tullett Prebon Information Limited .	Guernsey (operating in England)	Tullett Prebon (Securities) Limited .	England	Tullett Prebon (Singapore) Limited .	Singapore	<u>Name</u>	<u>Country of Incorporation</u>	ICAP Global Derivatives Limited	England	ICAP Energy Limited	England	ICAP Europe Limited	England	ICAP Securities Limited	England	ICAP Capital Markets LLC	USA	ICAP Corporates LLC	USA	ICAP Energy LLC	USA	ICAP Securities USA LLC	USA
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ICAP Securities USA LLC	USA																																					

		<p>Although ICAP Capital Markets LLC is a principal trading subsidiary of IGBB, in order that any liability relating to the ISDA Fix investigation is retained by the ICAP Group, under the terms of the Transaction, the business of ICAP Capital Markets LLC (excluding any liability relating to the ISDA Fix investigation) will be transferred to another subsidiary of IGBHL prior to Completion. The legal entity ICAP Capital Markets LLC will then be retained by the ICAP Group as it will not be a subsidiary of IGBB at Completion and, therefore, will not be acquired by Tullett Prebon.</p> <p>Enlarged Tullett Prebon Group</p> <p>Following Completion and Admission, Tullett Prebon will be the ultimate parent company of the Enlarged Tullett Prebon Group.</p>																																																																		
<p>B.6</p>	<p>Interests in the Company and voting rights</p>	<p>As at 26 February 2016 (being the last practicable date prior to the date of this document), the following (not being Directors, the Proposed Director or their respective families or persons connected within section 252 of the Companies Act 2006) had notified the Company in accordance with DTR 5 of their interests in the following voting rights of the issued ordinary share capital of the Company:</p> <table border="1" data-bbox="555 841 1407 1249"> <thead> <tr> <th style="text-align: left;"><u>Name of Shareholder</u></th> <th style="text-align: right;"><u>Number of Ordinary Shares and vested options</u></th> <th style="text-align: right;"><u>Percentage of issued share capital</u></th> </tr> </thead> <tbody> <tr> <td>Schroders</td> <td style="text-align: right;">28,983,139</td> <td style="text-align: right;">11.9%</td> </tr> <tr> <td>Jupiter Asset Management Limited . . .</td> <td style="text-align: right;">18,651,200</td> 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<td>Norges Bank</td> <td style="text-align: right;">6,466,116</td> <td style="text-align: right;">2.7%</td> </tr> </tbody> </table> <p>After Completion, the following (not being Directors, the Proposed Director or their respective families or persons connected within section 252 of the Companies Act) will hold an interest in the following voting rights of the issued ordinary share capital of the Company which will be notifiable to the Company in accordance with DTR 5:</p> <table border="1" data-bbox="555 1460 1407 1923"> <thead> <tr> <th style="text-align: left;"><u>Name of Shareholder</u></th> <th style="text-align: right;"><u>Number of Ordinary Shares and vested options</u></th> <th style="text-align: right;"><u>Percentage of issued share capital</u></th> </tr> </thead> <tbody> <tr> <td>ICAP NewCo</td> <td style="text-align: right;">110,272,402</td> <td style="text-align: right;">19.9%</td> </tr> <tr> <td>Schroders</td> <td style="text-align: right;">54,467,646</td> <td 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Consolidated Balance Sheet

As at 31 December 2015, 31 December 2014, 31 December 2013 and as at 31 December 2012

	As at 31 December			
	2015 (unaudited)	2014 (audited)	2013 (audited)	2012 (audited)
	(£ in millions)			
Non-current assets	512.0	460.7	389.3	380.3
Current assets	3,018.4	3,559.7	6,103.0	6,185.3
Total assets	<u>3,530.4</u>	<u>4,020.4</u>	<u>6,492.3</u>	<u>6,565.6</u>
Current liabilities	(2,846.2)	(3,288.1)	(5,842.3)	(5,918.8)
Non-current liabilities	(142.5)	(268.8)	(251.6)	(274.8)
Total liabilities	<u>(2,988.7)</u>	<u>(3,556.9)</u>	<u>(6,093.9)</u>	<u>(6,193.6)</u>
Net assets	<u>541.7</u>	<u>463.5</u>	<u>398.4</u>	<u>372.0</u>
Equity				
Share capital	60.9	60.9	54.4	54.4
Share premium	17.1	17.1	17.1	17.1
Merger reserve	178.5	178.5	121.5	121.5
Other reserves	(1,165.1)	(1,173.4)	(1,180.1)	(1,172.3)
Retained earnings	<u>1,448.6</u>	<u>1,378.8</u>	<u>1,383.4</u>	<u>1,348.8</u>
Equity attributable to equity holders of the parent	540.0	461.9	396.3	369.5
Minority interests	<u>1.7</u>	<u>1.6</u>	<u>2.1</u>	<u>2.5</u>
Total Equity	<u>541.7</u>	<u>463.5</u>	<u>398.4</u>	<u>372.0</u>

Consolidated Cash Flow Statement

For the years ended 31 December 2015, 31 December 2014, 31 December 2013 and 31 December 2012

	Year ended 31 December			
	2015 (unaudited)	2014 (audited)	2013 (audited)	2012 (audited)
	(£ in millions)			
Net cash from operating activities	144.0	52.8	62.1	16.6
Net cash used in investment activities	(31.9)	24.1	(18.4)	(23.9)
Net cash used in financing activities	<u>(45.7)</u>	<u>(46.8)</u>	<u>(68.7)</u>	<u>(48.6)</u>
Net increase / (decrease) in cash and cash equivalents	66.4	30.1	(25.0)	(55.9)
Cash and cash equivalents at the beginning of the period	287.1	251.6	281.5	342.0
Effect of foreign exchange rates	<u>5.4</u>	<u>5.4</u>	<u>(4.9)</u>	<u>(4.6)</u>
Cash and cash equivalents at the end of the period	<u>358.9</u>	<u>287.1</u>	<u>251.6</u>	<u>281.5</u>

		<p>The Tullett Prebon Group generates revenue from commissions it earns by facilitating and executing customer orders, and the level of revenue is substantially dependent on customer trading volumes. The volumes of transactions are affected by the level of volatility in financial markets, by the steepness and absolute level of yield curves, as well as by customers' risk appetite and by their willingness and ability to trade. The Tullett Prebon Group's revenue in 2013 was lower than in 2012, and revenue in 2014 was lower than in 2013 due to the generally lower level of market activity, reflecting lower levels of financial market volatility, flatter and lower yield curves, and a reduction in the willingness and ability of customers to trade. The Tullett Prebon Group's revenue in 2015 was higher than in 2014 primarily reflecting the inclusion of a full year of trading of PVM Oil Associates Limited, which was acquired in November 2014.</p> <p>Underlying operating profit in 2013 was lower than in 2012, and underlying operating profit in 2014 was lower than in 2013 predominantly due to the lower level of revenue. The Tullett Prebon Group's underlying operating profit in 2015 was higher than in 2014 reflecting the acquisition in November 2014 of PVM Oil Associates Limited. The underlying operating margin has reduced from 14.8% in 2012 to 13.6% in 2015. The most significant cost in the business is broker employment costs. As a percentage of broking revenue, these costs have fallen from 59.8% of broking revenue in 2012 to 55.7% of broking revenue in 2015. There is operational leverage in the business due to the fixed costs and operating margins have been adversely affected by lower levels of revenue.</p> <p>The Tullett Prebon Group actively manages its cost base to support its profitability as circumstances require it. In the light of the challenging market conditions action was taken in 2012, in 2014 and in 2015 to reduce fixed costs and to maintain flexibility in the cost base. The costs associated with these actions have been included as exceptional items in the income statement</p> <p>The carrying value of goodwill is tested for impairment at least annually. The annual impairment reviews for the 2012 and 2014 year-end balance sheets concluded that the carrying value of goodwill in certain regions should be reduced to reflect those regions' current performance and position. These impairments have been recognised as exceptional items in the income statement in 2012 and 2014.</p> <p>Legal action has in the past been taken by the Tullett Prebon Group to seek to enforce its contractual and other legal rights. The costs of these actions and the settlements and awards received as a result have been recognised as exceptional items in the income statement. In 2012 and 2013 the income statement included a net charge, and in 2014 and 2015 the income statement included a net credit.</p> <p>The Tullett Prebon Group's net assets increased from £372 million at the end of 2012 to £542 million at the end of 2015 primarily reflecting the retained profit over that period and the issuance of shares as consideration for acquisitions.</p>
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The Tullett Prebon Group has generated cash from its operations to fund investment in the business and to provide funds to pay interest and dividends on the Tullett Prebon Group's capital. Over the four years 2012 to 2015, the net cash generated from operating activities, less the amounts used in investment activities, totalled £225 million. The amount paid as dividends to shareholders of the Company in that period totalled £151 million. Over that four year period the Tullett Prebon Group has repaid £129 million of debt and raised £80 million (gross of issue costs) of new debt.

Save as set out above, there has been no significant change to the Tullett Prebon Group's financial condition and operating results during the period covered by the historical key financial information set out in this Element or after such period and prior to the latest practicable date before publication of this document.

IGBB

The selected financial information set forth below for the financial years ended 31 March 2015, 31 March 2014 and 31 March 2013 and for the six months ended 30 September 2015 has been extracted without material adjustment from the audited financial statements included in this document.

The selected financial information set forth below for the six months ended 30 September 2014 has been extracted without material adjustment from the financial statements included in this document.

Combined Statement of Income

For the years ended 31 March 2015, 31 March 2014 and 31 March 2013 and for the six months ended 30 September 2015 and 30 September 2014

	Six months ended 30 September		Year ended 31 March		
	2015 (audited)	2014 (unaudited)	2015 (audited)	2014 (audited)	2013 (audited)
	(£ in millions)				
Revenue	366	402	808	913	992
Trading operating profit . .	37	24	84	115	128
Acquisition and disposal costs	—	(1)	(1)	(14)	(88)
Exceptional items	—	(20)	(73)	(76)	(36)
Total operating profit	37	3	10	25	4
Net finance income	—	2	2	9	5
Share of profit of associates and JVs after tax	3	4	8	6	6
Profit before tax	40	9	20	40	15
Tax	(8)	—	1	4	(6)
Profit for the period	<u>32</u>	<u>9</u>	<u>21</u>	<u>44</u>	<u>9</u>

Combined Balance Sheet

As at 31 March 2015, 31 March 2014 and 31 March 2013 and as at 30 September 2015

	As at 30 September 2015	As at 31 March		
	(audited)	2015 (audited)	2014 (audited)	2013 (audited)
		(£ in millions)		
Non-current assets	218	218	227	251
Current assets	17,933	24,743	23,272	17,363
Total assets	18,151	24,961	23,499	17,614
Current liabilities	(17,512)	(24,346)	(22,847)	(16,902)
Non-current liabilities	(38)	(41)	(25)	(34)
Total liabilities	(17,550)	(24,387)	(22,872)	(16,936)
Net assets	601	574	627	678
Invested capital				
Invested capital attributable to:				
Owners of the group	579	548	602	640
Non-controlling interests	22	26	25	38
Total invested capital	601	574	627	678

Combined Cash Flow Statement

For the years ended 31 March 2015, 31 March 2014 and 31 March 2013 and for the six months ended 30 September 2015 and 30 September 2014

	Six months ended 30 September		Year ended 31 March		
	2015 (audited)	2014 (unaudited)	2015 (audited)	2014 (audited)	2013 (audited)
			(£ in millions)		
Cash flows from operating activities	58	(52)	24	(8)	122
Net cash flows from investing activities	(11)	(17)	(14)	(24)	(28)
Net cash flows from financing activities	1	(12)	(131)	(32)	(103)
Net (decrease)/increase in cash and cash equivalents	48	(81)	(121)	(64)	(9)
Cash and cash equivalents at beginning of the period ⁽¹⁾	317	367	367	438	410
FX adjustments	(13)	21	71	(7)	37
Cash and cash equivalents at end of the period⁽¹⁾	352	307	317	367	438

Notes:

(1) Net of bank overdraft.

		<p>Revenue for the year ended 31 March 2014 decreased by £79 million (8 per cent.) to £913 million from £992 million in year ended 31 March 2013. Trading operating profit decreased by £13 million (10 per cent) to £115 million in the year ended 31 March 2014 from £128 million in the year ended 31 March 2013. During the course of that year, the trading performance of IGBB Global Broking was progressively impacted by a combination of structural and cyclical factors including uncertainty surrounding the implementation and on-going application of new regulatory requirements, both in the United States (SEF) and Europe (EMIR), bank deleveraging, in response to stricter regulatory capital requirements, low interest rate and FX volatility and uncertainty over the global economic recovery.</p> <p>The decline in revenue was partially offset by cost savings arising from the on-going cost reduction programme as the broker headcount declined during the year and individual broker compensation continued to be restructured across all regions to enhance the variable nature of broker costs.</p> <p>For the year ended 31 March 2015, revenue decreased by 12 per cent. to £808 million from £913 million in the year ended 31 March 2014. Trading operating profit reduced by 27 per cent. to £84 million in the year ended 31 March 2015 from £115 million in the year ended 31 March 2014. During the course of the year, the trading performance of IGBB Global Broking was impacted by a combination of structural and cyclical factors. Bank deleveraging, in response to stricter regulatory capital requirements, constrained the trading activity of IGBB's customers.</p> <p>This was partly offset in the second half of the year by the European quantitative easing announcements, speculation on the timing of a US interest rate rise, the dramatic fall in oil prices and the ripple effect of various European general elections which had increased volatility. Against this market backdrop, IGBB undertook a fundamental review of the business evaluating the current contributions and future prospects by desk and location. Reduction in broker headcount and continued adjustment to broker compensation resulted in annualised cost savings of £70 million net of revenue loss.</p> <p>For the six months ending 30 September 2015, revenue decreased by 9 per cent. to £366 million from £402 million for the six months ended 30 September 2014. Trading operating profit over the period increased by 54 per cent. to £37 million for the six months ended 30 September 2015 from £24 million in the six months ended 30 September 2014. The trading performance of IGBB Global Broking continued to be impacted by a combination of structural cyclical factors. Historically low interest rates, flat yield curves and bank deleveraging continued to constrain trading activity.</p> <p>IGBB revenue from continuing businesses decreased by 5% on a constant currency basis and on a reported basis during the three-month period to 31 December 2015 compared to the same period last year, driven by a decline in revenue in IGBB Global Broking partly offset by an increase in information revenue.</p> <p>Save as set out above, there has been no significant change to IGBB's financial condition and operating results during the period covered by the historical key financial information on IGBB set out in this Element or after such period and prior to the latest practicable date before publication of this document.</p>
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<p>B.8</p>	<p>Selected unaudited pro forma financial information</p>	<p>The unaudited pro forma income statement, pro forma statement of net assets and the related notes thereto set out in Part XIX (<i>Unaudited Pro Forma Financial Information of the Enlarged Tullett Prebon Group</i>) have been prepared on the basis of the notes set out below to illustrate the effect of the proposed Transaction on the income statement of the Tullett Prebon Group as if it had taken place on 1 January 2015, and on the net assets of the Tullett Prebon Group as if it had taken place on 31 December 2015.</p> <p>The Unaudited Pro Forma Financial Information has been prepared in accordance with Annex II of the Prospectus Directive Regulation and in a manner consistent with the accounting policies to be adopted by the Tullett Prebon Group in preparing its audited financial statements for the year ended 31 December 2015. The Unaudited Pro Forma Financial Information has been prepared to provide an illustrative impact of the Transaction on (i) the consolidated income of Tullett Prebon, as if the Transaction had taken place on 1 January 2015; and (ii) the net assets of Tullett Prebon as if the Transaction had taken place on 31 December 2015.</p> <p>The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only, and because of its nature, addresses a hypothetical situation. It does not purport to represent what the Enlarged Tullett Prebon Group's financial position or results of operations actually would have been if the proposed Transaction had been completed on the dates indicated, nor does it purport to represent the results of operations for any future period or financial position at any future date.</p> <p>The Unaudited Pro Forma Financial Information does not constitute financial statements within the meaning of Section 434 of the Companies Act.</p> <p>Shareholders should read the whole of this document and should not rely solely on the summarised financial information contained in Part XIX (<i>Unaudited Pro Forma Financial Information of the Enlarged Tullett Prebon Group</i>). Deloitte LLP's report on the Unaudited Pro Forma Financial Information is set out in Section B of Part XIX (<i>Unaudited Pro Forma Financial Information of the Enlarged Tullett Prebon Group</i>).</p>
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Unaudited Pro Forma Income Statement

The following unaudited pro forma income statement of Tullett Prebon plc has been prepared on the basis set out in the Notes below to illustrate the consolidated income statement of the Enlarged Tullett Prebon Group as if the Transaction had taken place on 1 January 2015.

	Tullett Prebon for the year ended 31 December 2015	Adjustments		Pro forma for the year ended 31 December 2015
		IGBB for the year ended 31 March 2015	Transaction adjustments	
(£ in millions)				
	(Note 1)	(Note 2)	(Note 3)	
Revenue	796.0	808.0	—	1,604.0
Administrative/ operating expenses	(693.9)	(727.0)	21.0	(1,399.9)
Other income	5.8	3.0	—	8.8
Operating profit— underlying	107.9	84.0	21.0	212.9
Acquisition costs related to the Transaction	(12.1)	—	(17.1)	(29.2)
Other acquisition related items	(12.6)	(1.0)	—	(13.6)
Exceptional items . . .	38.7	(73.0)	14.0	(20.3)
Operating profit— reported	<u>121.9</u>	<u>10.0</u>	<u>17.9</u>	<u>149.8</u>

Notes

- (1) The results of Tullett Prebon plc as at 31 December 2015 have been extracted without adjustment from the Company's 2015 Preliminary Results.
- (2) The results of IGBB as at 31 March 2015 have been extracted without adjustment from the historical financial information relating to IGBB included in Part XVI (*Historical Financial Information of IGBB*) of this document.
- (3) The adjustment of £21.0 million to administrative/operating expenses relates to £14.0 million of ICAP head office and corporate costs that will not be charged to IGBB or replicated at Completion plus £7.0 million of amortisation and depreciation that will not be incurred by IGBB following Completion. The adjustment of £14.0 million to exceptional items relates to onerous lease provisions relating to a liability not being acquired. The adjustment of £17.1 million to acquisition costs related to the Transaction relates to estimated transaction costs not already incurred as at 31 December 2015.
- (4) No account has been taken of any fair value adjustments arising on the Transaction which would be required to restate the assets and liabilities of IGBB to their fair values.
- (5) There are no material differences in the accounting policies applied by Tullett Prebon plc and those applied by IGBB under IFRS as presented in Part XVI (*Historical Financial Information of IGBB*) in this document.
- (6) No account has been taken of any trading of Tullett Prebon plc after 31 December 2015 or of IGBB after 31 March 2015.

Unaudited Pro Forma Statement of Net Assets

The following unaudited pro forma statement of net assets of Tullett Prebon plc has been prepared on the basis set out in the Notes below to illustrate the consolidated statement of net assets of the Enlarged Tullett Prebon Group as if the Transaction had taken place on 31 December 2015.

	Tullett Prebon 31 December 2015	Adjustments		Pro forma net assets at 31 December 2015	
		IGBB 30 September 2015	Transaction adjustments		Consideration and goodwill
			(£ in millions)		
	(Note 1)	(Note 2)	(Note 3)	(Note 4)	
Non-current assets					
Intangible assets arising on consolidation	357.4	82.0	—	932.5	1,371.9
Other intangible assets . . .	22.1	46.0	(16.0) ^(a)	—	52.1
Property, plant and equipment	27.4	24.0	(14.0) ^(a)	—	37.4
Interest in associates	6.0	37.0	—	—	43.0
Investment in joint ventures	—	7.0	—	—	7.0
Investments/available-for-sale investments	8.5	11.0	—	—	19.5
Deferred tax assets	2.4	10.0	—	—	12.4
Trade and other receivables	—	1.0	—	—	1.0
Defined benefit pension scheme	88.2	—	—	—	88.2
	<u>512.0</u>	<u>218.0</u>	<u>(30.0)</u>	<u>932.5</u>	<u>1,632.5</u>
Current assets					
Trade and other receivables	2,639.2	17,468.0	(25.0) ^(b)	—	20,082.2
Receivables from affiliates	—	78.0	(78.0) ^(c)	—	—
Financial assets/available-for-sale investments	20.3	1.0	—	—	21.3
Restricted funds	—	27.0	—	—	27.0
Cash and cash equivalents .	358.9	359.0	(56.0) ^(d)	—	661.9
	<u>3,018.4</u>	<u>17,933.0</u>	<u>(159.0)</u>	<u>—</u>	<u>20,792.4</u>
Total assets	<u>3,530.4</u>	<u>18,151.0</u>	<u>(189.0)</u>	<u>932.5</u>	<u>22,424.9</u>
Current liabilities					
Trade and other payables .	(2,666.7)	(17,428.0)	—	—	(20,094.7)
Payable to affiliates	—	(38.0)	38.0 ^(c)	—	—
Interest bearing loans and borrowings	(140.9)	(7.0)	7.0 ^(e)	—	(140.9)
Current tax liabilities	(17.3)	(23.0)	24.0 ^(f)	—	(16.3)
Short-term provisions	(21.3)	(16.0)	2.0 ^(g)	—	(35.3)
	<u>(2,846.2)</u>	<u>(17,512.0)</u>	<u>71.0</u>	<u>—</u>	<u>(20,287.2)</u>
Net current assets	<u>172.2</u>	<u>421.0</u>	<u>(88.0)</u>	<u>—</u>	<u>505.2</u>
Non-current liabilities					
Interest bearing loans and borrowings	(79.3)	—	(330.0) ^(e)	—	(409.3)
Deferred tax liabilities	(33.2)	(12.0)	—	—	(45.2)
Long-term provisions	(7.8)	(18.0)	12.0 ^(g)	—	(13.8)
Defined benefit pension scheme	—	(3.0)	—	—	(3.0)
Other long-term payables . .	(22.2)	(5.0)	—	—	(27.2)
	<u>(142.5)</u>	<u>(38.0)</u>	<u>(318.0)</u>	<u>—</u>	<u>(498.5)</u>
Total liabilities	<u>(2,988.7)</u>	<u>(17,550.0)</u>	<u>(247.0)</u>	<u>—</u>	<u>(20,785.7)</u>
Net assets	<u>541.7</u>	<u>601.0</u>	<u>(436.0)</u>	<u>932.5</u>	<u>1,639.2</u>

Notes:

- (1) The net assets of Tullett Prebon plc as at 31 December 2015 have been extracted without adjustment from the Company's 2015 Preliminary Results.
- (2) The net assets of IGBB as at 30 September 2015 have been extracted without adjustment from the historical financial information relating to IGBB included in Part XVI (*Historical Financial Information of IGBB*) of this document.

		<p>(3) Transaction adjustments reflect specific amendments to the net assets of IGBB reported at 30 September 2015. No account has been taken of any fair value adjustments or deferred tax which may arise on the Transaction.</p> <p>(a) Intangible assets arising from development expenditures (£16 million) and property and equipment (£14 million) are not being acquired.</p> <p>(b) The full risk and reward of certain receivables are not being acquired.</p> <p>(c) Amounts receivable from affiliates (£78 million) and due to affiliates (£38 million) are to be settled by Completion.</p> <p>(d) Cash and cash equivalents acquired together with restricted funds are to be no less than £330 million at Completion.</p> <p>(e) As set out in Part XXII (<i>Additional Information</i>) of this document interest-bearing loans will be £330 million at Completion.</p> <p>(f) The obligations relating to certain potential tax liabilities amounting to £30.0 million are not being acquired offset by £6.0 million of tax effects relating to adjustments in this table.</p> <p>(g) Short and long term provisions relating to onerous leases of £2 million and £8 million respectively and £4 million long term provision relating to interest on certain tax liabilities are not being acquired.</p> <p>(4) The pro forma statement of net assets has been prepared on the basis that the acquisition of IGBB will be accounted for using the acquisition method. The excess of consideration over the book value of assets acquired, after acquisition adjustments, has been reflected as intangible assets arising on consolidation. The intangible assets on this basis have been calculated as follows:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: right;"><u>No of shares (million)</u></th> <th style="text-align: right;"><u>Share price (pence)</u></th> <th style="text-align: right;"><u>£ in millions</u></th> </tr> </thead> <tbody> <tr> <td>Consideration settled in shares (at 26 February 2016 closing share price (being the latest practicable date prior to publication of this document))</td> <td style="text-align: right;">310.3</td> <td style="text-align: right;">346.6</td> <td style="text-align: right;">1,075.5</td> </tr> <tr> <td>Net assets at 30 September 2015</td> <td style="text-align: right;">—</td> <td style="text-align: right;">—</td> <td style="text-align: right;">(601.0)</td> </tr> <tr> <td>Transaction adjustments (Note 3)</td> <td style="text-align: right;">—</td> <td style="text-align: right;">—</td> <td style="text-align: right;">436.0</td> </tr> <tr> <td>Non-controlling interests acquired</td> <td style="text-align: right;">—</td> <td style="text-align: right;">—</td> <td style="text-align: right;">22.0</td> </tr> <tr> <td>Intangible assets arising on consolidation</td> <td style="text-align: right;">—</td> <td style="text-align: right;">—</td> <td style="text-align: right;"><u>932.5</u></td> </tr> </tbody> </table> <p>(5) The unaudited pro forma statement of net assets does not include any adjustments which would be required to restate the assets and liabilities of IGBB to their fair values.</p> <p>(6) There are no material differences in the accounting policies applied by Tullett Prebon plc and those applied by IGBB under IFRS as presented in Part XVI (<i>Historical Financial Information of IGBB</i>) of this document.</p> <p>(7) No account has been taken of any trading of Tullett Prebon plc after 31 December 2015 or of IGBB after 30 September 2015.</p>		<u>No of shares (million)</u>	<u>Share price (pence)</u>	<u>£ in millions</u>	Consideration settled in shares (at 26 February 2016 closing share price (being the latest practicable date prior to publication of this document))	310.3	346.6	1,075.5	Net assets at 30 September 2015	—	—	(601.0)	Transaction adjustments (Note 3)	—	—	436.0	Non-controlling interests acquired	—	—	22.0	Intangible assets arising on consolidation	—	—	<u>932.5</u>
	<u>No of shares (million)</u>	<u>Share price (pence)</u>	<u>£ in millions</u>																							
Consideration settled in shares (at 26 February 2016 closing share price (being the latest practicable date prior to publication of this document))	310.3	346.6	1,075.5																							
Net assets at 30 September 2015	—	—	(601.0)																							
Transaction adjustments (Note 3)	—	—	436.0																							
Non-controlling interests acquired	—	—	22.0																							
Intangible assets arising on consolidation	—	—	<u>932.5</u>																							
B.9	Profit forecast or estimate	Not applicable. Neither the Company nor IGBB has made any public profit forecast or estimate.																								
B.10	Nature of any qualifications in audit report on the historical financial information	Not applicable. The audit reports on the historical financial information contained in, or incorporated by reference into, this document are not qualified.																								
B.11	Explanation in respect of insufficient working capital	<p>Not applicable. The Company is of the opinion that the working capital available to the Tullett Prebon Group is sufficient for its present requirements, that is, for at least the next 12 months from the date of publication of this document.</p> <p>Not applicable. The Company is of the opinion that the working capital available to the Enlarged Tullett Prebon Group is sufficient for its present requirements, that is, for at least the next 12 months from the publication of this document.</p>																								

SECTION C—SECURITIES		
C.1	Type and class of the securities being offered and admitted to trading, including the security identification number	<p>It is currently expected that Tullett Prebon will issue 310,314,296 ordinary shares of 25 pence each in the ordinary share capital of Tullett Prebon pursuant to the Transaction (the “New Tullett Prebon Shares”). The maximum number of New Tullett Prebon Shares to be issued by the Company under this document is 325,426,232.</p> <p>When admitted to trading, the re-listed Ordinary Shares and the New Tullett Prebon Shares will be registered with ISIN GB00B1H0DZ51, SEDOL B1H0DZ5 and ticker symbol TLPR.</p>
C.2	Currency of the securities issue	The Ordinary Shares are denominated in pounds sterling and are quoted and traded in pounds sterling.
C.3	Number of shares in issue and par value	<p>As at 26 February 2016 (being the latest practicable date prior to the publication of this document) there were 243,516,227 Ordinary Shares in issue (all of which are fully paid up).</p> <p>On the assumption that no new Ordinary Shares are issued by Tullett Prebon other than the New Tullett Prebon Shares between 26 February 2016 (being the latest practicable date prior to the publication of this document) and Admission, there will be 553,830,523 Ordinary Shares in issue following Completion.</p> <p>The Ordinary Shares have a par value of 25 pence each.</p> <p>None of the Ordinary Shares are held by the Company as treasury shares.</p>
C.4	Rights attached to the securities	<p>The New Tullett Prebon Shares will be issued credited as fully paid and will rank pari passu in all respects with the existing Ordinary Shares in issue at the time the New Tullett Prebon Shares are issued pursuant to the Transaction, including in relation to any dividends or other distributions with a record date falling after the issue of the New Tullett Prebon Shares.</p> <p>Subject to any special rights, restrictions or prohibitions as regards voting for the time being attached to any Ordinary Shares, all Tullett Prebon Shareholders shall have the right to receive notice of and to attend and vote at general meetings of Tullett Prebon.</p> <p>Subject to the provisions of the Companies Act, Tullett Prebon may from time to time declare dividends and make other distributions on the Ordinary Shares. Tullett Prebon Shareholders are entitled to participate in the assets of Tullett Prebon attributable to their shares in a winding-up of Tullett Prebon or other return of capital, but they have no rights of redemption.</p>
C.5	Restrictions on free transferability of the securities	Not applicable. There are no restrictions on the free transferability of the Ordinary Shares.
C.6	Admission to trading on regulated market	The existing Ordinary Shares are currently admitted to trading on the London Stock Exchange’s main market for listed securities.

		<p>As the Transaction is classified as a reverse takeover for the purpose of the Listing Rules, upon Initial Completion, the listing of the existing Ordinary Shares to the premium listing segment of the Official List will be cancelled. Simultaneously, application will also be made for the re-admission of the existing Ordinary Shares and the admission of the New Tullett Prebon Shares which will be issued at Initial Completion to the premium listing segment of the Official List maintained by the FCA and to trading on the London Stock Exchange's main market for listed securities. On Option Completion, application will be made for the admission of the New Tullett Prebon shares which will be issued at Option Completion to the premium listing segment of the Official List maintained by the FCA and to trading on the London Stock Exchange's main market for listed securities.</p> <p>It is expected that Completion of the Transaction (including Admission of the New Tullett Prebon Shares) will take place in 2016.</p>
C.7	Dividend policy	<p>Tullett Prebon intends to maintain its annual dividend of 16.85 pence per share during the integration period, with an ambition to grow the dividend over time. It is anticipated that the Company will pay an interim dividend in November of each year and a final dividend in May of each year.</p>
SECTION D—RISKS		
D.1	Key information on the key risks related to the Company and its industry	<ul style="list-style-type: none"> • The primary source of the Group's revenue is commissions earned from facilitating and executing customer orders. The Tullett Prebon Group and IGGB are currently operating in challenging market conditions, characterised by relatively short periods of volatility and extended periods of subdued market activity. Domestic or international market factors that are outside the Group's control could significantly affect customer trading volumes, which could significantly reduce the Group's revenue and profitability. • The Group plans to carry out significant cost improvement and restructuring programmes as part of the integration of the Tullett Prebon Group and IGGB, and may in the future take further significant action to manage its cost base. These actions may involve significant one-off costs, may have a disruptive effect on the Group's business, and the anticipated benefits of the actions may not be realised in full. • The Group's future success depends to a significant degree upon the continued contributions of its key personnel and, following Completion, the future success of the Group will, in part, be dependent upon the successful retention of key IGGB personnel. The Group competes with other interdealer brokers for front office personnel and the level of this competition is intense. Such competition may significantly increase front office personnel costs and may result in the loss of capability, customer relationships and expertise through the loss of front office personnel to competitors. The Group may also suffer from predatory actions of competitors aimed at poaching large numbers of brokers. The Group's business, its operating results and its financial condition may be adversely affected due to such competitor activity, which may continue or intensify in the future. • The Group may not detect, deter or prevent employee misconduct, employee errors or fraudulent activity and may suffer financial loss either directly or as a consequence of damage to its reputation.

		<ul style="list-style-type: none"> • Software or systems failure, loss or disruption of data or data security failures could limit the Group’s ability to conduct its operations or impact the Group in other ways. In addition, if the Group fails to maintain computer and communication systems and networks adequately it could have a material effect on the performance and reliability of such systems and networks, which could materially harm the business. In addition, the Group’s future success will depend in part on its ability to anticipate and adapt to technological advances, evolving customer demands and changing standards for technology and systems, and to upgrade and expand its systems accordingly in a timely, cost efficient and competitive manner. A particular risk faced by the Group is the development by the Group’s competitors of new electronic trade execution or market information products that give competitors a “first mover” advantage. • The Group’s Matched Principal broking activity and Executing Broker activity and the resultant settlement processes expose the Group to both market risk and liquidity risk that may reduce its liquidity and adversely affect its profitability. Market risk arises from the Group’s inability to match client orders precisely, or through broker error, or in the event that a client or its clearing member fails to take up an exchange traded contract. Liquidity risk arises from providers of settlement facilities calling for additional cash collateral or margin deposits, or when the Group has to fund the purchase of a security until onward delivery can be effected. • Customers and counterparties that owe the Group money, securities or other assets may default on their obligations to the Group due to bankruptcy, lack of liquidity, operational failure or other reasons. The Group’s profitability and retained earnings may be materially adversely affected in the event of a significant default by any of its customers and counterparties and this could be exacerbated where it has a concentrated exposure to the counterparty or where the default arises from, or gives rise to further losses as a result of, systemic risk. • The Group requires financial liquidity to facilitate its operations. Lack of sufficient liquidity could adversely impact the Group’s operations. In addition to significant cash balances, the Group maintains credit facilities provided by the Group’s bankers which may impose certain operating and financial restrictions on the Group. In the medium to longer term, withdrawal or non-renewal of these facilities could severely impact the Group. • Changes in market dynamics or structure as a result of new regulations directly or indirectly affecting the Group’s activities or its customers, or a rapid change in the method of broking in one or more products, could significantly harm the Group. New regulations and reforms may affect the Group’s business directly if they reduce the role of interdealer brokers as intermediaries in one or more OTC product markets or impose new requirements or rules that the Group is unable satisfactorily to respond to, and indirectly through their impact on customers’ willingness and ability to trade. Any inability of the Group to adapt or deliver services that are compliant with new regulations could significantly adversely affect its competitive position and therefore reduce the revenue and profitability of the Group.
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		<ul style="list-style-type: none"> • The markets in which the Group operates are highly competitive and competition could intensify in the future. The Group may be adversely affected if it is unable to continue to compete effectively for any reason, including if its market share is eroded by competitors offering new services or existing services to more diverse customers, or if the Group is required to reduce its commissions to remain competitive. Consolidation among the Group’s customers may result in additional pricing pressure, or lower volumes. • The Group is required to maintain capital in excess of minimum levels in each of its regulated entities and in the top holding company. The amount of capital that is required to be held by a particular entity is determined by the relevant regulator, and the Group’s capital requirements may increase in the future, which could limit the Group’s flexibility regarding its capital structure and its ability to pay dividends. Failure to maintain excesses over the minimum levels of capital or failure to comply with the terms of the investment firm consolidation waiver could subject the Group to sanctions, or force it to change the scope of its operations.
D.3	<p>Key information on the key risks related to the Transaction and the Ordinary Shares</p>	<ul style="list-style-type: none"> • Completion is subject to a number of conditions which may not be satisfied or waived. • The Transaction may fail to realise anticipated benefits and the costs incurred in connection with the Transaction may exceed Tullett Prebon Group’s expectations. The value of IGBB is dependent on its revenue, which it generates from commissions it earns by facilitating and executing trades, and IGBB is also reliant on broker retention. Failure to realise any or all of the anticipated benefits of the Transaction could have a material adverse effect on the price of the Ordinary Shares and, if the Group incurs significant costs, on the Group’s results. In addition, the actual costs incurred by the Group in connection with the Transaction may exceed those currently anticipated and there may be additional and unforeseen costs. • The Group’s success will be dependent upon its ability to integrate the two businesses. There will be numerous challenges associated with the integration, the synergies expected from the Transaction may not be fully achieved and the cash spend necessary to achieve the integration may exceed current estimates. In addition, the integration process will make demands on management time and on other resources which may delay other projects or may restrict the ability of the Group to invest in business development. • The Group may face increased financial risks in connection with the Transaction due to its increased level of debt following Completion. • The Transaction will result in a dilution of shareholdings of existing Ordinary Shares. Shareholders will suffer a reduction in their proportionate ownership and voting interest in the ordinary share capital of the Company as a result of the Transaction.

SECTION E—OFFER		
E.1	Total net proceeds and estimate of total expenses of the issue/offer, including estimated expenses charged to investors	<p>There are no net proceeds receivable by the Company, there is no offer of the Company's securities and no costs or expenses relating to the issue will be charged to investors.</p> <p>The total costs and expenses relating to the issue of this document and to the negotiation, preparation and implementation of the Transaction are estimated to amount to approximately £29.2 million (inclusive of VAT) and are payable by the Company.</p>
E.2a	Reasons for the offer, use of proceeds and estimated net amount of proceeds	Not applicable. There is no offer of the Company's securities.
E.3	Terms and conditions of the offer	Not applicable. There is no offer of the Company's securities.
E.4	Interests material to the issue/offer, including conflicting interests	Not applicable. There is no interest, including any conflicting interest, which is material to the issue of New Tullett Prebon Shares.
E.5	Selling shareholders and lock-ups	Not applicable. There is no offer of the Company's securities and there are no selling shareholders. There are no lock-up agreements.
E.6	Amount and percentage of immediate dilution resulting from the issue	Following the issue of New Tullett Prebon Shares pursuant to the Transaction, the existing Ordinary Shares will represent 44 per cent. of the total issued Enlarged Tullett Prebon Group Shares immediately following Admission.
E.7	Estimated expenses charged to the investor by the Company	Not applicable. There is no offer of the Company's securities and there are no commissions, fees or expenses to be charged to investors by the Company.

PART II

RISK FACTORS

An investment in Ordinary Shares is subject to a number of risks. Accordingly investors and prospective investors should review this document carefully and in its entirety (together with any documents incorporated by reference in it) and consult with their professional advisers. You should carefully consider the following risks and uncertainties together with all the other information set out in this document, and the information incorporated into this document by reference, prior to making any investment decision.

If any of the following risks actually materialises, the Company's business, financial condition or operating or financial results could be materially adversely affected and the value of Ordinary Shares could decline. The risks and uncertainties described below are not the only ones the Company faces. Additional risks and uncertainties not presently known to the Directors and the Proposed Director or that the Directors and the Proposed Director currently deem immaterial may also have a material adverse effect on the Company's business, financial condition or operating or financial results and could negatively affect the price of the Ordinary Shares and investors could lose all or part of their investment.

Prospective investors should carefully consider whether an investment in Ordinary Shares is suitable for them in light of the information in this document and their personal circumstances.

Prospective investors should note that the risks relating to the Group, its industry, the Transaction and Ordinary Shares summarised in Part I (Summary) of this document are the risks that the Directors and the Proposed Director believe to be the most essential to an assessment by a prospective investor of whether to invest in Ordinary Shares. However, as the risks which the Group faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in Part I (Summary) of this document but also, among other things, the risks and uncertainties described below.

1. RISKS RELATING TO THE GROUP'S BUSINESS

1.1 The Tullett Prebon Group and IGBB are currently operating in challenging market conditions, characterised by relatively short periods of volatility and extended periods of subdued market activity. Domestic or international market factors that reduce activity levels could significantly reduce the Group's revenue

The Group generates revenue primarily from commissions it earns by facilitating and executing customer orders. These revenue sources are substantially dependent on customer trading volumes. The volume of transactions the Group's customers conduct with it will be directly affected by domestic and international market factors that are beyond the Group's control, including:

- economic, political and market developments;
- broad trends in industry and finance;
- changes in trading patterns in the broader marketplace which depend on customer confidence levels and risk appetite, both of which may be adversely affected at times when the financial markets generally are unsettled;
- price levels and price volatility in the securities, currency, commodities and other markets. In general market volatility tends to increase trading activity although in more recent years periods of market volatility have tended to be relatively short;
- legislative and regulatory changes which may generate significant uncertainty and therefore reduced activity by customers pending the outcome of such changes;
- changes in market dynamics or structure as a result of new regulations or a rapid change in the method of broking in one or more products, see paragraph 2.1 (*"Changes in market dynamics or structure as a result of new regulations directly or indirectly affecting the Group's activities or its customers, or a rapid change in the method of broking in one or more products, could significantly harm the Group"*) below;
- actions of competitors, see paragraph 2.2 (*"The markets in which the Group operates are highly competitive and competition could intensify in the future. If the Group is unable to continue to compete effectively for any reason, certain aspects of its business may be materially damaged which could result in lower revenue and loss of reputation"*) below;

- changes in government monetary policies, with the easing of monetary policy in certain markets resulting in a flattening of yield curves and the dampening of activity in certain asset classes; and
- changes in interest rates, foreign exchange rates and inflation.

Material decreases in trading volumes from period to period may significantly reduce the Group's reported revenue which can contribute to reduced profit levels and lower retained earnings.

1.2 The Company, in respect of the Tullett Prebon Group, and ICAP in respect of IGBB, undertook cost improvement and restructuring programmes to manage their respective cost bases, each to support its profitability and as circumstances required it. The Group plans to carry out significant cost improvement and restructuring programmes as part of the integration of the Tullett Prebon Group and IGBB, and may in the future take further significant action to manage its cost base. These actions may involve significant one-off costs, may have a disruptive effect on the Group's business, and the anticipated benefits of the actions may not be realised in full

The Company took a number of actions in 2014 to reduce headcount and other fixed costs. This cost improvement programme involved the exit of 166 front office staff, 51 support and other staff, and the vacating of office space, reducing annual fixed costs by over £45 million. The costs of these actions was £46.7 million, of which £22.0 million were non-cash charges, including the £3.2 million write down of an employment incentive grant receivable that may not be recoverable due to the reduction in headcount, and was charged as an exceptional item in the income statement in the Company's 2014 Annual Report.

The Company implemented a cost improvement programme towards the end of 2015 focused on reducing headcount in Europe and the Middle East and on restructuring broker contracts in North America to reduce fixed costs and to reduce the level of pay out as a percentage of broking revenue. Front office broking headcount is being reduced by approximately 70 heads representing a reduction of around 7.5% of the front office headcount in Europe and the Middle East and in North America in Treasury Products, Interest Rate Derivatives and Fixed Income. The cost of the actions taken in 2015 of £25.7 million, of which £4.4 million represents a non-cash write down of amounts previously paid, has been charged as an exceptional item in the income statement to be included in the Company's 2015 Annual Report. A further charge of less than £10 million is expected to be made in the first half of 2016 relating to actions that will be taken as part of this programme.

In the year ended 31 March 2015, ICAP completed a restructuring programme aimed at focusing and realigning systems, processes and legal entity structures and increasing workforce productivity. The programme covered all of ICAP's activities but with a particular focus on IGBB Global Broking and ICAP Group infrastructure. As a result of the programme, 496 brokers and 244 infrastructure employees left the ICAP Group, which resulted in one-off employee termination costs of £35 million for the ICAP Group (including £34 million for IGBB). Office spaces in key regions including London, New York and Singapore were vacated and £18 million of property exit costs for IGBB including onerous lease provisions were charged to the income statement.

The Group plans to carry out significant cost improvement and restructuring programmes as part of the integration of the Tullett Prebon Group and IGBB, and the Group may undertake further cost improvement and restructuring programmes from time to time in the future. Any such future action might involve significant costs, may have a disruptive effect on the Group's business, and may harm the Group's business through its impact on capability or employee morale, and the anticipated benefits of any actions might not be realised in full.

1.3 The Group's future success depends to a significant degree upon the continued contributions of its key personnel and its ability to recruit, train, retain and motivate personnel and to ensure that employment contract terms are appropriate

The Group's future success depends upon the expertise and continued services of certain key personnel, including personnel involved in the management and development of the business, personnel directly generating revenue, and personnel involved in the management of the control functions, and upon its ability to recruit, train, retain and motivate qualified and highly trained personnel in all areas of the business. In addition, following Completion, the future success of the Group will, in part, be dependent upon the successful retention of key IGBB personnel. The Group's employment contracts with key personnel generally include minimum notice periods and non-compete provisions and fixed terms with staggered renewal dates, and the Group seeks to ensure that it has appropriate succession plans in place, to lessen the impact of the departure of a key member of personnel or a team of revenue generators.

Nevertheless, the Group's business, its operating results, and its financial condition may be adversely affected by the departure of one or more key members of personnel.

The Group competes with other interdealer brokers for front office personnel and the level of this competition is intense. Such competition may significantly increase front office personnel costs and may result in the loss of capability, customer relationships and expertise through the loss of front office personnel to competitors. The Group may also suffer from predatory actions of competitors aimed at poaching large numbers of brokers. The Group's business, its operating results and its financial condition may be adversely affected due to such competitor activity, which may continue or intensify in the future; see paragraph 2.2 (*"The markets in which the Group operates are highly competitive and competition could intensify in the future. If the Group is unable to continue to compete effectively for any reason, certain aspects of its business may be materially damaged which could result in lower revenue and loss of reputation"*) below. If the Group is not able to attract and retain highly skilled employees, or if it incurs increased costs associated with attracting and retaining personnel, or if it fails to assess training needs adequately or deliver appropriate training, this could be substantially detrimental to the Group's ability to compete and would therefore have an adverse effect on its revenue and profitability and could harm its reputation.

The Tullett Prebon Group's ability to recruit, train, retain and motivate personnel and to ensure that employment contract terms are appropriate may be adversely affected as a result of the announcement of the Transaction and, following Completion, the integration of the Tullett Prebon Group and IGBB.

The Group also faces the risk that any of its employment agreements may contain terms under which it is obliged to make payments to an employee in excess of the benefit to the business of the employee's services. In such cases, the Group's profitability could be adversely affected.

1.4 The Group may not detect, deter or prevent employee misconduct, employee errors or fraudulent activity and may suffer financial loss either directly or as a consequence of damage to its reputation

The Group maintains controls designed to mitigate a wide range of operational risks. However, these controls will not be able to eliminate the occurrence of these risks. The principal operational risks faced by the Group include:

- **Systems**—Unauthorized use of systems or data leading to loss of data integrity, dissemination of confidential material, introduction of malicious software or the theft of intellectual property, see paragraph 1.9 (*"Software or systems failure could limit the Group's ability to conduct its operations or impact the Group in other ways"*) below.
- **Employee Error**—An employee, whether in the front office or in a control function, fails to carry out properly his assigned role, resulting in significant economic loss or damage to the Group's reputation. Employee errors in the front office may give rise to losses. This could be caused by residual balances, see paragraph 1.10 (*"Matched Principal broking and the resultant settlement processes expose the Group to both market risk and liquidity risk that may reduce its liquidity and adversely affect its profitability"*) below, incorrect charging of broker commission on Name Passing trades or other broker errors.
- **Fraudulent Transactions**—The Group suffers a loss as a consequence of unauthorised or fraudulent activity.
- **Employee Misconduct**—Misconduct including hiding unauthorised activities from the Group, improper or unauthorised activities on behalf of customers, improper use of confidential information, the use of improper marketing materials, or the inappropriate use of authority or influence by current or former personnel.
- **Settlements**—The unauthorised transfer of funds or the use of incorrect settlement instructions leading to loss.

Should the Group's operational risk controls prove to be inadequate and an operational risk occurs, the Group is likely to be adversely impacted and this could result in significant damage to the Group's reputation, a material financial loss or potential litigation and regulatory sanctions.

There have been a number of highly publicised cases involving fraud or other misconduct by employees of financial services firms in recent years and various investigations have been conducted by the FCA in the United Kingdom, the Commodities Futures Trading Commission (*"CFTC"*) in the United States and other regulators around the world, including in relation to the alleged manipulation of the London Inter-Bank Offer Rate (*"LIBOR"*) which have resulted in substantial fines being imposed on a number of institutions.

The Company is currently under investigation by the FCA in relation to certain trades undertaken between 2008 and 2011, including trades which are risk free, with no commercial rationale or economic purpose, on which brokerage is paid and trades on which brokerage may have been improperly charged. As part of its investigation the FCA is considering the extent to which during the relevant period (i) the Company's systems and controls were adequate to manage the risks associated with such trades and (ii) whether certain of the Company's managers were aware of, and/or managed appropriately the risks associated with, the trades. The FCA is also reviewing the circumstances surrounding a failure in 2011 to discover certain audio files and produce them to the FCA in a timely manner. As the investigation is on-going, any potential liability arising from it cannot currently be quantified.

On 25 September 2013, ICAP Europe Limited ("IEL"), which will be a subsidiary of IGBHL at Completion, reached settlement agreements with the FCA and the CFTC relating to the involvement of certain brokers in the attempted manipulation of Yen LIBOR by bank traders between October 2006 and January 2011. Under the terms of the settlements, IEL paid penalties of US\$65 million to the CFTC and £14 million to the FCA.

ICAP and its subsidiaries, including IGBB entities, continue to co-operate with the government agencies in Europe and in the US in relation to their investigations into the setting of Yen LIBOR. ICAP is no longer a named defendant in the US civil litigation action against various Yen LIBOR and Euroyen TIBOR setting banks. However, the plaintiff in that litigation has been given permission to add IEL as a defendant in that action, which IEL intends to defend vigorously. The plaintiff is also taking steps to appeal the dismissal of ICAP.

ICAP is also co-operating with the CFTC and other US government agencies' inquiries into the setting of USD ISDA Fix rates. ICAP Capital Markets LLC was the collection agent for ISDA Fix panel bank submissions in dollar up until January 2014, when the collection process was changed by ISDA. During the financial year ended 31 March 2015, civil lawsuits were filed in the US against USD ISDA Fix setting banks, where ICAP Capital Markets LLC is one of the named defendants. Those suits have now been consolidated into a single action. ICAP Capital Markets LLC will not be a subsidiary of IGBHL at Completion and the business of ICAP Capital Markets LLC (excluding any liability relating to the ISDA Fix investigation) will be transferred to other entities within IGBHL prior to Completion. The Group may nevertheless suffer financial loss either directly or as a consequence of damage to its reputation as a result of these matters.

The Group's reputation may also be damaged by any involvement or the involvement of any of its employees or former employees in any regulatory investigation and by any allegations or findings, even where the associated fine or penalty is not material. It may also be damaged by association where there is a regulatory investigation into, or an allegation or finding of fraud or other material misconduct which relates to one of its competitors or clients or any of their employees. If the Group or any of its employees were to be implicated in any misconduct uncovered by a regulatory investigation, the Group may be subject to the imposition of substantial fines and penalties. Any involvement of the Group in any such regulatory investigation and in proceedings resulting from any allegations or findings arising therefrom may place significant strain on management time and resources.

1.5 The Group may suffer costs associated with legal action taken to defend its business, employees, rights and assets, including intellectual property, and may be adversely affected if it is not able to protect its rights. The Group may be subject to claims made against it which may result in significant legal costs and settlements

The Group may take legal action to enforce its contractual, intellectual property and other legal rights where it believes that those rights have been violated and that legal action is an appropriate remedy. The steps the Group has taken, or may take to protect its contractual, intellectual property and other legal rights may be inadequate. Action taken to defend the Group's contractual, intellectual property and other legal rights may be protracted, involve the expenditure of significant financial and managerial resources, and may ultimately not be successful, which may result in an adverse impact on the Group's financial position.

The Group may also be subject to a claim of economic or reputational significance, whether by a third party or an employee. Such claims could include actions arising from acts inconsistent with employment law, health and safety laws, contractual agreements, from infringements of intellectual property rights, or from personal injury, diversity or discrimination claims. The Group may incur significant costs in defending

any claims, or if any such action is successful, in making payments to resolve the action and may suffer reputational damage.

1.6 To remain competitive the Group must continue to develop its business. Failure to do so successfully, including the failure to integrate acquisitions effectively could adversely impact the Group. Failure to realise the benefits of investments in some markets could also affect the Group's profitability. Changes in the risk profile of the Group as a result of developing the business could result in a new or increased exposure to risks that could impact the Group

The markets in which the Group operates are dynamic and to remain competitive the Group must invest in the development of the business to respond to changes in customer demand for its services. This business development activity may include hiring brokers, opening offices in new countries, expanding existing offices, providing broking and other services in new product markets, serving different types of customers and undertaking activities through different business models. Such activity may be achieved through the acquisition of businesses or through investment in existing businesses, and may result in changes in the risk profile of the Group. Failure to integrate acquisitions effectively or failure to manage changes in the Group's risk profile appropriately or failure to realise the benefit of investments in some markets may adversely affect the Group's business or result in it failing to achieve anticipated benefits. The acquisition of businesses can also give rise to unforeseen legal, regulatory, contractual, employment or other issues, or significant unexpected liabilities or contingencies.

The nature and size of the Transaction gives rise to particular risks which are discussed in more detail in paragraph 3 ("*Risks relating to the Transaction*") below.

1.7 The Group may need to replace, upgrade and expand its computer and communications systems in response to technological or market developments

The Group needs to maintain the computer and communications systems and networks that it currently operates. Its failure to maintain these systems and networks adequately could have a material effect on the performance and reliability of such systems and networks, which in turn could materially harm its business.

Further, the markets in which the Group competes are characterised by rapidly changing technology, evolving customer demand and uses of its services and the emergence of new industry standards and practices that could render its existing technology and systems obsolete. The Group's future success will depend in part on its ability to anticipate and adapt to technological advances, evolving customer demands and changing standards in a timely, cost-efficient and competitive manner and to upgrade and expand its systems accordingly. Any upgrades or expansions in technology and the use of technology may require significant expenditures of funds. In the longer term, the Group may not have sufficient funds to update and expand its systems adequately, and any upgrade or expansion attempts may not be successful and accepted by the marketplace and its customers. Any failure by the Group to update and expand its systems and technology adequately or to adapt its systems and technology to evolving customer demands or emerging industry standards would have a material effect on the Group's ability to compete effectively which could reduce its revenue and profitability.

A particular risk faced by the Group is the development by its competitors of new electronic trade execution or market information products that gain acceptance in the market. These products could give those competitors a "first mover" advantage that may be difficult for the Group to overcome with its own technology.

1.8 Loss of access to its premises or an inability to operate from its facilities could limit the Group's ability to conduct its operations

The Group's employees operate from premises that provide the necessary facilities and systems to enable them to carry out their roles. The loss of access to these sites or an inability to operate from these sites, due to, for example, loss of power, acts of war or terrorism, human error, natural disasters, fire, or sabotage, could limit the Group's ability to conduct its operations or impact the Group in other ways.

Whilst the Group has disaster recovery sites, and business continuity plans are in place and are regularly tested, these may not cover all activities within the Group. Further, if the Group's business continuity plans do not operate effectively, they may not be adequate to correct or mitigate the effects of any of the above eventualities. In addition, the business continuity plans or personnel of its third-party service providers may not be adequate to correct or mitigate any of the above eventualities or may not be implemented properly.

1.9 Software or systems failure, loss or disruption of data or data security failures could limit the Group's ability to conduct its operations or impact the Group in other ways

The Group is heavily dependent on the capacity and reliability of the computer and communications systems supporting its operations, whether owned and operated internally or by third parties, and on the integrity of the data held within and used by such systems. These systems include broking platforms essential to transacting business and middle office and back office systems required to record, monitor and settle transactions. These systems are concentrated at the Group's operating sites and are difficult to replicate.

The performance of these computer and communications systems could deteriorate or fail for any number of reasons. These could include loss of power, human error, natural disasters, fire, sabotage, hardware or software malfunctions or defects, computer viruses, intentional acts of vandalism, customer error or misuse, lack of proper maintenance or monitoring, loss of data, data disruption and similar events. If such a degradation or failure were to occur, it could cause, among other things:

- significant disruptions in service to the Group's customers;
- slower response times;
- delays in trade execution;
- failed settlement of trades; and
- incomplete or inaccurate accounting, recording or processing of trades.

Failure of the communications and computer systems and facilities on which the Group relies may lead to significant financial losses, litigation or arbitration claims filed by or on behalf of its customers and regulatory sanctions. Any such failure could also have a negative effect on the Group's reputation.

The secure transmission of confidential information over public and private networks is a critical element of the Group's operations. Its networks and those of the third-party service providers and counterparties with whom the Group trades and its customers may be vulnerable to unauthorised access, computer viruses and other security problems, including the Group's inadvertent dissemination of non-public information. The Group's activities also require the recording, storing, manipulation and dissemination of significant amounts of data. Whilst the Group maintains electronic and physical security measures, loss of data integrity could occur.

Any failure by the Group to maintain the confidentiality of information or other data security failures could impact the Group's ability to trade effectively and could result in significant financial losses, litigation by its customers or counterparties and regulatory sanctions as well as adverse reputational effects.

1.10 Matched Principal broking and Executing Broker activities and the resultant settlement processes expose the Group to both market risk and liquidity risk that may reduce its liquidity and adversely affect its profitability

The Group brokers transactions through three distinct broking models: the Name Passing model (also known as the "Name Give-Up" model); the Matched Principal model; and the Executing Broker model.

The Group's Matched Principal activity, where the Group is the counterparty to both sides of a matching trade, may give rise to limited market risk as a result of the infrequent residual balances which result from the Group's inability to match client orders precisely, or through broker error. Broking illiquid instruments, such as certain emerging markets bonds, may elevate the market risk of any residual balances should they occur. The Group's Executing Broker activity, where the Group executes transactions on certain regulated exchanges in accordance with client orders and then 'gives-up' the trade to the relevant client or its clearing member, also gives rise to limited market risk in the event that the client or its clearing member fails to take up the position traded, or through broker error. When residual balances occur, the Group's policy is to close the unmatched position promptly, whether or not this results in a loss to the Group, reflecting the fact that the Group's risk management policies, and the terms of its licenses, prevent the Group from taking proprietary positions in financial instruments. The Group brokers large value transactions in volatile markets and whilst the Group believes it has robust operational controls errors can occur and can generate losses. Any error which gives rise to a significant loss or a series of such losses could adversely impact the Group's profitability and retained earnings, as well as damaging its reputation.

The Group's Matched Principal and Executing Broker activities also give rise to liquidity risk. The Group uses settlement agents, and central counterparties where appropriate, to effect the settlement of trades. Providers of these facilities generally require cash collateral or margin deposits from the Group and providers can call for increased cash collateral or margin deposits to be made at short notice. Such calls can be driven by volatile market conditions outside the Group's control, operational errors or failures by the Group or a customer, or by the Group's trading with counterparties who are not themselves members of a central counterparty. Additionally, if during the settlement process the Group were to receive the underlying security from a seller but were to find itself unable to deliver the security onto the purchaser, the Group might be required to fund the settlement balances until onward delivery could be effected. This could occur for technical or operational reasons, including due to errors in the delivery instructions. Such matters could have a significant impact on the Group's liquidity, and if the Group is unable to access sufficient liquidity to enable continued clearing and settlement, or fund the posting of collateral and margin deposits, this would severely limit the Group's ability to trade under the Matched Principal and Executing Broker models.

Settlement failures can also give rise to financing charges which may be recoverable from the counterparty, but sometimes are not. In instances where the failure to deliver is prolonged or widespread, there may also be regulatory capital charges required to be taken by the Group which, depending on their size and duration, could limit the Group's flexibility to transact other business, and could adversely affect the Group's profitability and retained earnings.

IGBB has operated, and prior to Completion will continue to operate, within its own broking and operational policies and procedures which may differ from those operated by the Tullett Prebon Group. In addition, IGBB may undertake activities that the Tullett Prebon Group does not undertake and may execute activities in ways that would be prohibited under the Tullett Prebon Group's policies and procedures. The Transaction and the transition to common policies and procedures within the Group may give rise to a period of heightened risk in the management and mitigation of the risks arising from Matched Principal broking and Executing Broker activities, which may have an adverse impact on the Group's business, operations or reputation.

1.11 Customers and counterparties that owe the Group money, securities or other assets may default on their obligations to the Group due to bankruptcy, lack of liquidity, operational failure or other reasons

Where the Group brokers on a Matched Principal basis it is exposed to the risk of loss should one of the counterparties to a transaction default prior to the settlement date, requiring the Group to replace the defaulted contract in the market. This is a contingent risk in that the Group will only suffer loss if the market price of the securities has moved adversely to the original trade price. The Group does undertake a limited amount of Matched Principal broking where a counterparty is buying its own securities and in these circumstances in the event of that counterparty defaulting prior to settlement the risk of loss due to movement in the value of the securities is heightened. The Group is also exposed to short term pre-settlement risk where it acts as an Executing Broker during the period between the execution of the trade and the client claiming the trade.

Where the Group brokers on a Matched Principal basis it is exposed to settlement risk where a counterparty defaults on its contractual obligation to deliver securities or cash after the Group has completed its part of the transaction. Unlike pre-settlement risk, this settlement risk exposure is to the full principal value of the transaction. The Group seeks to mitigate this risk by effecting settlement on a delivery-versus-payment basis. However, these procedures and controls do not eliminate settlement risk and defaults may still occur and have a significant impact on the Group's results and financial condition.

Where the Group operates on a Name Passing basis it is exposed to the risk that the client fails to pay the brokerage fee/commissions it is charged. The Group generally invoices customers for its Name Passing activities on a monthly basis. Failure or delay in the process of collecting invoiced receivables also gives rise to liquidity risk to the Group.

The Group is also exposed to counterparty credit risk in respect of cash deposits held with financial institutions. The Group is also exposed to concentration risk in that it may have exposures with a counterparty arising through a number of different activities in a number of different regions and may also have cash deposits with the same counterparty.

The Group seeks to mitigate its credit risk through the adoption of specific credit risk management policies which include the assessment, monitoring and escalation of credit risk exposures by dedicated credit risk management teams. However, these procedures cannot eliminate all defaults, particularly those that may

arise from events or circumstances that are difficult to detect or foresee. In addition, reflecting the interconnected nature of the global financial system, concerns about, or a default by, one institution could lead to significant systemic liquidity problems, including losses or defaults by other institutions.

The Group's profitability and retained earnings may be materially adversely affected in the event of a significant default by any of its customers and counterparties and this could be exacerbated where it has a concentrated exposure to the counterparty or where the default arises from, or gives rise to further losses as a result of, systemic risk.

1.12 The Group requires access to settlement services and other market infrastructure arrangements without which its ability to undertake some or all of its activities would be affected

The Group uses various market infrastructure arrangements including settlement services, such as Euroclear and Clearstream, and central counterparties, such as the Depository Trust & Clearing Corporation ("DTCC"). Loss of access to, or restrictions on the Group's use of, these services, due to non-compliance with membership or participants' requirements, or due to credit or reputational issues, could impact the Group's ability to carry out its activities.

1.13 The Group requires financial liquidity to facilitate its day to day operations. Lack of sufficient liquidity could adversely impact the Group's operations

The Group requires financial liquidity to facilitate its operations. In addition to significant cash balances, the Group maintains credit facilities provided by the Group's bankers. The Group's existing credit facilities impose certain operating and financial restrictions on the Group, and contain covenants that require the Group to maintain specified financial ratios and satisfy specified financial tests, that may limit how the Group conducts its business. In the medium to longer term, the Group may be unable to renew existing facilities or raise additional financing and the withdrawal, non-renewal or a lack of access to credit facilities, whether as a result of market conditions, general market disruption or a failure by the Group itself, could severely impact the Group's business, results of operations or financial condition.

1.14 Damage to the Group's reputation and other consequences of perceived or actual failures in regulatory or governance compliance or in operational, financial or governance controls, may materially adversely impact the Group

The Group's ability to operate, to attract and retain customers and employees, or to raise appropriate financing or capital may be adversely affected as a result of its reputation becoming damaged. Clients will rely on the Group's integrity and probity. If the Group fails, or appears to fail, to deal promptly and effectively with issues that may give rise to reputational risk, its reputation and in turn its business prospects may be materially harmed. These issues include, but are not limited to:

- appropriately dealing with potential conflicts of interest;
- complying with all applicable legal and regulatory requirements, see paragraph 2.3 ("*The Group operates in a regulated environment that imposes significant compliance requirements. Changes in regulations may increase the cost and complexity of doing business, or may disadvantage the Group relative to its competitors. The failure to comply with regulations could subject the Group to sanctions, force it to cease providing certain services, or oblige it to change the scope or nature of its operations*") below and paragraph 1.4 ("*The Group may not detect, deter or prevent employee misconduct, employee errors or fraudulent activity and may suffer financial loss either directly or as a consequence of damage to its reputation*") above;
- effectively managing customer relationships and ensuring full communication with customers;
- avoiding claims of discrimination;
- maintaining effective anti-money laundering, anti-terrorist financing and anti-corruption procedures;
- ensuring effective data security, privacy, recordkeeping, sales and trading practices, see paragraph 1.9 ("*Software or systems failure could limit the Group's ability to conduct its operations or impact the Group in other ways*") above;
- properly identifying and managing the legal, reputational, credit, liquidity and market risks inherent in its business, each of which is discussed further in different risk factors above; and
- ensuring full compliance with corporate governance and reporting requirements.

Any failure by the Group to address these or any other issues which could adversely affect its reputation could result in losses of front office personnel and customers, a reduced ability to compete effectively, financial losses and potential litigation and regulatory actions and penalties against the Group.

Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that (i) the Company is unable to comply with its obligations as a company with securities admitted to the Official List or (ii) any member of the Group which is a supervised firm regulated by the FCA is unable to comply with its obligations as a supervised firm regulated by the FCA.

1.15 The Group's financial position and results of operations could be adversely affected by changes in interest rates and exchange rates, changes in taxation rates and regimes, failure to comply with tax requirements, and from challenges by tax authorities

The Group reports its financial results in sterling. However, a significant proportion of the Group's activity is conducted outside the UK in currencies other than sterling. For the purposes of preparing its consolidated financial statements, the Group converts the results of operations of its subsidiaries which account in other currencies into sterling at period average or period-end rates in accordance with International Financial Reporting Standards ("IFRS"). As a result, the Group's reported results of operations will be affected by movements in the exchange rates between sterling and the other currencies in which Group companies operate, and these movements can have a significant impact on the Group's results of operations and financial position. The Group also has an exposure to the effect of movements in foreign exchange rates on its financial assets and liabilities denominated in foreign currencies.

The Group is exposed to interest rate risk in that the rates of interest which it receives on its cash deposits and other interest earning assets may not match the rates which it pays on its borrowings and other interest bearing liabilities and these differences can affect its results of operations in each financial period.

The Group is subject to taxes in the various jurisdictions in which it operates and any failure to comply with all local tax rules and regulations may result in penalties and fines being imposed on the Group. The Group is exposed to changes in taxation rates and regimes which may result in an increased proportion of the Group's profit being paid in taxation, or may result in parts of the Group's activities becoming less profitable or unprofitable through the imposition of higher transaction taxes or indirect taxes borne by the Group or its customers. The Group has exposure to historic tax issues including through businesses that have been acquired, and the Group may be subject to challenge from tax authorities on these or other matters that may result in significant tax payments being required to be made in the future.

In particular, certain IGBB entities have in the past received annual incentive grants from the State of New Jersey ("NJ State") in connection with NJ State's Business Employment Incentive Program ("BEIP"). BEIP income received by these IGBB entities has been treated as non-taxable by these entities. If a relevant tax authority successfully challenges this treatment, the Group may incur a tax liability in respect of such BEIP income. Whilst ICAP has agreed to indemnify the Group in respect of such liability, the Group may nevertheless suffer loss if it is unable to recover amounts under such indemnity. In addition, other tax liabilities may arise in IGBB entities in excess of the amount provided, and the Group may suffer loss if it is unable to recover such amounts under the warranties given by ICAP to the Company.

1.16 Changes in the Group's accounting policies or in accounting standards could materially affect how it reports its financial condition and results of operations

From time to time, the International Accounting Standards Board (the "IASB") and/or the European Union change the financial accounting and reporting standards that govern the preparation of the Group's financial statements. These changes can be difficult to predict and may materially impact how the Group records and reports its financial condition and results of operations. In some cases, the Group could be required to apply a new or revised standard retroactively, resulting in restating prior period financial statements. By way of example, the IASB has issued amendments to a number of standards which, when endorsed and applicable to the Group, are expected to impact its financial statements. These standards include IFRS 9, which is expected to impact both the measurement and disclosures of financial instruments. IFRS 9 remains to be endorsed by the European Union and as such, it is not yet possible to quantify the precise impact of this amended standard.

The EU-endorsed amendments to IAS 19 "Employee Benefits" have been adopted by the Group from 1 January 2013 with retrospective application to prior periods. The amendments to prior periods change the measurement of various components within the defined benefit pension asset, but do not change the overall value of the Group's retirement benefit asset. The Group adopted IFRS 13 "Fair Value

Measurement” from 1 January 2013, which impacts upon the measurement of fair value for certain assets and liabilities as well as the associated disclosures.

The IASB may make other changes to financial accounting and reporting standards that will govern the preparation of the Group’s financial statements, which the Group may adopt if determined to be appropriate by its management, or which the Group may be required to adopt. Any such change in the Group’s accounting policies or accounting standards could materially affect its reported financial condition and results of operations.

1.17 Changes in judgements, estimates and assumptions made by management in the application of the Group’s accounting policies may result in significant changes to the Group’s reported financial condition and results of operations

Accounting policies and methods are fundamental to how the Group will record and report its financial condition and results of operations. In the application of the Group’s accounting policies, management must make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These judgements, estimates and assumptions are based on historical experience and other factors that are considered relevant. Judgements, estimates and assumptions are reviewed on an on-going basis and revisions to accounting estimates are recognised in the accounting period in which an estimate is revised. Actual results may differ from these estimates, and revisions to estimates can result in significant changes to the carrying value of assets and liabilities.

The Group’s management has identified that significant judgements and estimates are necessary in the application of certain accounting policies. These include:

- *impairment of goodwill and intangible assets*—the determination as to whether or not goodwill and intangible assets are impaired requires an estimation of the value-in-use of the cash-generating units to which goodwill has been allocated. The value-in-use calculation requires estimation of future cash flows expected to arise for the cash-generating unit, the selection of suitable discount rates and the estimation of future growth rates;
- *the value of tax related assets and liabilities*—in arriving at the current and deferred tax liability the Group takes account of tax issues that are subject to on-going discussions with the relevant tax authorities. Liabilities are calculated based on management’s assessment of relevant information and advice and where outcomes differ from the amounts initially recorded, such differences impact current and deferred tax amounts in the accounting period in which the outcome is determined;
- *the value of provisions*—provisions are established by the Group based on management’s assessment of relevant information and advice available at the time of preparing financial statements. Outcomes are uncertain and dependent on future events and where outcomes differ from management’s expectations, differences from the amount initially provided will affect profit or loss in the accounting period in which the outcome is determined;
- *the value of deferred consideration payable on acquisitions*—consideration for acquisitions that is contingent on future events is recorded at its fair value as at the acquisition date, based on management’s assessment of the likelihood of the conditions for payment of that consideration being satisfied. Subsequent changes in the fair value of contingent consideration will be reflected in the Group’s profit or loss for the accounting period in which any re-measurement of the fair value of that contingent consideration occurs;
- *the value of the retirement benefit asset*—the Group’s retirement benefit asset is the net of its defined benefit scheme’s assets and the related defined benefit obligation. The defined benefit obligation represents the scheme’s future liabilities, which are estimated using actuarial and other financial assumptions, discounted to a current value using a discount rate set by reference to market yields on high quality corporate bonds. The value of the defined benefit obligation is sensitive to changes in the actuarial, financial and discount rate assumptions, changes to which would be reflected in other comprehensive income in the period in which the change occurs; and
- *the value of contingent liabilities*—possible obligations arising from past events whose existence will be confirmed only by the occurrence, or non-occurrence, of one or more uncertain future events not wholly within the control of the Group. Judgements are also applied in concluding the appropriateness of contingent liabilities disclosure.

Because of the uncertainty surrounding the Group's management's judgements and the estimates pertaining to these matters, the Group may make changes in accounting judgements or estimates that have a significant effect on the reported value of the Group's assets and liabilities and the Group's reported results of operations and financial position.

Whilst the accounting policies adopted by ICAP Group for the financial year ended 31 March 2015 were applied in the preparation of the historical financial information for all periods relating to IGBB set out in Section B of Part XVI (*Historical Financial Information of IGBB*) of this document (and these accounting policies are consistent with those used by Tullett Prebon plc in its annual financial statements for the year ended 31 December 2015), the judgements, estimates and assumptions made by ICAP's senior management in the application of the ICAP accounting policies to IGBB may be different to those that would have been made by the Tullett Prebon Group's senior management. Accordingly, there is a risk that future carrying amounts of assets and liabilities relating to IGBB may be significantly different to those previously reported.

1.18 A UK exit from the EU could impact the Group's profits

Following the UK general election in May 2015, the UK government has committed to hold a referendum by the end of 2017 on whether the UK will remain in the European Union, and the Group faces risks associated with a vote to exit the European Union. For example, because a significant proportion of the regulatory regime applicable to the Group in the UK and anticipated regulatory reform is derived from European Union directives and regulations, a vote in favour of the UK exiting the European Union could materially change the regulatory framework applicable to the Group's operations. In addition, a UK exit from the European Union could result in restrictions on the movement of capital and the mobility of personnel. Any of these risks could result in higher operating costs and could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

2. RISKS RELATING TO THE INDUSTRY IN WHICH THE GROUP OPERATES

2.1 Changes in market dynamics or structure as a result of new regulations directly or indirectly affecting the Group's activities or its customers, or a rapid change in the method of broking in one or more products, could significantly harm the Group

In response to the global financial crisis, regulators worldwide have been adopting an increased level of scrutiny in supervising the financial markets, and have been developing a number of new regulations and other reforms designed to strengthen the financial system and to improve the operation of the world's financial markets. Some of the detailed rules and regulations are still in the process of being finalised, and some of those that have already been agreed are being phased in over time.

These regulations and reforms may affect the Group's business directly, through their impact on the way in which trading in one or more OTC product markets is undertaken which may reduce the role of interdealer brokers as intermediaries in those markets, or through the introduction of requirements and rules to operate as an intermediary which the Group is unable to satisfactorily respond to, and indirectly through their impact on the Group's customers and their willingness and ability to trade.

The new regulations, including the Dodd-Frank Act in the United States, the European Markets Infrastructure Regulation ("EMIR"), the Markets in Financial Instruments Directive ("MiFID") and the Markets in Financial Instruments Regulations ("MiFIR") in Europe, may result in changes in the method of broking in certain product markets, and may create new types of competition between interdealer brokers and other market intermediaries for execution business.

Any inability of the Group to adapt or deliver services that are compliant with the new regulations could significantly adversely affect its competitive position and therefore reduce the revenue and profitability of the Group. To date, the Group has needed to incur certain costs to comply with the new regulations, and even if successful in adapting its services to new regulations, the costs of making those adaptations or otherwise complying with those regulations may significantly increase the cost base of the Group. There is also a possibility that further regulations and reforms affecting the OTC markets may be introduced that may adversely affect the role of interdealer brokers or may introduce requirements or rules that the Group is unable to meet.

Changing regulation may also impact the activities of the Group's customers, including through increased capital and liquidity requirements, which may cause a reduction in overall trading activity or increased costs in certain markets. This may in turn reduce the Group's revenue.

2.2 The markets in which the Group operates are highly competitive and competition could intensify in the future. If the Group is unable to continue to compete effectively for any reason, certain aspects of its business may be materially damaged which could result in lower revenue and loss of reputation

The Group has numerous current and prospective competitors, both domestic and international. Some of its competitors and potential competitors may have, in certain markets, larger customer bases, more established name recognition and greater financial, marketing, technology and personnel resources than the Group might have, or may be able to offer services that are disruptive to current market structures and assumptions. These resources may enable them to, among other things:

- develop services similar to the Group or new services that are preferred by the Group's customers;
- provide access to trading in products or a range of products that the Group does not offer;
- provide better execution and lower transaction costs;
- provide new services more quickly and efficiently than the Group can;
- offer better, faster and more reliable technology;
- take greater advantage of new or existing acquisitions, alliances and other opportunities;
- more effectively market, promote and sell their services;
- migrate products more quickly or effectively to electronic platforms which could move trading activity from the Group;
- better leverage their relationships with their customers, including new classes of customer; or
- offer better contractual terms to customers.

In addition, new or existing competitors could gain access to markets or products in which the Group currently enjoys a competitive advantage. Competitors may have a greater ability to offer new services, or existing services to more diverse customers. This may erode the Group's market share. Even if new or existing competitors do not significantly erode the Group's market share, they may offer their services at lower prices, and the Group may then be required to reduce its commissions to remain competitive, which could have a material adverse effect on its profitability.

The Group competes with other interdealer brokers for front office personnel and the level of this competition is intense. Such competition may significantly increase front office personnel costs and may result in the loss of capability, customer relationships and expertise through the loss of front office personnel to competitors. The Group may also suffer from predatory actions of competitors aimed at poaching large numbers of brokers. The Group's business, its operating results and its financial condition may be adversely affected due to such competitor activity, which may continue or intensify in the future.

In addition, consolidation among the Group's customers may cause revenue to be dependent on a smaller number of customers and may result in additional pricing pressure. While no single customer currently accounts for a material part of the Group's total revenue, if the Group's existing customers consolidate and new customers do not generate offsetting volumes of transactions, then the Group's revenue may become concentrated in a smaller number of customers. In that event, the Group's revenue may be dependent on its continued good relationships with those customers to a material extent and any adverse change in those relationships could materially reduce the Group's revenue.

2.3 The Group operates in a regulated environment that imposes significant compliance requirements. Changes in regulations may increase the cost and complexity of doing business, or may disadvantage the Group relative to its competitors. The failure to comply with regulations could subject the Group to sanctions, force it to cease providing certain services, or oblige it to change the scope or nature of its operations

Regulatory obligations require a significant commitment of resources. The Group's ability to comply with applicable laws, rules and regulations will be largely dependent on its establishment and maintenance of compliance, control and reporting systems, as well as its ability to attract and retain qualified compliance and other risk management personnel. These requirements may require the Group to make changes to its management and support structure that could significantly increase the cost of doing business. Failure to establish and maintain effective compliance and reporting systems or failure to attract and retain personnel who are capable of designing and operating such systems, may increase the risk that the Group could breach applicable laws and regulations, thereby exposing it to the risk of litigation and investigations and

possible sanctions by regulatory agencies. These agencies have broad powers to investigate and enforce compliance with applicable rules and regulations and to punish non-compliance, and any investigations or actions by these agencies could adversely affect the Group, both in terms of its reputation, and financially to the extent that penalties are imposed. Similarly, any failure of commercial management to understand and act upon applicable laws and regulations would present a similar risk.

The Group's lead regulator is the FCA and the Group is required to meet the systems and controls requirements of Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, as amended (known as the "**Capital Requirements Directive**" or the "**CRD**"). The FCA adopts a risk-based approach to supervision which it undertakes in various ways, including through the review of prudential returns, visits to the Group and meetings with senior management. In the United States, the Group's activities are primarily regulated by, amongst others, the Financial Industry Regulatory Authority and the Securities and Exchange Commission. Under Title VII of the Dodd-Frank Act, certain activities of the Group relating to OTC derivatives are now regulated by the CFTC. The Group's operations in other countries are subject to relevant local regulatory requirements which may change from time to time.

Any significant changes in regulation, including in particular the changes in regulation in the United Kingdom and the United States discussed above, may result in rules that are more onerous than the existing rules to which the Group is currently subject and the Group may incur significant costs in establishing the necessary systems and procedures, and in training its front office personnel, to enable it to comply with any new regulations to which it becomes subject. In addition, changes in the Group's regulatory environment may disadvantage the Group relative to its competitors operating under different regulatory environments which may reduce the Group's relative competitiveness.

The Group may face significant additional costs as a result of improving its risk management and in managing its culture to reflect developing best practice within the financial markets. The increased burden of responding to regulatory enquiry and supervision may require investment in management and support resource that could also increase costs further.

As a result of the Transaction and the resultant increase in scale and complexity of the Tullett Prebon Group, the Enlarged Tullett Prebon Group may be required to invest further in risk management and operational processes to meet higher regulatory standards.

The compliance requirements imposed by the regulators are designed to ensure the integrity of the financial markets and to protect customers and other third parties who deal with the Group and are not designed to protect the Group's investors. Consequently, these regulations may serve to limit the Group's flexibility regarding its capital structure. Customer protection and market conduct requirements may also restrict the scope of the Group's activities.

The Group may develop its activities in a way that changes the nature of its customer base or the geographic markets in which it operates and this may increase the Group's regulatory burden and the risk of infringement of rules and regulations.

2.4 The Group is required to maintain capital in excess of minimum levels in each of its regulated entities and in the top holding company. The amount of capital that is required to be held by a particular entity is determined by the relevant regulator, and the Group's capital requirements may increase in the future, which could limit the Group's flexibility regarding its capital structure and its ability to pay dividends. Failure to maintain excesses over the minimum levels of capital or failure to comply with the terms of the investment firm consolidation waiver could subject the Group to sanctions, or force it to change the scope of its operations

The current regulatory regimes under which the Group operates require the maintenance of minimum levels of capital in each of its regulated entities. Any changes in the Group's regulatory environment, or the imposition of new or increased regulatory requirements on any of the Group's businesses in the future, could require the Group to increase the capital held in the top holding company of the Group, or in a regulated subsidiary entity. The Tullett Prebon Group is not currently required to meet the own funds requirements on a consolidated basis under CRD IV (as defined below), as it is eligible for and has obtained a derogation from the application of own funds requirements on a consolidated basis (the "**Waiver**") in accordance with Article 15 of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, as amended (known as the "**Capital Requirements Regulation**" or "**CRR**" and, together with the CRD,

“CRD IV”). Under the terms of the Waiver the Company, as a standalone legal entity, must maintain financial resources in excess of the sum of the solo notional capital resources requirements for each relevant firm within the Tullett Prebon Group.

To be eligible for the Waiver each investment firm within the Tullett Prebon Group must fall within either of the categories set out in Article 95(1) or Article 96(1) of the CRR and each EU investment firm in the Tullett Prebon Group must meet its own relevant funds requirements. Under the terms of the Waiver the Tullett Prebon Group must eliminate the excess of its own funds requirements compared with its own funds on a consolidated basis (“**excess goodwill**”) over the ten year period to 24 September 2024. The amount of the excess goodwill must not exceed the amount determined as at the date the Waiver took effect and must be reduced in line with a schedule over the ten years, with the first reduction of 25 per cent. required to be achieved by March 2017. The Waiver also sets out conditions with respect to the maintenance of financial ratios relating to leverage, debt service and debt maturity profile.

It is a condition precedent to Completion that the FCA grants, subject only to Completion, a new waiver to the relevant firms in the Group as from the point of Completion, in a form reasonably acceptable to the Company (the “**New Waiver**”).

The Tullett Prebon Group has discussed the terms of the New Waiver with the FCA who have advised the Tullett Prebon Group that they would be minded to grant the permissions requested subject to any material changes and to Completion. The proposed New Waiver is expected to take effect on Completion with a duration of ten years. Consistent with the current Waiver, under the terms of the New Waiver, each investment firm within the Group must fall within either of the categories set out in Article 95(1) or Article 96(1) of the CRR, each EU investment firm in the Group must meet its own relevant funds requirements, and the Company, as a standalone legal entity, must continue to maintain financial resources in excess of the sum of the solo notional capital resources requirements for each relevant firm within the Group. Under the proposed terms of the New Waiver, the Group must eliminate its excess goodwill over the ten year period following Completion. The amount of excess goodwill must not exceed the amount determined as at the date the New Waiver takes effect and must be reduced in line with a schedule over the ten years, with the first reduction of 25 per cent. required to be achieved after two and a half years following Completion. The proposed terms of the New Waiver include conditions with respect to the maintenance of financial ratios relating to leverage, debt service and debt maturity profile.

The final terms of the New Waiver may be more onerous than those discussed with the FCA to date. In order to comply with the terms of the current Waiver or the New Waiver, the Company may need to increase the capital it holds, which may require it to reduce or suspend the payment of dividends.

Each of the Group’s regulated entities must hold sufficient capital resources to meet their local regulatory capital requirements. These local regulatory capital requirements are subject to change either through changes to the relevant rules or their application, or through changes to the scale and nature of the underlying business or particular issues affecting the business. For the Group’s UK legal entities regulated by the FCA, the capital resources requirement is the higher of (a) the minimum requirements calculated under Pillar 1 of Basel II plus a scalar and other add-ons imposed by the FCA, and (b) the entity’s own assessment of its requirements under the Internal Capital Adequacy Assessment Process (“**ICAAP**”). The level of the scalar and other add-ons imposed by the FCA is subject to change and may increase in the future. An entity’s own assessment of its requirements is also subject to change from time to time and may increase in the future. Increases in any individual entity’s capital requirements may restrict the ability of an entity to distribute its earnings within the Group or may require the Group to inject additional capital into an entity, which may restrict the Company’s ability to pay interest, principal and dividends, or require the Group to increase its indebtedness.

3. RISKS RELATING TO THE TRANSACTION

3.1 Completion is subject to a number of conditions which may not be satisfied or waived

Completion is conditional upon, among other things: (i) antitrust filings, approvals and clearances in the UK, US and other relevant jurisdictions (including but not limited to the expiry of certain waiting periods); (ii) regulatory approvals obtained or notifications sent (by both ICAP and Tullett Prebon); (iii) the New Waiver being obtained by Tullett Prebon; (iv) key third party joint venture (including iSwap) consents being obtained; (v) ICAP bondholder approval being obtained; (vi) approvals by the shareholders of both ICAP and Tullett Prebon; (vii) approval of the ICAP Scheme (including approval by the shareholders of ICAP and sanction by the Court); (viii) confirmation from the UK Listing Authority that the application for the

re-admission of all of the existing shares in the capital of Tullett Prebon and the admission for the New Tullett Prebon Shares issued as consideration for the Transaction, in each case to the premium listing segment of the Official List, has been approved and will become effective as soon as the UK Listing Authority's decision to re-admit the existing Tullett Prebon shares and admit the New Tullett Prebon Shares is announced; and (ix) confirmation from the London Stock Exchange that all of the existing Tullett Prebon shares will be re-admitted and the New Tullett Prebon Shares will be admitted, in each case to trading on the main market for listed securities of the London Stock Exchange.

Although the Directors believe that the above conditions are capable of being satisfied, it is possible that the parties may not be able to obtain the clearances or approvals required, or that they may not be obtainable within a timescale acceptable to the parties, or that they may only be obtained subject to certain conditions or undertakings which may not be acceptable to the parties. In the event that the FCA or any other required clearance is not obtained on terms reasonably satisfactory to Tullett Prebon or if any other condition is not fulfilled or waived, the Transaction may not be completed. Further, it is possible that the FCA or other overseas regulator may attach conditions to their approval of the Transaction, which might delay or prevent the realisation of synergies identified by the parties or otherwise impact the Group's strategy and operations. If this were to happen it is possible that the business, results of operations and/or financial condition of the Group, following completion of the Transaction, may be materially adversely affected.

3.2 The Transaction may fail to realise anticipated benefits or may exceed the Tullett Prebon Group's cost expectations

There can be no guarantee that, following Completion, the Tullett Prebon Group will realise any or all of the anticipated benefits of the Transaction as described in Part VIII (*Details of the Transaction*) of this document, either in a timely manner or at all. The value of IGBB is dependent on its revenue, which it generates from commissions it earns by facilitating and executing trades. The level of revenue of IGBB is substantially dependent on customer trading volumes, and IGBB is also reliant on its brokers. A decline in any of these factors may mean that the Group encounters difficulties in achieving the anticipated benefits of the Transaction. If that happens, it could have a material adverse effect on the price of the Ordinary Shares. In addition, if the Group incurs significant costs in relation to the Transaction, it could also have a material adverse impact on the results of the Group. If the results and cash flows generated by the combination of the operations of IGBB with those of the Tullett Prebon Group are not in line with the directors' current or future expectations, it may adversely affect the Group's ability to generate distributable reserves and consequently affect the Group's ability to pay dividends.

It is expected that the Group will incur a number of costs in relation to the Transaction, including post-completion costs and integration costs. The actual costs of the Transaction may exceed those estimated and there may be further additional and unforeseen expenses incurred in connection with the Transaction. In addition, the Company will incur legal, accounting and other transaction fees and other costs relating to the Transaction.

3.3 The Group's reliance on, and obligations under, transitional services arrangements in respect of IGBB exposes it to potential operational risks

Following Completion, (i) ICAP will provide IGBB with the use of or access to certain resources that will be retained by ICAP pursuant to the Acquisition Agreement, and (ii) IGBB will provide ICAP with the use of or access to certain resources that will be transferred to IGBB pursuant to the Acquisition Agreement. Details of the Transitional Services Agreements under which these arrangements will be made are set out in paragraph 16.5 of Part XXII (*Additional Information*) of this document.

The Group will be reliant on ICAP for the provision of certain systems and related services for the continued operation of IGBB's business, functions and processes during the integration period following Completion. These systems and services are intended to ensure that IGBB is capable of operating on a standalone basis (where 'standalone basis' means that IGBB does not require additional support services to be provided by the Tullett Prebon Group in order to operate in a manner in which it is operated immediately prior to Completion). There can, however, be no assurance that these systems and services will operate as expected, and they may not fulfil their intended purposes or may be damaged or interrupted by unanticipated usage, human error, unauthorised access, natural hazards or disasters or similarly disruptive events. Any interruption to the systems and services provided by ICAP pursuant to the TSA could result in IGBB and, as a result, the Group suffering operational difficulties which, either directly or

as a result of the need for further investment in these new services and functions, could have a material adverse effect on the Group's business, financial condition and results of operations.

3.4 The Group's success will be dependent upon its ability to integrate the two businesses. There will be numerous challenges associated with the integration, the synergies expected from the Transaction may not be fully achieved and the cash spend necessary to achieve the integration may exceed current estimates. In addition, the integration process will make demands on management time and on other resources which may delay other projects or may restrict the ability of the Group to invest in business development

The current operations of the Tullett Prebon Group and IGBB will be integrated to form the combined operations of the Group over a period that is expected to be two to three years following Completion. To the extent that the Group is unable to efficiently integrate the operations, realise cost reductions, retain qualified personnel or customers, and avoid unforeseen costs or delay, there may be an adverse effect on the business, results of operations and/or the financial condition of the Group. While Tullett Prebon believes that the costs and synergies expected to arise from the transaction have been reasonably estimated, unanticipated events or liabilities may arise which result in a delay or reduction in the benefits derived from the transaction, or in costs significantly in excess of those estimated. The integration of the Tullett Prebon Group and IGBB will be supported by a strong management team with experience of large integration processes. However, no assurance can be given that the integration process will deliver all, or substantially all, of the expected benefits or realise such benefits in a timely manner.

The industry in which the Tullett Prebon Group and IGBB operate is competitive, and there is overlapping clientele between brokers both within and between the Tullett Prebon Group and IGBB. In some instances, the Tullett Prebon Group and IGBB may be providing the same (or materially similar) services to the same clients. This overlap could have an adverse effect on the combined revenue of the Tullett Prebon Group and IGBB if clients use alternative providers or seek to reduce commission rates, or if brokers leave the Group to work for competitors, and would therefore, have an adverse effect on the Group's business and results of operations.

The Group may encounter a number of challenges during the integration process following Completion. In particular, following Completion, the Group's management and resources may be diverted from its core business activity due to personnel being required to assist in the integration process. The integration process may lead to an increase in the level of administrative errors. A decline in the service standards of the Group may result in an increase in customer complaints and customer and/or regulatory actions, which may lead to reputational damage and the loss of customers and/or distributions by the Group and have an adverse impact on financial performance and condition. Furthermore, whether as a result of a decision or action taken by a regulator with jurisdiction over the Group's business or otherwise, it may not prove possible to achieve the expected level of synergy benefits on integration of the business of the Tullett Prebon Group and IGBB on time or at all and/or the cost of delivering such benefits may exceed the expected cost.

The Tullett Prebon Group and IGBB operate separate and different computer and communication systems in separate networks. Part of the integration of the Tullett Prebon Group and IGBB will involve selecting and implementing the appropriate systems, networks and infrastructure to service the Group's operations. Failure to implement this selection and implementation process successfully may materially impact the Group's business or operations.

There will be a significant cash spend required to achieve the integration of the businesses and in revising the current systems and structures of the Group following Completion. There is a risk that these costs could exceed current estimates, which would adversely affect the financial benefits of the Transaction.

During the integration period following Completion, the Group may not be in a position to invest in developing its business or to acquire or invest in businesses that it might otherwise have sought to acquire. In view of the demands the integration process may have on management time, it may also cause a delay in other projects currently contemplated by the Tullett Prebon Group and IGBB respectively.

Under any of these circumstances described above, the business growth opportunities and the synergies anticipated by the Tullett Prebon Group to result from the Transaction may not be achieved as expected, or at all, or may be delayed materially.

To the extent that the Group incurs higher integration costs or achieves lower synergy benefits than expected, its results of operations, financial condition and/or prospects, and the price of the Ordinary Shares, may be adversely affected.

3.5 The Group may face increased financial risks in connection with the Transaction due to its increased level of debt following Completion

Pursuant to the terms of the Transaction, Tullett Prebon is required to procure the full repayment of a £330 million loan due from IGBHL to ICAP Group Holdings plc by Completion. The Tullett Prebon Group will finance this obligation with drawings to be made under the Bridge Facility described in paragraph 16.3 of Part XXII (*Additional Information*) of this document. As at 31 December 2015, as adjusted to give effect to the Transaction, the Group would have had gross debt of £550 million as per Part XIX (*Unaudited Pro Forma Financial Information of the Enlarged Tullett Prebon Group*) of this document. Substantially all of this debt financing is short or medium term as set out in paragraphs 16.2 and 16.3 of Part XXII (*Additional Information*).

Subject to market conditions, the Tullett Prebon Group currently intends to refinance a portion of this debt following the Transaction, when it believes it is appropriate to do so.

The Group's ability to refinance its short and medium-term indebtedness, or repay such indebtedness when due, will depend in part upon market conditions, and unfavourable conditions could increase costs beyond those anticipated. Such costs could have a material adverse impact on cash flows or its results of operations or both. In addition, an inability to repay or refinance all or a substantial amount of these debt obligations when they become due would have a material adverse effect on the financial condition and results of operations of the Group.

3.6 An impairment of goodwill or other intangible assets could adversely affect the Group's financial condition and results of operations

Upon Completion, a significant portion of the difference between IGBB's net assets at the date of Completion and the allocation of costs of the combination to the assets acquired and the liabilities assumed will be recorded as goodwill. Under IFRS, goodwill and intangible assets with indefinite lives are not amortised but are tested for impairment annually or more often if an event or circumstance indicates that an impairment loss may have been incurred. Other intangible assets with a finite life are amortised on a straight-line basis over their estimated useful lives and reviewed for impairment whenever there is an indication of impairment. In particular, if the combination of the Tullett Prebon Group's and IGBB's respective businesses meets with unexpected difficulties, or if the business of the Group does not develop as expected, impairment charges may be incurred in the future which could be significant and which could have an adverse effect on the Group's results of operations and financial condition.

3.7 The Group may suffer reputational or financial losses arising from historical issues arising in IGBB, including those that have not been disclosed to the Company, or ICAP may be unable to fulfil its obligation to indemnify the Group for any liability arising as a result of the implementation of an intra-group reorganisation of ICAP or in respect of specific regulatory investigations or litigation, including ISDA Fix

Under the terms of the Acquisition Agreement, the Group is protected against liabilities arising in the IGBB business relating to incidents that occurred prior to Completion by specific indemnities (including in respect of claims against IGBB entities in relation to any injury caused as a result of any action or conspiracy to manipulate or fix USD LIBOR, EURIBOR, Yen LIBOR and certain other claims) and general warranties given by ICAP. Nevertheless, the Group may still suffer reputational or financial loss arising from these issues arising in IGBB prior to Completion. In addition, IGBB may have historical issues of which the Company is currently unaware which, whether or not covered by the specific indemnities or general warranties given by ICAP pursuant to the terms of the Acquisition Agreement, may adversely affect the reputation of the Enlarged Tullett Prebon Group.

The Group is protected by an indemnity against liabilities, including any tax liabilities, arising in IGBB following Completion as a result of the implementation of any step of an intra-group reorganisation of ICAP (pursuant to which IGBHL will be the holding company of IGBB) to take place prior to Completion, and in respect of any step of that reorganisation being unlawful at the time it was carried out.

ICAP has also provided an indemnity to the Company in respect of any residual liability of any member of the Enlarged Tullett Prebon Group arising under the on-going ISDA Fix investigation being conducted in respect of the ICAP Group. Although it is intended that any liability arising as a result of such ISDA Fix

investigation or the resulting litigation or class actions will be retained by the ICAP Group, there can be no assurance that a competent court or regulator will not apply any such liability to IGBB's business or operations.

Although Tullett Prebon has the benefit of specific indemnities and general warranties from ICAP against certain liabilities, ICAP may be unable to fulfil its obligations in full under those indemnities or warranties if it lacks sufficient financial or capital resources to do so, which could have an adverse effect on the Group's business, results of operations or financial condition.

3.8 The Transaction will result in a dilution of shareholdings of existing Ordinary Shares

Shareholders of existing Ordinary Shares will suffer a reduction in their proportionate ownership and voting interest in the ordinary share capital of the Company as a result of the Transaction. The terms of the Transaction are such that, following Completion, and assuming the Transaction is implemented in full as expected, the share ownership of the Enlarged Tullett Prebon Group will be: approximately 56 per cent. held by ICAP NewCo and ICAP NewCo's shareholders and approximately 44 per cent. held by Tullett Prebon's existing shareholders.

4. RISKS RELATING TO THE ORDINARY SHARES

4.1 The Company's share price may fluctuate

The Company's share price is generally subject to fluctuation as a result of a large number of factors, including but not limited to those referred to in this Part II and, in addition, the market price of the Ordinary Shares could be subject to significant fluctuations due to a change in sentiment in the market specifically regarding the Transaction. Such risks depend on the market's response to the Transaction and results of operations, and business developments of the Group and/or its competitors. The Group's results of operations and prospects may, from time to time, be below the expectations of market analysts and investors. Any of these events could result in a decline in the market price of the Ordinary Shares. The value of the Ordinary Shares could also be affected by developments unrelated to the Group's operating performance, such as the operating and share price performance of other companies that investors may consider comparable to the Company, speculation about the Company in the press or the investment community, strategic actions by competitors, including acquisitions and/or restructurings, changes in market conditions and regulatory changes in any number of countries, whether or not the Company derives significant revenue therefrom and shifts in macro-economic or geopolitical conditions generally.

4.2 The sale of the Company's shares by substantial shareholders could depress the price of the Ordinary Shares

As at 26 February 2016 (being the last practicable date prior to the date of this document), the Company's 10 largest shareholders collectively held 55.4 per cent. of the voting share capital of the Company. After Completion, the Company's 10 largest shareholders will collectively hold 53.5 per cent. of the voting share capital of the Company (assuming no sale of Ordinary Shares by existing shareholders between 26 February 2016 and Completion). In particular, ICAP NewCo will hold 19.9 per cent. of the voting share capital of the Company after Completion, and such holding will not be subject to any lock-up arrangement.

Subsequent sales by any of them (or any other substantial shareholders) of a substantial number of Ordinary Shares may significantly reduce the price of the Ordinary Shares. Also, any perceived view that any such shareholder might sell substantial numbers of Ordinary Shares could depress the price of Ordinary Shares for an unknown period of time.

4.3 The issue of additional Ordinary Shares in connection with future acquisitions, any share incentive or share option plan or otherwise may dilute all other shareholdings

The Group may seek to raise financing to fund future acquisitions and other growth opportunities. The Company may, for these and other purposes, such as in connection with share incentive and share option plans, issue additional Ordinary Shares. As a result, the Tullett Prebon Shareholders may suffer dilution in their percentage ownership of the Company.

4.4 The Company's ability to continue to pay dividends will depend on revenue, the level of profits, and cash flow generated by the Group

Under English company law, a company can only pay cash dividends to the extent that it has distributable reserves available for this purpose. As a holding company, the Company's ability to pay dividends in the

future is affected by a number of factors, including having sufficient distributable reserves and its ability to receive sufficient dividends from subsidiaries.

The ability of these subsidiaries to pay dividends and the Company's ability to receive distributions from its investments in other entities are subject to applicable local laws and regulatory requirements and other restrictions, including, but not limited to, the existence of sufficient distributable reserves and cash and applicable tax laws. These laws and restrictions could limit the payment of dividends and distributions to the Company by its subsidiaries, which could in future restrict the Company's ability to fund other operations or to pay a dividend to holders of the Ordinary Shares, which could have an adverse impact on the market price of the Ordinary Shares.

4.5 The ability of Overseas Shareholders to bring actions or enforce judgments against the Company or the Directors may be limited

The ability of an Overseas Shareholder to bring an action against the Company may be limited under law. The Company is a public limited company incorporated in England. The rights of holders of Ordinary Shares are governed by English law and by the Company's Articles of Association. These rights differ from the rights of Shareholders in typical US corporations and some other non-UK corporations. An Overseas Shareholder may not be able to enforce a judgment against some or all of the Directors and executive officers. The majority of Directors and executive officers are residents of the United Kingdom. Consequently it may not be possible for an Overseas Shareholder to effect service of process upon the Directors and executive officers within the Overseas Shareholder's country of residence or to enforce against the Directors and executive officers judgments of courts of the Overseas Shareholder's country of residence based on civil liabilities under that country's securities laws. There can be no assurance that an Overseas Shareholder will be able to enforce any judgments in civil and commercial matters or any judgments under the securities laws of countries other than the United Kingdom against the Directors or executive officers who are residents of the United Kingdom or countries other than those in which judgment is made. In addition, English or other courts may not impose civil liability on the Directors or executive officers in any original action based solely on foreign securities laws brought against the Company or the Directors in a court of competent jurisdiction in England or other countries.

PART III
IMPORTANT INFORMATION

1. GENERAL

Investors should only rely on the information in this document. No person has been authorised to give any information or to make any representations other than the information and representations contained in this document in connection with the Transaction, Admission or the issue of the New Tullett Prebon Shares, and, if any other information or representations is or are given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Company, the Directors, the Proposed Director or the Sponsor. No representation or warranty, express or implied, is made by the Sponsor as to the accuracy or completeness of such information, and nothing contained in this document is, or shall be relied upon as, a promise or representation by the Sponsor as to the past, present or future.

Without prejudice to any obligation of the Company to publish a supplementary document pursuant to section 87G of FSMA and paragraph 3.4.1 of the Prospectus Rules, neither the delivery of this document nor Admission shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company or of the Tullett Prebon Group taken as a whole since the date of this document or that the information contained herein is correct as of any time subsequent to its date.

The Company does not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding the proposed Transaction or the Tullett Prebon Group. The Company makes no representations as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

The contents of this document are not to be construed as legal, business or tax advice. Each prospective investor should consult their own legal adviser, financial adviser or tax adviser for legal, financial or tax advice respectively.

2. ACCOUNTING PRINCIPLES

In accordance with EU law (IAS Regulation EC 1606/2002), the consolidated financial statements of the Tullett Prebon Group and IGBB have been prepared in accordance with IFRS as adopted for use in the EU as at 31 December 2015, International Financial Reporting Interpretations Committee interpretations and those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies. The areas that require a high level of judgement or areas of judgement and estimation that are significant to Tullett Prebon are disclosed in the notes accompanying the financial statements.

Under IFRS, the Transaction will be accounted for using the acquisition method. Tullett Prebon is the acquirer. In Tullett Prebon's consolidated financial statements, the assets and liabilities of IGBB will be recognised at fair value; the excess of the cost of the Transaction over the net fair value of the assets and liabilities recognised will be recorded as goodwill.

3. PRO FORMA FINANCIAL INFORMATION

In this document, any reference to "pro forma" financial information is to information which has been extracted without material adjustment from the unaudited pro forma financial information contained in Part XIX (*Unaudited Pro Forma Financial Information of the Enlarged Tullett Prebon Group*).

The unaudited pro forma financial information is for illustrative purposes only. Because of its nature, the pro forma financial information addresses a hypothetical situation and, therefore, does not represent the Company's financial position. Further results of operations may differ materially from those presented in the pro forma information due to various factors.

4. FINANCIAL INFORMATION FOR YEAR ENDED 31 DECEMBER 2015

This document contains selected financial information for the year ended 31 December 2015 derived from the Company's statutory accounts for the year ended 31 December 2015. The Company's statutory accounts for the year ended 31 December 2015 were approved by the Tullett Prebon Board and signed on

1 March 2016. However, as those accounts have not yet been published, the Company's 2015 Preliminary Results incorporated by reference in this document and the selected financial information of the Company for the year ended 31 December 2015 included in this document are unaudited. The Company expects to publish its statutory accounts for the year ended 31 December 2015 in April 2016. Statutory accounts for 2015, if approved, will be delivered to the Registrar of Companies following the Company's Annual General Meeting.

Deloitte LLP, London, United Kingdom, a member of the Institute of Chartered Accountants in England and Wales, has agreed that the financial statements of the Company for the year ended 31 December 2015 included on pages 21 to 33 of the Company's 2015 Preliminary Results, and the selected financial information of the Company for the year ended 31 December 2015 included on pages 78 to 79 of this document, are substantially consistent with the final figures to be published in the Company's statutory accounts for the year ended 31 December 2015. The Directors and the Proposed Director, whose names appear on page 49 of this document, and Tullett Prebon, have approved this information.

5. ROUNDING

Certain data in this document, including financial, statistical and operating information, have been rounded to the nearest whole number or the nearest decimal place. As a result of rounding, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data. Percentages have also been rounded and accordingly may not add up to 100 per cent.

6. FORWARD-LOOKING STATEMENTS

This document and documents incorporated by reference into this document include statements that are, or may be deemed to be "forward-looking statements" regarding the financial condition, results of operations, cash flows, dividends, financing plans, business strategies, operating efficiencies or synergies, budgets, capital and other expenditures, competitive positions, growth opportunities, plans and objectives of management and other matters relating to the Tullett Prebon Group, IGBB and following Completion, the Enlarged Tullett Prebon Group. Statements in this document that are not historical facts are hereby identified as "forward-looking statements". In some instances, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology.

Such forward-looking statements are necessarily based on a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements.

Investors are cautioned that forward-looking statements are not guarantees of future performance. Forward-looking statements may, and often do, differ materially from actual results. Any forward-looking statements in this document speak only as at the date of this document, reflect the Board's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company's or the Enlarged Tullett Prebon Group's operations, results of operations and growth strategy. All of the forward-looking statements made in this document are qualified by these cautionary statements. Important factors which may cause actual results to differ include, but are not limited to, those described in Part II (*Risk Factors*) of this document.

Save as required by law, or by the Listing Rules, the Prospectus Rules or the Disclosure and Transparency Rules, the Company undertakes no obligation to release publicly the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Directors' expectations or to reflect events or circumstances after the date of this document. Nothing in this section should be interpreted as qualifying the statements as to the working capital position of the Tullett Prebon Group and the Enlarged Tullett Prebon Group in paragraph 13 of Part XXII (*Additional Information*) of this document.

7. MARKET AND INDUSTRY DATA

All references to market data, industry statistics and forecasts and other information in this document consist of estimates based on data and reports compiled by industry professionals, organisations, analysts, publicly available information or the Company's own knowledge of its sales and markets. The third party

data used herein includes the Tullett Prebon Group's rankings by Risk Magazine's annual interdealer rankings, as well as Tullett Prebon's awards by the Inside Market Data Awards.

The Company confirms that information sourced from a third party has been accurately reproduced, and as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where third-party information has been used in this document, the source of such information has been identified.

In addition, in many cases, statements in this document regarding the markets in which Tullett Prebon and IGBB operate and Tullett Prebon's and IGBB's positions within those markets have been made based on internal surveys, industry forecasts and market research, as well as Tullett Prebon's own experiences. While these statements are believed by Tullett Prebon to be reliable, they have not been independently verified.

References in this document to the term "market", or similarly construed words, are not intended, and should not be read, as an admission of a properly defined market for the purpose of any competition, antitrust or regulatory analysis.

8. US SECURITIES LAW CONSIDERATIONS

The Ordinary Shares have not been, and together with New Tullett Prebon Shares following Completion will not be, registered under the Securities Act, or with any securities regulatory authority of any state or any other jurisdiction of the United States or under the applicable securities laws of any jurisdiction outside the United Kingdom. Accordingly, the Ordinary Shares and the New Tullett Prebon Shares may not be offered, sold or otherwise transferred, directly or indirectly, in or into any such jurisdiction or for the account or benefit of citizens or residents of any such jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of such jurisdiction. Investors outside the United Kingdom are required by the Company to inform themselves about and observe any restrictions on the offer, sale or transfer of Ordinary Shares and New Tullett Prebon Shares.

9. INCORPORATION BY REFERENCE

To the extent that any document or information incorporated by reference or attached to this document itself incorporates any information by reference, either expressly or impliedly, such information will not form part of this document, except where such information or documents are stated within this document as specifically being incorporated by reference or where this document is specifically defined as including such information.

10. INFORMATION NOT CONTAINED IN THIS DOCUMENT

No person has been authorised to give any information or make any representation other than those contained in this document and, if given or made, such information or representation must not be relied upon as having been so authorised by the Company, the Directors, the Proposed Director or the Sponsor.

Without prejudice to any legal or regulatory obligation on the Company to publish a supplementary document neither the delivery of this document, nor Admission, shall under any circumstances create any implication that there has been no change in the affairs of the Company, IGBB or the Tullett Prebon Group since the date of this document or that the information contained herein is correct at any time subsequent to the date of this document.

11. NO INCORPORATION OF WEBSITE INFORMATION

The contents of the websites of Tullett Prebon and ICAP, or any website directly or indirectly linked to either of those websites, do not form part of this document and should not be relied upon.

12. CREDIT RATING AGENCY

This document includes details of the Tullett Prebon Group's credit rating provided by Fitch. Fitch is a registered Credit Rating Agency in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009.

13. PROFIT FORECAST

Nothing in this document is intended, or is to be construed, as a profit forecast for Tullett Prebon, IGBB or the Enlarged Tullett Prebon Group or to be interpreted to mean that earnings per Ordinary Share for the current or future financial years will necessarily match or exceed the historical earnings per Ordinary Share.

14. TIME ZONES

Unless otherwise indicated, all references in this document to time of day are references to the time in London, United Kingdom.

15. CURRENCY PRESENTATION

Unless otherwise indicated, all references in this document to:

- “sterling”, “pounds sterling”, “GBP”, “£” or “pence” are to the lawful currency of the United Kingdom;
- “dollars”, “US dollars”, “USD”, “US\$” or “\$” are to the lawful currency of the United States;
- “euro”, “EUR” or “€” are to the lawful currency of the European Union (as adopted by certain member states); and
- “Australian dollars”, or “AUD” are to the lawful currency of Australia.

The Tullett Prebon Group and the ICAP Group prepare their financial statements in pounds sterling.

16. DEFINITIONS

Certain terms used in this document, including capitalised terms and certain technical terms, are defined and explained in Part XXIV (*Definitions*) of this document.

PART IV

DIRECTORS, PROPOSED DIRECTOR, COMPANY SECRETARY, REGISTERED OFFICE AND ADVISERS

Directors

Rupert Robson	Chairman
John Phizackerley	Chief Executive Officer
Paul Mainwaring	Finance Director
Angela Knight	Senior Independent non-executive Director
Roger Perkin	Independent non-executive Director
Stephen Pull	Independent non-executive Director
David Shalders	Independent non-executive Director
Carol Sergeant	Independent non-executive Director

Proposed Director²

Ken Pigaga	Chief Operating Officer (proposed)
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Company Secretary

Tiffany Brill

Registered Office and Directors' Business Addresses

Tower 42, Level 37
25 Old Broad Street
London
EC2N 1HQ
(Telephone: +44 (0) 20 7200 7000)

Sponsor and Financial Adviser to the Company

Rothschild
New Court, St Swithin's Lane
London, EC4N 8AL

Legal Advisers to the Company

Allen & Overy LLP
One Bishops Square
London
E1 6AD

Legal Advisers to the Sponsor

Ashurst LLP
Broadwalk House
5 Appold Street
London
EC2A 2HA

Reporting Accountants to the Company

Deloitte LLP
Hill House
1 Little New Street
London, EC4A 3TR

Registrars

Capita Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent, BR3 4TU

Corporate brokers to the Company

HSBC Bank plc
Level 2, 8 Canada Square
Canary Wharf
London, E14 5HQ

Reporting Accountants to IGGB

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Numis Securities Limited
The London Stock Exchange Building
10 Paternoster Square
London, EC4M 7LT

² The Proposed Director shall be appointed as director of the Company with effect on, and from, Admission (subject to regulatory approval).

PART V

EXPECTED TIMETABLE OF EVENTS

Each of the times and dates in the table below is indicative only and is based on Tullett Prebon's current expectations and may be subject to change (including as a result of changes to the regulatory timetable and/or the process for implementation of the Transaction). Completion of the Transaction is expected to take place during 2016.

If any of the times and/or dates change, details of the new times and dates will be notified by Tullett Prebon by announcement through a Regulatory Information Service.

References to times in this document are to London times unless otherwise stated.

<u>Event</u>	<u>Date</u>
Announcement of the Transaction	11 November 2015
Publication of this document, Notice of Tullett Prebon General Meeting and Forms of Proxy / CREST Proxy Instructions despatched	1 March 2016
Notice of ICAP General Meeting and relevant forms of proxy / CREST proxy instructions despatched	1 March 2016
Latest time and date for receipt of forms of proxy / CREST proxy instructions in relation to the ICAP General Meeting	11:40 a.m. on 22 March 2016
Latest time and date for receipt of Forms of Proxy / CREST Proxy Instructions ⁽¹⁾	12:15 p.m. on 22 March 2016
Record time for voting at the Tullett Prebon General Meeting by Tullett Prebon Shareholders ⁽²⁾	6:00 p.m. on 22 March 2016
ICAP General Meeting	11:40 a.m. on 24 March 2016
Tullett Prebon General Meeting	12:15 p.m. on 24 March 2016

Notes:

- (1) The Form of Proxy / CREST Instruction Form for the Tullett Prebon General Meeting must be returned by no later than 12:15 p.m. on 22 March 2016 (or in the case of an adjournment of the Tullett Prebon General Meeting, not less than 48 hours (excluding non-business days) prior to the time set for the adjourned Tullett Prebon General Meeting) to be valid.
- (2) Only those Tullett Prebon Shareholders registered on the register of members of Tullett Prebon as at 6:00 p.m. on 22 March 2016 (or in the case of an adjournment of the Tullett Prebon General Meeting, on the register of members of Tullett Prebon at 6:00 p.m. on the day which is two days (excluding non-business days) prior to the time set for the adjourned Tullett Prebon General Meeting) will be entitled to attend and/or vote at the Tullett Prebon General Meeting.

PART VI
TRANSACTION STATISTICS

Number of Ordinary Shares as at 26 February 2016 (being the last practicable date prior to the date of this document)	243,516,227
Expected number of New Tullett Prebon Shares to be issued by the Company ⁽¹⁾	310,314,296
Expected number of total Ordinary Shares in issue upon Completion	553,830,523
Maximum number of New Tullett Prebon Shares to be issued by the Company ⁽²⁾	325,426,232
Maximum number of total Ordinary Shares in issue upon Completion ⁽²⁾	581,118,271
New Tullett Prebon Shares as a percentage of the enlarged issued ordinary share capital of the Company immediately following Completion	56 per cent.

Notes:

- (1) On the assumption that no new Ordinary Shares are issued by Tullett Prebon other than the New Tullett Prebon Shares and the 302,148 new Ordinary Shares that may be issued as a result of the exercise of a vested share option award under the Company's long term incentive plan between 26 February 2016 (being the last practicable date prior to the date of this document) and Admission.
- (2) Tullett Prebon has agreed to issue New Tullett Prebon Shares comprising 56 per cent. of Tullett Prebon's share capital, calculated on a fully diluted basis and immediately following such issuance. Accordingly, any new Ordinary Shares issued by Tullett Prebon other than the New Tullett Prebon Shares and the 302,148 new Ordinary Shares that may be issued as a result of the exercise of a vested share option award under the Company's long term incentive plan between 26 February 2016 (being the last practicable date prior to the date of this document) and Admission will result in Tullett Prebon being required to issue additional New Tullett Prebon Shares. The maximum number of New Tullett Prebon Shares to be issued by the Company of 325,426,232 allows for up to 15,111,936 additional New Tullett Prebon Shares to be issued in connection with the Transaction compared with the 310,314,296 that are expected to be issued which allows the Company to issue up to 12,175,812 new Ordinary Shares prior to Admission.

PART VII

LETTER FROM THE CHAIRMAN OF TULLETT PREBON PLC



TULLETT PREBON PLC

*(Incorporated and registered in England and Wales under the Companies Act
with registered number 05807599)*

Directors

Rupert Robson (Chairman)
John Phizackerley (Chief Executive Officer)
Paul Mainwaring (Finance Director)
Angela Knight (Non-executive Director)
Roger Perkin (Non-executive Director)
Stephen Pull (Non-executive Director)
David Shalders (Non-executive Director)
Carol Sergeant (Non-executive Director)

Registered Office

Tower 42, Level 37
25 Old Broad Street
London
EC2N 1HQ

1 March 2016

Dear Shareholder

Proposed acquisition of IGBB and issue of New Tullett Prebon Shares

1. Introduction

On 11 November 2015, the board of Tullett Prebon announced that Tullett Prebon had agreed terms with ICAP for the acquisition by Tullett Prebon of ICAP's global hybrid voice broking and information business, including ICAP's associated technology and broking platforms (including iSwap and Fusion), certain of ICAP's joint ventures and associates, and certain intellectual property rights including the "ICAP" name.

The Transaction will combine the complementary strengths of two leading global hybrid voice broking franchises. The Transaction will establish a stronger platform to deliver Tullett Prebon's objectives of becoming the world's best operator in global hybrid voice broking and the most trusted source of liquidity in the OTC markets. On Completion of the Transaction (or shortly thereafter), the Company will be renamed "TP ICAP plc" or a derivation thereof.

Owing to its size, the Transaction is a reverse takeover and constitutes a "class 1" transaction for the purposes of the Listing Rules and therefore requires the approval of Tullett Prebon Shareholders: the Transaction is conditional on, amongst other things, such approval. Accordingly, the Tullett Prebon General Meeting to seek Tullett Prebon Shareholders' approval for the Transaction will take place at 12:15 p.m. on 24 March 2016, at the offices of Allen & Overy LLP, One Bishops Square, London, E1 6AD. Tullett Prebon Shareholders will also be asked to approve the allotment of the New Tullett Prebon Shares in connection with the Transaction. An explanation of the Resolutions to be proposed is set out in paragraph 13 ("*Details of the Tullett Prebon General Meeting and the Resolutions*") of this letter.

I am writing to give you further details of the Transaction, including the background to and reasons for it, to explain why the Tullett Prebon board considers it to be in the best interests of Tullett Prebon and Tullett Prebon Shareholders as a whole and to seek your approval of the Resolutions.

2. Background to and reasons for the Transaction

The acquisition of IGBB will position the Enlarged Tullett Prebon Group as the leading inter-institutional liquidity provider in OTC products and as a nexus of product knowledge, broking experience and client relationships. The Enlarged Tullett Prebon Group will play a pivotal role in the facilitation of OTC trading as a partner of choice to institutions, corporates and governments, supported by a best-in-class risk management and compliance infrastructure.

The OTC markets are facing significant change from increased regulatory and disclosure requirements, a reduction in capital that the investment banks devote to certain activities, and rising concerns about low

liquidity following record levels of issuance of corporate and government bonds. Notwithstanding the current challenging market conditions, Tullett Prebon's recent strategic review concluded that the central role played by interdealer brokers in providing liquidity in many asset classes across the OTC spectrum remains secure and that there are opportunities to provide that valuable service to a wider range of participants.

The Transaction provides a unique opportunity to:

- combine the complementary strengths of two leading global hybrid voice broking franchises to create the largest player in the industry with historical revenue in excess of £1.5 billion employing over 3,000 brokers;
- achieve significant management and support cost synergies of at least £60 million by the third full year following Completion;
- the estimated cost synergies comprise only savings arising from the elimination of duplicated management and support costs. In addition to the management and support cost synergies, Tullett Prebon expects to derive, over time, additional efficiencies in front office activities from the combination of the two businesses, which are expected to at least offset any revenue attrition. While the Transaction is expected to dilute Tullett Prebon's earnings per share in the first year, the delivery of cost synergies and additional efficiencies in the second year is expected to at least offset that dilution, and the Transaction is expected to result in EPS accretion on a fully-phased basis;
- accelerate the delivery of Tullett Prebon's strategy, launched in June 2015, which is designed to deliver revenue and earnings growth over the medium term. In particular, the Transaction will enable Tullett Prebon to develop further and faster the following specific strategic initiatives:
 - fill in "white spaces" in Tullett Prebon's brokerage coverage map, strengthening the US franchise, and giving Tullett Prebon a wider network of offices in the Asia Pacific region;
 - enable Tullett Prebon to extend its broking offering to a broader array of clients in those products where the market is receptive, and provide platforms with intuitive user interfaces and abundant functionality in response to changing client needs;
 - build Tullett Prebon's activities in Energy and commodities;
 - develop Tullett Prebon's information business through enriching the range and quality of its suite of products, and expanding its delivery channels. Tullett Prebon has the ambition to grow its information business to global significance;
 - increase the resources available to invest in technological solutions, realigning the mix between owned and outsourced platforms to maximise Tullett Prebon's intellectual property and speed the delivery of a modular, streamlined approach to platform development;
 - augment Tullett Prebon's attractiveness as a nurturer of nascent and early-stage businesses which are seeking a supportive stage and established franchise from which to mature; and
 - establish the Enlarged Tullett Prebon Group as the best employer globally for talented brokers with the resources to recruit and develop the next generation of front office staff, with a culture and reputation underpinned by trust and integrity, reinforced through compensation structures that align staff with Tullett Prebon's values and the expectations of various stakeholders.

3. Transaction structure

Prior to the Transaction, ICAP will incorporate a new company ("ICAP NewCo") which will be interposed as the new group holding company of ICAP pursuant to a court sanctioned cancellation scheme of arrangement (the "ICAP Scheme"). Pursuant to the ICAP Scheme, existing ICAP Shareholders will cease to be shareholders in ICAP and will instead become shareholders in ICAP NewCo.

Subject to the satisfaction of certain conditions (further details of which are set out in paragraph 16.1 of Part XXII (*Additional Information*) of this document), Tullett Prebon will first acquire approximately 64.5 per cent. of the issued share capital of ICAP Global Broking Holdings Limited ("IGBHL") in consideration for the issue of New Tullett Prebon Shares comprising approximately 45.07 per cent. of Tullett Prebon's share capital (calculated on a fully diluted basis and immediately following such issuance) directly to ICAP NewCo shareholders (referred to as "**Initial Completion**").

Tullett Prebon has granted ICAP a put option and ICAP has granted Tullett Prebon a call option which will become exercisable following Initial Completion (together, the “**Options**”). If either Option is exercised (as expected), Tullett Prebon will acquire the remaining approximately 35.5 per cent. of the issued share capital of IGBHL (the “**Option Shares**”). The consideration for the transfer of the Option Shares is the issuance of further New Tullett Prebon Shares comprising approximately 19.9 per cent. of Tullett Prebon’s share capital (calculated on a fully diluted basis and immediately following such issuance) being issued to ICAP NewCo (referred to as “**Option Completion**”).

The Options can be exercised by the service of a notice by Tullett Prebon or ICAP at any time during the ten business days following the date of Initial Completion. Subject to the exercise of either Option, Option Completion is unconditional and is to take place on the business day after the service of the relevant notice.

Accordingly, assuming no new Ordinary Shares are otherwise issued by Tullett Prebon (other than the 302,148 new Ordinary Shares that may be issued as a result of the exercise of a vested share option award under the Company’s long term incentive plan) between 26 February 2016 (being the last practicable date prior to the date of this document) and Admission, 310,314,296 New Tullett Prebon Shares are expected to be issued pursuant to the Transaction as follows:

- 200,041,894 New Tullett Prebon Shares to ICAP NewCo shareholders at the time of Initial Completion; and
- 110,272,402 New Tullett Prebon Shares to ICAP NewCo at the time of Option Completion.

Tullett Prebon intends, if ICAP does not exercise its put option, to exercise its call option in respect of the Option Shares. Following Completion, the enlarged share capital of Tullett Prebon will be owned approximately 44 per cent. by existing Tullett Prebon Shareholders, approximately 36.1 per cent. by ICAP NewCo shareholders and approximately 19.9 per cent. by ICAP NewCo.

4. Employees

The Transaction brings together some of the most experienced management and employees in the industry. Tullett Prebon attaches great importance to the skills and expertise of the management and employees and believes that they will be an important factor for the success of the Enlarged Tullett Prebon Group. The Directors believe that the Transaction will create an enlarged platform from which to attract and retain the best talent in the industry.

The Enlarged Tullett Prebon Group will seek to continue to build a culture and reputation underpinned by the highest standard of ethics and professionalism, built on trust and integrity, reinforced through rewards and incentives that align all staff with the clearly established conduct and values of Tullett Prebon, and commensurate with the expectations of clients and the wider public. Tullett Prebon confirms that the employment rights of all employees will be fully safeguarded.

5. Management and support cost synergies

The Transaction is expected to generate significant cost synergies of at least £60 million, driven by the elimination of duplicated management and support costs.

Approximately 40 per cent. of these synergies are expected to be delivered from the Tullett Prebon Group and IGBB consolidating onto common technology platforms. The remaining synergies are expected to be achieved from de-duplication across functions including regional management, operations, finance, facilities and legal / compliance / risk / internal audit.

The management and support cost synergies represent approximately one-sixth of the combined management and support cost base which amounts to approximately £360 million and are expected to be largely realised by the second full year following Completion and fully realised by the third full year following Completion.

The identified cost synergies will accrue as a direct result of the proposed Transaction and could not be achieved on a standalone basis. In addition to the management and support cost synergies, Tullett Prebon expects to derive, over time, additional efficiencies in front office activities from the combination of the two businesses. Cash integration spend to achieve the cost synergies is expected to be approximately £60 million and is expected to be incurred in the first two years following Completion.

The estimated synergies reflect both the beneficial elements and the relevant costs.

6. Integration

A Project Management Office has been established to manage the integration, to deliver the management and support cost synergies (as outlined above) and to drive further efficiencies from the combination of the two businesses. The Project Management Office will be staffed with executives drawn from both organisations.

For the period following Completion, Tullett Prebon intends to continue to employ the existing portfolio of brands in use by both organisations, including ICAP, Tullett Prebon, PVM and MOAB and expects both businesses' desks will continue to operate in parallel.

7. Transaction status

On 1 March 2016, Tullett Prebon provided an update to its shareholders on the progress towards satisfying certain of the conditions to Completion. A summary of that update is set out below.

Clearance from the Competition and Markets Authority (“CMA”), the United States Antitrust agencies and certain other antitrust authorities

As previously notified to Tullett Prebon Shareholders, Tullett Prebon has received a request for additional information and documentary material from the United States Department of Justice (the “DOJ”) in connection with the Transaction (the “**Second Request**”). Tullett Prebon continues to respond to the Second Request and work cooperatively with the DOJ in connection with its review of the Transaction.

Tullett Prebon and ICAP are also actively engaged in pre-notification discussions with the CMA, having submitted a draft notification, met with the CMA and responded to CMA requests for information.

Clearance will also be requested by Tullett Prebon and ICAP from anti-trust authorities in Singapore and Australia.

Approval by various regulatory bodies including the FCA

Tullett Prebon will seek a number of approvals from regulators including the FCA in relation to a change of control to enable the Transaction to take place. Tullett Prebon intends to make such applications before the end of H1 2016. In addition, Tullett Prebon has discussed the terms of the New Waiver with the FCA, who have advised that they would be minded to grant the permissions requested subject to any material changes and to Completion.

Completion of ICAP’s internal reorganisation, approval of ICAP’s bondholders and approval of ICAP’s scheme of arrangement

Certain court papers relating to ICAP’s scheme of arrangement were filed by ICAP with the court on 22 February 2016. ICAP is in the process of obtaining a number of approvals in relation to change of control from a number of regulators in order for its intra-group reorganisation to be completed, which is expected to take place before the end of H1 2016.

8. Information about IGBB

Operating across 35 locations in 22 countries, IGBB provides hybrid voice interdealer broking services and complementary information services products across a wide range of asset classes including rates, emerging markets, commodities, equities, FX and money markets and credit.

IGBB includes the following constituent parts of ICAP:

- ICAP’s three regionally managed hybrid voice broking businesses in EMEA, the Americas and Asia Pacific (“**APAC**”), including all e-trading products and services developed by ICAP’s e-Commerce team (including Fusion³) (together, “**IGBB Global Broking**”);
- ICAP’s 40.23 per cent. economic interest in iSwap Limited (“**iSwap**”), a global electronic trading platform for EUR, USD and GBP interest rate swaps;
- revenues and operating profits from sales of information services products directly attributable to IGBB Global Broking and iSwap (“**IGBB Information Services**”); and

³ Fusion is an e-Commerce portal for trading venues, which acts as a front-end service to distribute an increasing number of broker-assisted matching sessions in products with more episodic liquidity.

- certain of ICAP's joint ventures, associates and investments, including but not limited to SIF ICAP, SA de CV (Mexico), Totan ICAP Co Limited (Japan), Central Totan Securities Co Limited (Japan) and Corretaje e Informacion Monetaria y de Divisas, SA (Spain).

IGBB offers its customers a choice of trading venues and services, allowing them to select the execution method (matched principal, agency/name give-up or execution on-exchange) appropriate for the liquidity of the product and their specific needs. Market participants use IGBB's hybrid voice broking services to assess trading availability and successfully execute trades. Customers range from investment banks for fixed income products to end-user corporates and industrials for commodities.

IGBB's 1,472 voice brokers (as at 30 June 2015) can draw on their deep customer relationships, market expertise and IGBB's suite of pre-trade price discovery screens to identify potential trading interest, and in doing so create transparency, liquidity and facilitate the price discovery process. This is particularly important in markets where there is a wide range of potential transaction types and the number of parties willing to enter into certain transactions at any moment may be limited.

IGBB is separately managed from ICAP's other businesses by a dedicated management team and is supported by 1,269 support staff.

iSwap is a global electronic trading platform for EUR, USD and GBP interest rate swaps. Since its creation in 2010, iSwap has continued to build on its market position and has brought increased transparency, greater efficiency and lower transaction costs to the world's largest OTC derivative market. iSwap operates as a regulated multilateral trading facility in Europe and within the IGBB Swap Execution Facility in the United States.

IGBB Information Services delivers independent data solutions to financial market participants, generating subscription-based fees from a suite of products and services directly attributable to IGBB Global Broking and iSwap. IGBB Information Services charges licence fees based on financial instruments linked to proprietary indices as well as licensing other index administrators for the use of IGBB data in their indices.

9. Financial information relating to IGBB

IGBB's revenue, trading operating profit and share of post-tax profit of joint ventures and associates for the three financial years ended 31 March 2015 and two six month periods ended 30 September 2015 and 30 September 2014 is set out in the table below. The financial information has been prepared on the basis set out in Note 1 to the historical financial information relating to IGBB set out in Section B of Part XVI (*Historical Financial Information of IGBB*) of this document. IGBB has not in the past constituted a separate legal group and has not previously prepared or reported any combined or consolidated financial information. The results of IGBB as presented might have been different had the entities operated as a separate group from 1 April 2012.

	Six months ended 30 September		Year ended 31 March		
	2015 (audited)	2014 (unaudited)	2015 (audited)	2014 (audited)	2013 (audited)
	(£ in millions)				
Revenue					
IGBB Global Broking and iSwap:					
EMEA	164	193	374	411	452
Americas	128	145	297	362	394
APAC	50	44	96	102	110
IGBB Information Services	24	20	41	38	36
Total	<u>366</u>	<u>402</u>	<u>808</u>	<u>913</u>	<u>992</u>
Trading operating profit	<u>37</u>	<u>24</u>	<u>84</u>	<u>115</u>	<u>128</u>
Share of profit of associates and joint ventures after tax	<u>3</u>	<u>4</u>	<u>8</u>	<u>6</u>	<u>6</u>
Profit before tax	<u>40</u>	<u>9</u>	<u>20</u>	<u>40</u>	<u>15</u>
Gross assets	<u>18,151</u>	<u>N/A</u>	<u>24,961</u>	<u>23,499</u>	<u>17,614</u>

The unaudited revenue and trading operating profit of IGBB for the twelve months to 30 September 2015, adjusted for the indirect costs which will no longer be charged to IGBB following Completion (£14 million for the twelve months to 30 September 2015), is £772 million and £111 million respectively.

10. Dividends

Tullett Prebon intends to maintain its annual dividend of 16.85 pence per share during the integration period, with an ambition to grow the dividend over time.

11. Board

On Completion, it is intended that Ken Pigaga, currently Group Chief Operating Officer of ICAP, will resign his current position and be appointed to the Board as a director (subject to FCA approval) and Chief Operating Officer. ICAP NewCo also has the right to appoint a non-executive director to the Board.

In addition, the Company has entered into heads of terms to appoint Michael Spencer (currently the Chief Executive Officer of ICAP) as a consultant to the Company in connection with the integration of IGBHL into the Company's business for a transitional period of up to 12 months following Completion. Mr Spencer will have the honorary title of President of the Enlarged Tullett Prebon Group. He will be available to advise the Board but will not be a member of the Board.

12. Current trading and prospects

Tullett Prebon

Tullett Prebon's revenue is dependent, in the short term, on the level of activity in the markets it serves. Revenue in the first two months of 2016 was 3 per cent. lower than in the same period in 2015 at constant exchange rates. Revenue from Information Sales and Risk Management Services, and broking revenue in Energy and Equities, was higher than in the prior year, offset by lower broking revenue in the traditional interdealer product areas of Treasury Products, Interest Rate Derivatives and Fixed Income.

It is not possible to predict when the structural and cyclical factors currently adversely affecting the interdealer broker industry will ease, or when the level of activity in the wholesale OTC financial markets may increase. Tullett Prebon's recent performance has benefited from the buoyant level of activity in the Energy and commodities markets, particularly in oil and oil related financial instruments, and this level of activity may not persist. Tullett Prebon has taken further cost improvement action and will continue to actively manage its cost base to reflect market conditions.

IGBB

IGBB revenue from continuing businesses decreased by 5% on a constant currency basis and on a reported basis during the three-month period to 31 December 2015 compared to the same period last year, driven by a decline in revenue in IGBB Global Broking partly offset by an increase in information revenue.

In IGBB Global Broking, revenue from continuing businesses decreased by 7% on a constant currency basis and on a reported basis for the period compared to the same period last year. Year-on-year revenue performance in November and December was much improved on October. The ongoing structural and cyclical factors affecting the division persist, including further deleveraging by the investment banks. Strong revenue growth from electronic matching sessions continues to develop especially in the Asia Pacific region and the Americas.

13. Details of the Tullett Prebon General Meeting and the Resolutions

As described in paragraph 1 above, the Transaction is conditional upon, among other things, Tullett Prebon Shareholders passing the Resolutions at the Tullett Prebon General Meeting which will be held at 12:15 p.m. on 24 March 2016. A notice convening the Tullett Prebon General Meeting is set out in Part XXV (*Notice of General Meeting*) at the end of this document.

Resolution 1

Resolution 1 proposes that the Transaction be approved and that the Directors be authorised to take all steps and enter into all agreements and arrangements necessary or desirable to implement the Transaction.

Resolution 2

Resolution 2 proposes that the Directors be authorised to allot and issue up to 325,426,232 New Tullett Prebon Shares in connection with the Transaction.

This authorisation, which allows for up to 15,111,936 additional New Tullett Prebon Shares to be issued in connection with the Transaction compared with the 310,314,296 that are expected to be issued, allows the Company to issue up to 12,175,812 new Ordinary Shares prior to Admission. The Company does not currently have any intention to issue any new Ordinary Shares prior to Admission other than the 302,148 shares that may be issued as a result of the exercise of a vested share option award under the Company's long term incentive plan. Allowing for some headroom in the number of New Tullett Prebon Shares that may be issued in connection with the Transaction retains some financial flexibility, which would only be deployed if the Directors believed it would be in the best interests of shareholders to do so.

The full text of the Resolutions and other matters is set out in the Notice of Tullett Prebon General Meeting in Part XXV (*Notice of General Meeting*) of this document. Resolutions 1 and 2 will be proposed as ordinary resolutions and will be voted on by way of a poll. These Resolutions must be approved by Tullett Prebon Shareholders who together represent a simple majority of the Ordinary Shares being voted (whether in person or by proxy) at the Tullett Prebon General Meeting. The Transaction will not proceed unless each of Resolutions 1 and 2 is passed.

For further information in relation to the Resolutions to be proposed at the Tullett Prebon General Meeting, see the Notice of Tullett Prebon General Meeting in Part XXV (*Notice of General Meeting*) of this document and paragraph 4 of Part XXII (*Additional Information*) of this document, which contains a summary of the Resolutions.

14. The New Tullett Prebon Shares and dilution

The New Tullett Prebon Shares will be issued as fully paid and will rank *pari passu* in all respects with the existing Ordinary Shares in issue at the time the New Tullett Prebon Shares are issued pursuant to the Transaction, including in relation to any dividends or other distributions with a record date falling after the issue of the New Tullett Prebon Shares.

On Completion, it is expected that 310,314,296 New Tullett Prebon Shares will be issued. This will result in Tullett Prebon's issued ordinary share capital increasing by approximately 127 per cent. Existing Tullett Prebon Shareholders will suffer an immediate dilution as a result of the Transaction, following which they will hold approximately 44 per cent. of the issued ordinary share capital of the Enlarged Tullett Prebon Group.

15. Listing, dealing and settlement of the New Tullett Prebon shares

The existing Ordinary Shares are currently admitted to trading on the London Stock Exchange's main market for listed securities.

As the Transaction is classified as a reverse takeover for the purpose of the Listing Rules, upon Initial Completion, the listing of the existing Ordinary Shares to the premium listing segment of the Official List will be cancelled. Simultaneously, application will also be made for the re-admission of the existing Ordinary Shares and the admission of the New Tullett Prebon Shares which will be issued at Initial Completion to the premium listing segment of the Official List maintained by the FCA and to trading on the London Stock Exchange's main market for listed securities. On Option Completion, application will be made for the admission of the New Tullett Prebon shares which will be issued at Option Completion to the premium listing segment of the Official List maintained by the FCA and to trading on the London Stock Exchange's main market for listed securities.

It is expected that Completion of the Transaction (including Admission of the New Tullett Prebon Shares) will take place in 2016.

16. Action to be taken

If you are a Tullett Prebon Shareholder, you will find enclosed with this document a Form of Proxy for use at the Tullett Prebon General Meeting. Whether or not you intend to be present at the Tullett Prebon General Meeting, you are asked to complete the Form of Proxy in accordance with the instructions printed on it and to return it to the Company's registrars, Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, as soon as possible and in any event so as to arrive not later than 12:15 p.m.

on 22 March 2016. The completion and return of the Form of Proxy will not preclude you from attending the Tullett Prebon General Meeting and voting in person if you wish to do so. If you hold Ordinary Shares in CREST, you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to the issuer's agent, ID RA10, so that it is received by no later than 12:15 p.m. on 22 March 2016.

17. Further information

Tullett Prebon Shareholders should consider fully and carefully the risk factors associated with the Enlarged Tullett Prebon Group and the Transaction. Your attention is drawn to the risk factors set out in Part II (*Risk Factors*) of this document. Your attention is also drawn to Part XXII (*Additional Information*) of this document. You should read all of the information contained in this document before deciding the action to take in respect of the Tullett Prebon General Meeting.

The results of the votes cast at the Tullett Prebon General Meeting will be announced as soon as possible once known through a Regulatory Information Service. It is expected that this will be on 24 March 2016.

18. Recommendation and voting intentions

The Board has received financial advice from Rothschild in connection with the Transaction. In providing advice to the Directors, Rothschild has relied upon the Board's commercial assessment of the Transaction.

The Board considers the Transaction and each of the Resolutions to be in the best interests of Tullett Prebon Shareholders as a whole. Accordingly, the Board unanimously recommends that Tullett Prebon Shareholders vote in favour of the Resolutions to be proposed at the Tullett Prebon General Meeting, as they intend to do in relation to their own individual beneficial holdings which amount in total to 336,241 Ordinary Shares, representing approximately 0.1 per cent. of the Ordinary Shares as at 26 February 2016 (being the latest practicable date prior to the publication of this document).

Yours faithfully

Rupert Robson
Chairman

PART VIII
DETAILS OF THE TRANSACTION

1. Introduction

The Transaction has been structured as an acquisition by Tullett Prebon of IGBHL in consideration for the issue of New Tullett Prebon Shares. IGBHL will be the holding company of IGBB following completion of an intra-group reorganisation of ICAP which is to occur prior to the Transaction.

Prior to the Transaction, ICAP will incorporate a new group holding company (ICAP NewCo) which will be interposed as the new group holding company of ICAP pursuant to the ICAP Scheme. Pursuant to the ICAP Scheme, existing ICAP Shareholders will cease to be shareholders in ICAP and will instead become shareholders in ICAP NewCo.

Subject to the satisfaction of certain conditions (further details of which are set out in paragraph 16.1 of Part XXII (*Additional Information*) of this document), Tullett Prebon will first acquire approximately 64.5 per cent. of the issued share capital of IGBHL in consideration for the issue of New Tullett Prebon Shares comprising approximately 45.07 per cent. of Tullett Prebon's share capital (calculated on a fully diluted basis and immediately following such issuance) directly to ICAP NewCo shareholders (referred to as "Initial Completion").

Tullett Prebon has granted ICAP a put option and ICAP has granted Tullett Prebon a call option which will become exercisable following Initial Completion (referred to as the "Options"). If either Option is exercised (as expected), Tullett Prebon will acquire the remaining approximately 35.5 per cent. of the issued share capital of IGBHL (referred to as the "Option Shares"). The consideration for the transfer of the Option Shares is the issuance of further New Tullett Prebon Shares comprising approximately 19.9 per cent. of Tullett Prebon's share capital (calculated on a fully diluted basis and immediately following such issuance) being issued to ICAP NewCo (referred to as "Option Completion").

The Options can be exercised by the service of a notice by either Tullett Prebon or ICAP at any time during the ten business days following the date of Initial Completion. Subject to the exercise of either Option, Option Completion is unconditional and is to take place on the business day after the service of the relevant notice.

Accordingly, assuming no new Ordinary Shares are otherwise issued by Tullett Prebon (other than the 302,148 new Ordinary Shares that may be issued as a result of the exercise of a vested share option award under the Company's long term incentive plan) between 26 February 2016 (being the last practicable date prior to the date of this document) and Admission, 310,314,296 New Tullett Prebon Shares are expected to be issued pursuant to the Transaction as follows:

- 200,041,894 New Tullett Prebon Shares to ICAP NewCo shareholders at the time of Initial Completion; and
- 110,272,402 New Tullett Prebon Shares to ICAP NewCo at the time of Option Completion.

Tullett Prebon intends, if ICAP does not exercise its put option, to exercise its call option in respect of the Option Shares. Following Completion, the enlarged share capital of Tullett Prebon will be owned approximately 44 per cent. by existing Tullett Prebon Shareholders, approximately 36.1 per cent. by ICAP NewCo shareholders and approximately 19.9 per cent. by ICAP NewCo.

On (or shortly after) Completion, the Company will be renamed "TP ICAP plc" or a derivation thereof.

2. Terms of the proposed Transaction

Tullett Prebon and ICAP have entered into a sale and purchase agreement (the "**Acquisition Agreement**") which sets out the terms of the Transaction, including that:

- the Transaction is subject to certain conditions, including completion of an intra-group reorganisation of ICAP, the ICAP Scheme becoming effective, applicable antitrust and regulatory consents and approvals being obtained;
- subject to the satisfaction of certain conditions, Tullett Prebon will first acquire 64.5 per cent. of the issued share capital of IGBHL in consideration for the issue of New Tullett Prebon Shares to be issued directly to ICAP NewCo shareholders (referred to as "Initial Completion");

- Tullett Prebon has granted ICAP a put option and ICAP has granted Tullett Prebon a call option, each of which will become exercisable following the acquisition of c.64.5 per cent of IGBHL noted above, such that if either option is exercised (as expected), Tullett Prebon will acquire the remaining c.35.5 per cent. of the issued share capital of IGBHL in consideration for further New Tullett Prebon Shares being issued to ICAP NewCo (referred to as “Option Completion”);
- mutual termination rights on certain events prior to Initial Completion, based on the revocation or suspension of material licences, material litigation or material regulatory investigations;
- a three-year protective covenant (subject to certain exceptions) restricting ICAP from engaging in voice broking services in a territory where IGBB operates or has business at the time of Initial Completion;
- mutual non-solicit obligations in respect of certain employees (subject to certain exceptions) for a period up to three years from Initial Completion;
- customary warranties (subject to customary limitations) given by ICAP to Tullett Prebon and warranties (also subject to customary limitations) given by Tullett Prebon to ICAP, as well as customary covenants, undertakings and conditions for a transaction of this nature;
- warranty claims are subject to *de minimis*, aggregate claims thresholds and cap and time limits for bringing a claim; and
- Tullett Prebon will be indemnified by ICAP (subject to a *de minimis*) for certain liabilities, principally relating to regulatory investigations, litigation and employment claims including those already in the public domain.

Further details of the Acquisition Agreement are set out in paragraph 16.1 of Part XXII (*Additional Information*) of this document.

3. Debt and capital

Under the terms of the Acquisition Agreement, IGBB will be acquired with gross debt of £330 million outstanding which will be repaid to the lender on completion of the sale and purchase of the Option Shares. IGBB will be acquired with at least £330 million of consolidated cash, and at least £70 million consolidated net assets. IGBB will also be acquired with sufficient regulatory capital, cash and working capital in each material legal entity to meet all applicable regulatory requirements and ordinary course operational requirements. The Acquisition Agreement includes true-up mechanisms which oblige ICAP to make a payment to Tullett Prebon if, following Initial Completion, the amounts of regulatory capital, regulatory liquidity, liquid net assets, consolidated cash or consolidated net assets are less than certain pre-agreed amounts set out in the Acquisition Agreement, provided that the amount of any true-up payment made in respect of consolidated cash or consolidated net assets shall be reduced by the aggregate amount of true-up payments made in respect of regulatory capital, regulatory liquidity and liquid net assets.

Tullett Prebon has discussed the terms of a new investment firm consolidation waiver for the Enlarged Tullett Prebon Group (the “**New Waiver**”) with the FCA who have advised Tullett Prebon that they would be minded to grant the permissions requested subject to any material changes and to Completion. The proposed New Waiver is expected to take effect on Completion with a duration of ten years. Consistent with previous waivers, under the terms of the New Waiver each investment firm within the Enlarged Tullett Prebon Group must be either a limited activity or a limited licence firm and must comply with its individual regulatory capital resources requirements. The Enlarged Tullett Prebon Group, as the parent company, must continue to maintain capital resources in excess of the sum of the solo notional capital resources requirements for each relevant firm within the Enlarged Tullett Prebon Group. The terms of the New Waiver require the Enlarged Tullett Prebon Group to eliminate the excess of its consolidated own funds requirements compared with its consolidated own funds (“**excess goodwill**”) over the ten-year period following Completion. The amount of excess goodwill must not exceed the amount determined as at the date the New Waiver took effect and must be reduced in line with a schedule over the ten years, with the first reduction of 25 per cent. required to be achieved after two and a half years following Completion. The New Waiver will set out the conditions with respect to the maintenance of financial ratios relating to leverage, debt service and debt maturity profile.

4. Transitional services

On or before Initial Completion, IGBB and ICAP will enter into two transitional services agreements (the “**Transitional Services Agreements**”) pursuant to which ICAP and IGBB will each provide the other with the use of or access to certain resources that will either be retained by ICAP, or transferred to IGBB pursuant to the Acquisition Agreement.

The key terms and conditions of the Transitional Services Agreements include:

- each Transitional Services Agreement will remain in effect until migration, subject to certain long-stop dates on the individual services (which, in the case of services received by IGBB, may be extended in certain circumstances);
- the parties will agree migration plans and perform certain activities to migrate each business away from its dependency on the transitional services;
- the Services are to be provided on an “as is” basis, i.e. to the same standard as provided in the previous 12 months;
- the charges for the services under the Transitional Services Agreements are fixed and based on the intra-group allocations of costs and the re-charging model in place during the 12 months prior to Completion, subject to changes in scope of services;
- the total charges payable by IGBB may not exceed the total cost of operating IGBB as advised by ICAP under the Acquisition Agreement, and the total charges payable by ICAP may not reduce below £2.3 million; and
- ICAP will be responsible for seeking any third party consents necessary to enable provision of services under the Transitional Services Agreements to IGBB, and by IGBB to ICAP.

Further details of the Transitional Services Agreements are set out in paragraph 16.5 of Part XXII (*Additional Information*) of this document.

5. Tax deed

On Initial Completion, a Tax Deed will be entered into pursuant to which ICAP NewCo will, subject to certain exclusions and financial limits, indemnify the Company for any tax liabilities of IGBHL and its subsidiaries relating to the period on or before Completion. If the balance sheet as at Initial Completion overprovides for tax, ICAP NewCo will be entitled to the benefit of the overprovision, but only by way of set-off/repayment of amounts owing/paid under the Tax Deed or under certain tax related warranties. Similar principles apply to tax refunds and tax benefits that only arise as a result of a matter that gives rise to a claim under the Tax Deed.

Under the Tax Deed, the Company will indemnify ICAP NewCo for secondary tax liabilities falling on the ICAP Group, where the Tullett Prebon Group has the primary liability for such tax (excluding tax for which ICAP NewCo indemnifies the Company under the Tax Deed).

Further details of the Tax Deed are set out in paragraph 16.6 of Part XXII (*Additional Information*) of this document.

6. Approvals and consents

Initial Completion is conditional upon, *inter alia*, (i) antitrust filings, approvals and clearances in the UK, US and other relevant jurisdictions (including but not limited to the expiry of certain waiting periods); (ii) regulatory approvals obtained or notifications sent (by both ICAP and the Company); (iii) FCA consolidation waiver being obtained by the Company; (iv) key third party joint venture (including iSwap) consents being obtained; (v) ICAP bondholder approval being obtained; (vi) approvals by the shareholders of both ICAP and the Company; (vii) approval of the ICAP Scheme (including approval by the shareholders of ICAP and sanction by the court); (viii) confirmation from the UK Listing Authority that the application for the re-admission of all of the existing shares in the capital of Tullett Prebon and the admission for the New Tullett Prebon Shares issued as consideration for the Transaction, in each case to the premium listing segment of the Official List, has been approved and will become effective as soon as the UK Listing Authority’s decision to re-admit the existing Tullett Prebon shares and admit the New Tullett Prebon Shares is announced; (ix) confirmation from the London Stock Exchange that all of the existing Tullett Prebon shares will be re-admitted and the New Tullett Prebon Shares will be admitted, in

each case to trading on the main market for listed securities of the London Stock Exchange; and (x) the revenues and key broker and non-broker headcount of IGBB and the Tullett Prebon Group each being greater than agreed thresholds shortly prior to Initial Completion.

7. Relationship agreement

On Initial Completion, a relationship agreement will be entered into to govern the relationship between the Enlarged Tullett Prebon Group and ICAP NewCo as a shareholder of the Company (the “**Relationship Agreement**”). Pursuant to the Relationship Agreement, ICAP NewCo will have the right to nominate one non-executive director for appointment to the Board of the Company for so long as ICAP NewCo’s shareholding (together with its associates) in the Company remains at, or above, 10 per cent. The appointment of ICAP NewCo’s nominee director will be subject to applicable regulatory approvals and ratification by the Nominations Committee of the Board of the Company. The Relationship Agreement is effective from Admission and also includes customary terms relating to, among other things, the conduct of transactions and the relationships between the parties, the procedure on conflict and the provision of information.

Further details of the Relationship Agreement are set out in paragraph 16.4 of Part XXII (*Additional Information*) of this document.

PART IX

BUSINESS OVERVIEW OF THE TULLETT PREBON GROUP

1. INTRODUCTION

- 1.1 The Tullett Prebon Group's business involves the provision of broking services to counterparties operating in the world's major wholesale OTC and exchange traded financial and commodity markets. As an intermediary, the Tullett Prebon Group provides a valuable service to its clients through its ability to create liquidity through price and volume discovery to facilitate trading, and to provide anonymity and confidentiality for counterparties.
- 1.2 The business offers broking services in five major product groups: fixed income securities and their derivatives; interest rate derivatives; treasury products; equities; and energy.
- 1.3 The Tullett Prebon Group's broking business is conducted through voice broking, where brokers, supported by proprietary screens displaying historical data, analytics and real-time prices, discover price and liquidity for their clients; and through electronic platforms.
- 1.4 The business brokers products on either a Name Passing (also known as "Name Give-Up") basis (where all counterparties to a transaction settle directly with each other), a Matched Principal basis (where the Tullett Prebon Group is a counterparty to both sides of a matching trade), or an Executing Broker basis (where the Tullett Prebon Group executes transactions on certain regulated exchanges in accordance with client orders and then 'gives-up' the trade to the relevant client or its clearing member). The Tullett Prebon Group does not take any proprietary positions.
- 1.5 The Tullett Prebon Group also has an established information sales business ("**Tullett Prebon Information**" or the "**Information Sales business**"), which collects, cleanses, collates and distributes real-time information to data providers, and a risk management services business (the "**Risk Management Services business**"), which provides clients with post-trade, multi-product matching services.
- 1.6 The Tullett Prebon Group operates in Europe, the Middle East, Africa, North and South America and Asia Pacific. Its principal offices are in London, New York, New Jersey, Singapore, Hong Kong and Tokyo.

2. HISTORY

- 2.1 The Tullett Prebon Group can trace its roots back to 1868 when Marshall & Son was established as an exchange brokerage company. The Marshall family remained in active control of the business, which was renamed M.W. Marshall and Co., through to 1967. During the 1970s and 1980s the business, along with a number of other independent broking houses, was consolidated by Mercantile House Holdings. In 1999 the M.W. Marshall business merged with Prebon Yamane to form Prebon Marshall Yamane.
- 2.2 In 2003 Collins Stewart Holdings plc, a financial services group whose principal activities were institutional and private client stock broking and wealth management, acquired Tullett plc, and the enlarged business was renamed Collins Stewart Tullett plc. Tullett plc was originally founded as Tullett & Riley in 1971. The Tullett business merged with Liberty Brokerage in 1999 and was renamed Tullett Liberty in 2000.
- 2.3 In 2004 Collins Stewart Tullett plc acquired Prebon Marshall Yamane and integrated the two interdealer broker businesses to form Tullett Prebon.
- 2.4 In 2006 through a court approved scheme of arrangement, Collins Stewart Tullett plc formed a new parent company, Tullett Prebon plc, which acquired Collins Stewart Tullett plc and demerged the stock broking and wealth management business to form a separate listed company, Collins Stewart plc. The demerger was effective on 19 December 2006 when Tullett Prebon plc became the listed parent of the interdealer broker business.
- 2.5 Since December 2006 the Company has continued to acquire businesses to extend its product and geographic coverage, including the oil products brokers Primex and Aspen, both based in London, in 2008, Convenção, an interdealer broker based in Brazil, in 2011, and Chapdelaine & Co., a New York based municipal bonds broker, in 2012.
- 2.6 The Company completed the acquisition of PVM Oil Associates Limited and its subsidiaries ("**PVM**"), a leading independent broker of oil instruments, in November 2014. PVM, which is focused

entirely on energy products, has increased the scale of the Tullett Prebon Group's activities in the energy sector, particularly in Europe, and gives the Tullett Prebon Group a significant presence in broking crude oil and petroleum products, complementing its existing activities in these areas. Crude oil is the world's most actively traded commodity.

- 2.7** During 2015, the Company has expanded its broking activities in North America through the acquisition in January of 40 brokers from Murphy & Durieu, a New York based interdealer broker in a wide range of fixed income products, and through the acquisition in July of MOAB, a leading independent broker of physical and financial instruments in the energy markets.

3. STRATEGY

- 3.1** The Tullett Prebon Group's strategy is to continue to develop its business, operating as an intermediary in the wholesale OTC and exchange-traded financial and commodity markets, with the scale and breadth to deliver superior performance and returns, underpinned by strong financial management disciplines, and without actively taking credit and market risk.

- 3.2** The Company's goal is to become the world's most trusted source of liquidity in hybrid OTC markets and the world's best operator in global hybrid voice broking.

- 3.3** In order to deliver this strategy the Tullett Prebon Group will aim:

- (1) to provide a high quality broking service to clients, facilitating their trading activity through developing and maintaining strong pools of liquidity across all major asset classes and all major financial centres;
- (2) to develop revenue streams from information and other non-broking services related to financial and commodity markets; and
- (3) to deliver superior and consistent operating margins and return on capital by:
 - (a) maintaining cost discipline and flexibility in the cost base;
 - (b) maintaining a prudent financial structure; and
 - (c) operating an effective risk management governance structure and risk management framework so that the Tullett Prebon Group can manage its risks within its risk appetite.

- 3.4** Following the conclusion of the global strategic review in the first half of 2015, the Company announced the launch of ten key initiatives (the "Ten Arrows") each of which has a number of projects and work streams which are designed to optimise the existing business and to pursue opportunities to add new high quality revenue and earnings to the Tullett Prebon Group.

- 3.5** The first four arrows of the Ten Arrows are focused on building revenue in the most attractive areas of the Tullett Prebon Group's markets. The Tullett Prebon Group will:

- (1) seek to add brokers to maintain and grow presence in those products with high relative market attractiveness and where the business has a high relative ability to compete, and to invest in those products that have high market attractiveness where the business's presence can be developed;
- (2) seek to continue to build the business's activities in Energy and commodities;
- (3) look to extend the business's broking offering to service clients who have not traditionally been served by the interdealer brokers in those products where the market is receptive to a broadening of the client base; and
- (4) continue to develop the Information Sales business where the product suite and delivery channels can be further developed.

- 3.6** The remainder of the Ten Arrows are focused on improving the functions in the business that support the revenue generating divisions. The Tullett Prebon Group will:

- (1) invest in technology including both front office and back office systems and realign the mix between owned and outsourced platforms to maximise the business's intellectual property to seek to ensure that the hybrid voice broking business and Information Sales have the technology richness and capability that customers seek;

- (2) invest in client relationship management and introduce new focus and discipline to how the business targets and covers existing and new clients to seek to broaden and institutionalise client relationships;
- (3) develop the business's capability to source, execute and integrate acquisitions;
- (4) work within a robust investment framework so that the business allocates capital and resources to areas where the most value can be created, taking account of risks and the impact of regulation;
- (5) develop the HR function and processes to focus on hiring and training the next generation of brokers and to manage compensation appropriately to encourage good long term cultural behaviours; and
- (6) seek to improve the business's brand awareness and coverage.

4. BUSINESS MODEL

- 4.1** The Tullett Prebon Group's business model is based on generating a return from providing a facilitation service to clients, enabling them to trade efficiently and effectively. This service can be provided without actively taking credit and market risk.
- 4.2** In accordance with the risk appetite set by the Board, the Tullett Prebon Group is willing to accept a limited exposure to certain risks as a consequence of its activities, primarily to counterparty credit risk and operational risk, and also to a limited amount of market risk. This is reflected in the business model adopted by the Tullett Prebon Group whereby it acts only as an intermediary in the financial markets. The Tullett Prebon Group's risk management policies explicitly prohibit any active taking of trading risk and the Tullett Prebon Group does not trade for its own account. The Tullett Prebon Group's operational risks include the risk of business disruption, employee error and the failure of a business process or IT system, as well as the risk of litigation.
- 4.3** The broking business of the Tullett Prebon Group is conducted through three distinct models: the Name Passing model (also known as "Name Give-Up"); the Matched Principal model; and the Executing Broker model.
- 4.4** Around 75 per cent. of the Tullett Prebon Group's broking revenue is derived from Name Passing activities, where the Tullett Prebon Group is not a counterparty to the trade, and where its exposure to a client is limited to outstanding invoices for commission. Almost all of the Tullett Prebon Group's activities in derivatives, such as forward FX, FX options, interest rate swaps, interest rate options, credit derivatives, and the vast majority of the Energy and commodities activities are conducted under the Name Passing model. The level of invoiced receivables is monitored closely, by individual clients and in aggregate, and there have been very few instances in the past few years when invoiced receivables have not been collected.
- 4.5** Around 20 per cent. of the Tullett Prebon Group's broking revenue is derived from Matched Principal activities, where the Tullett Prebon Group is the counterparty to both sides of a matching trade. The vast majority of the Tullett Prebon Group's activities conducted under the Matched Principal model are in government and agency bonds, municipal bonds, mortgage backed securities, and corporate bonds. The Tullett Prebon Group bears the risk of counterparty default during the period between execution and settlement of the trade. In the event of a counterparty default prior to settlement in a Matched Principal trade, the Tullett Prebon Group's exposure is not to the trade date value of the underlying instrument, but to the movement in that value between trade date and the date of default, and so the Tullett Prebon Group's exposure becomes a market risk. This risk is mitigated by the use of central counterparty services and other default risk transfer agreements, where appropriate, and by taking swift action to close out any position that arises as a result of a counterparty default. The Tullett Prebon Group does undertake, under strict controls, a limited amount of Matched Principal broking where a counterparty is buying its own securities, and in these circumstances in the event of that counterparty defaulting prior to settlement the risk of loss due to movement in the value of the underlying instrument is heightened. To mitigate settlement risk the Tullett Prebon Group's risk management policies require that transactions are undertaken on a strict delivery-versus-payment basis. The Tullett Prebon Group's Matched Principal activity also gives rise to limited market risk as a result of the infrequent residual balances which result from the Tullett Prebon Group's failure to match clients' orders precisely or through broker error. The Tullett Prebon Group's Matched Principal activities give rise to liquidity risk as the settlement agents and central counterparty services used by

the Tullett Prebon Group can call for increased cash collateral or margin deposits as short notice and the Tullett Prebon Group may be required to fund a purchase of a security before the delivery of that security on to the Tullett Prebon Group's matching counterparty. Once a Matched Principal transaction has settled (usually 1-3 days after trade date), there is no on-going risk for the business.

- 4.6** Around 5 per cent. of the Tullett Prebon Group's broking revenue is derived from the business operating as an Executing Broker, where the Tullett Prebon Group executes transactions on certain regulated exchanges as per client orders, and then 'gives-up' the trade to the relevant client (or its clearing member). The majority of the Tullett Prebon Group's revenue generated under the Executing Broker model relates to listed equity derivatives and listed interest rate futures and options on futures. The Tullett Prebon Group is exposed to short term pre-settlement risk during the period between the execution of the trade and the client claiming the trade. This exposure is minimal, as under the terms of the 'give-up' agreements the Tullett Prebon Group has in place with its clients, trades must be claimed by the end of the trade day. The Tullett Prebon Group is also exposed to some liquidity risk as exchanges and clearers may require additional cash collateral or margin deposits at short notice if trades have not been claimed. Once the trade has been claimed, the Tullett Prebon Group's only exposure to the client is for the invoiced commission receivable.

5. PRINCIPAL STRENGTHS

The Directors believe that the principal strengths of the Tullett Prebon Group are:

5.1 Quality of broking service

The business provides a valuable service to clients through its ability to create liquidity through price and volume discovery to facilitate trading in a wide range of financial instruments. The business employs experienced brokers with established relationships with potential counterparties in the wholesale financial markets, who work to bring together buyers and sellers of financial instruments to provide depth of liquidity and increased certainty of trading. The quality of the broking service the business provides to clients has been recognised by the Tullett Prebon Group being voted number one in more product categories than any other single interdealer broker in Risk Magazine's annual interdealer rankings in each of the years 2010 to 2014. In Risk magazine's annual interdealer rankings published in September 2015, the Tullett Prebon Group was voted the number one overall IDB in currency, and the business also performed strongly in rates and Equities. The Tullett Prebon Group was named Interest Rates Broker of the Year and SEF of the Year in the 2015 GlobalCapital awards, and was voted the top broker in FX options in the 2015 FX Week Best Bank Awards.

5.2 Breadth of product and geographic coverage

The Tullett Prebon Group has broking expertise in all the main financial asset classes that are traded in the OTC markets, and also has a significant presence in broking physical commodities and related financial instruments. The Tullett Prebon Group is a member of the major derivatives exchanges and offers broking services in listed, exchange traded, derivatives. As markets evolve and new financial instruments are introduced the Tullett Prebon Group has been able to adapt its broking offering to facilitate client trading activity in those instruments. The group has a presence in all of the world's major financial centres and has continued to expand its geographic footprint by establishing local offices in smaller and emerging financial centres including Dubai, Madrid, Geneva, Johannesburg, Sao Paulo and Mexico City, which facilitates the development of broking services tailored to specific markets.

5.3 Variety of execution methods

The Tullett Prebon Group's brokers discover price and liquidity for their clients through voice broking and through electronic platforms which complement and support the voice broking activity. The Tullett Prebon Group has developed electronic platforms to provide clients with a variety of execution methods to offer the flexibility to transact either entirely electronically or via the business's comprehensive voice execution broker network. This hybrid model is consistent with the nature and operation of the majority of the OTC product markets which depend upon the intervention and support of voice brokers for their liquidity and effective operation. The Tullett Prebon Group has launched a wide range of platforms across the various asset classes reflecting market demand and changing regulatory requirements. Tullett Prebon believes that these regulatory reforms and the introduction of more electronic platforms to service these markets reflect an evolution of the facilitation service that the business provides. As a result of the investment that has been made in these platforms and associated infrastructure, the Directors believe that the Tullett Prebon

Group is well positioned to respond to and benefit from changes in the way in which OTC product markets operate as a result of the regulatory reforms of these markets.

5.4 Limited exposure to market and credit risk

The Tullett Prebon Group's business model is based on generating a return from providing a facilitation service to clients, enabling them to trade efficiently and effectively. This service can be provided without actively taking credit and market risk. The business does not take trading risk and does not hold proprietary trading positions. The Tullett Prebon Group's exposure to market risk is only in relation to incidental positions in financial instruments as a result of the business's failure to match clients' orders precisely or through broker error. The Tullett Prebon Group's risk management policies are designed to reduce the likelihood of such trade mismatches and the Tullett Prebon Group's policy is to close out such balances immediately. As the Tullett Prebon Group does not hold proprietary trading positions, the Tullett Prebon Group's exposure to credit risk is principally counterparty credit risk as opposed to issuer risk. The majority of the Tullett Prebon Group's revenue is derived from Name Passing broking where the Tullett Prebon Group's exposure to credit risk is limited to the client failing to pay the brokerage commission charged. The Tullett Prebon Group's exposure to credit risk from its Matched Principal and Executing Broker activities is very short term in nature (generally up to three days) and the risk is contingent in nature; in the event of client default the Tullett Prebon Group would only suffer loss if the value of the underlying financial instrument had moved adversely in that time. The Tullett Prebon Group's exposure to Matched Principal settlement risk is minimal as the Tullett Prebon Group seeks always to effect settlement on a delivery-versus-payment basis.

5.5 Quality of Tullett Prebon Information

Tullett Prebon Information, which provides valuable market data through the major data vendors and directly to customers, is an award-winning provider of high quality independent price information and data from the global OTC markets. The business has been awarded the title of Best Data Provider (Broker) at the Inside Market Data Awards for the last five years.

5.6 Strong cash generation and prudent financial structure

The business has strong cash flow generation, converting 88 per cent. of its underlying operating profit into operating cash flow over the four years from 2012 to 2015. The Tullett Prebon Group is conservatively financed, and has an investment grade credit rating from Fitch of "BBB-". The Tullett Prebon Group's gross debt of £221.1 million is all in the form of fixed rate sterling bonds. The Tullett Prebon Group manages its day to day liquidity through holding significant cash balances and other financial assets, and through various credit and settlement facilities provided by the Tullett Prebon Group's bankers and settlement agents. The Tullett Prebon Group's cash, cash equivalents and short term financial assets as at 31 December 2015 totalled £379.2 million. The Tullett Prebon Group has a committed revolving credit facility of £250 million which matures in April 2018, which remains undrawn.

6. ORGANISATIONAL STRUCTURE

- 6.1** The principal purpose of the Company is to act as a parent undertaking for the Tullett Prebon Group. The Tullett Prebon Group operates through a number of subsidiaries.
- 6.2** All principal subsidiaries of the Tullett Prebon Group are wholly owned by the Company. The principal trading subsidiary undertakings, principal intermediate holding companies and associates of the Tullett Prebon Group are set out in Note 37 to the consolidated financial statements of the Company for the year ended 31 December 2014, as incorporated by reference into this document.

7. CAPITAL STRUCTURE

- 7.1** The Tullett Prebon Group is financed through shareholders' equity and debt.
- 7.2** The Tullett Prebon Group seeks to ensure that it has access to an appropriate level of cash, marketable securities and facilities to enable it to finance its on-going operations on cost effective terms. The primary source of liquidity for the Tullett Prebon Group's operations is the cash balances and marketable securities that are held in each individual legal entity, and overdraft facilities provided by settlement agents or clearing banks to support the settlement process. The Tullett Prebon Group also has recourse to a committed revolving credit facility of £250 million.

7.3 As at 31 December 2015, the Tullett Prebon Group's outstanding debt comprised £141.1 million 7.04 per cent. Guaranteed Notes due 6 July 2016 (ISIN: XS0437404824) issued by Tullett Prebon Group Holdings plc, and £80.0 million 5.25 per cent. Notes due 11 June 2019 (ISIN: XS0859261520) issued by the Company.

8. PRINCIPAL ACTIVITIES

The business offers broking services in five major product groups: fixed income securities and their derivatives, interest rate derivatives, treasury products, equities and energy. The Tullett Prebon Group also has an Information Sales business and a Risk Management Services business.

8.1 Fixed Income

The Tullett Prebon Group has a broad-based business in fixed income products. The Tullett Prebon Group's operations cover the broking of cash bonds including US Treasuries, US government agencies, US mortgage-backed securities, US municipal bonds, and European government bonds, as well as servicing the repo market and brokering bond futures and options. The fixed income business also covers credit products including high-grade and high-yield corporate bonds, credit default swaps, and emerging markets bonds. In 2015, the Tullett Prebon Group's fixed income securities product group generated revenue of £171.2 million (2014: £186.5 million).

8.2 Interest Rate Derivatives

The Tullett Prebon Group brokers derivative products which facilitate the management of interest rate risk. The products brokered cover the full yield curve on a multi-currency basis and include interest rate swaps in all forms (spread, coupons and basis), interest rate options, and forward rate agreements. In 2015, the Tullett Prebon Group's interest rate derivatives product group generated revenue of £135.3 million (2014: £140.6 million).

8.3 Treasury Products

The Tullett Prebon Group brokers treasury products including spot and forward foreign exchange, non-deliverable forwards in non-convertible currencies, foreign exchange options, and cash and deposits. In 2015, the Tullett Prebon Group's treasury products product group generated revenue of £185.0 million (2014: £190.5 million).

8.4 Equities

The Tullett Prebon Group offers broking services in a variety of equity derivative products including index and single stock options, and in some cash equity products including American depository receipts and global depository receipts. In 2015, the Tullett Prebon Group's equities product group generated revenue of £46.3 million (2014: £39.5 million).

8.5 Energy

The Tullett Prebon Group's broking activities in the energy markets cover a wide variety of products in oil (including crude oil, fuel oil, gas oil, gasoline, naphtha and derivatives related to those products), power (electricity) and gas, as well as in commodities such as metals, coal and soft commodities. In 2015, the Tullett Prebon Group's energy product group generated revenue of £204.3 million (2014: £100.0 million).

8.6 Information Sales and Risk Management Services

Tullett Prebon Information provides high quality independent real-time and end of day price information from the wholesale interdealer brokered financial and commodity markets to both major data vendors and directly to end users. The Tullett Prebon Group's Risk Management Services business provides clients with services to facilitate their post-trade management of interest rate risk in a number of currencies and date mismatch risk on non-deliverable forward contracts. In 2015, these businesses generated revenue of £53.9 million (2014: £46.4 million).

8.7 Breakdown by product group

The table below shows the Tullett Prebon Group's revenue for the financial years ended 31 December 2015, 31 December 2014, 31 December 2013 and 31 December 2012, respectively, broken down in relation to each of the product groups:

	Year ended 31 December			
	2015	2014	2013	2012
	(£ in millions)			
Revenue by product group				
Fixed Income	171.2	186.5	225.5	241.0
Interest Rate Derivatives	135.3	140.6	174.2	185.2
Treasury Products	185.0	190.5	211.4	229.8
Equities	46.3	39.5	43.2	42.6
Energy	204.3	100.0	102.4	106.4
Information Sales and Risk Management Services	53.9	46.4	47.0	45.8
Total	796.0	703.5	803.7	850.8

9. PRINCIPAL MARKETS

The Tullett Prebon Group manages its operations on a regional basis in Europe and the Middle East, Americas and Asia Pacific. Each of the three regions provides broking services in the five product groups, Information Sales and Risk Management Services.

9.1 Europe and the Middle East

The Tullett Prebon Group has offices in London, Paris, Frankfurt, Madrid, Zurich, Luxembourg, Warsaw, Geneva, Bahrain and Dubai. The Tullett Prebon Group has also recently opened an office in Johannesburg which is managed as part of Europe and the Middle East. Revenue from the Tullett Prebon Group's activities in Europe and the Middle East for 2015 was £455.3 million (2014: £405.6 million), representing 57 per cent. of total Tullett Prebon Group revenue (2014: 58 per cent.). Broker headcount in Europe and the Middle East as at 31 December 2015 was 799, with 634 brokers based in the Tullett Prebon Group's offices in London, and 165 brokers based in offices in Continental Europe and the Middle East.

9.2 Americas

The Tullett Prebon Group has offices in New York, Jersey City, Houston, Toronto and Sao Paulo. The Tullett Prebon Group has also recently opened an office in Mexico City. Revenue from the Tullett Prebon Group's activities in the Americas for 2015 was £234.5 million (2014: £201.6 million), representing 29 per cent. of total Tullett Prebon Group revenue (2014: 29 per cent.). Broker headcount in the Americas as at 31 December 2015 was 543, with 503 brokers based in the Tullett Prebon Group's offices in North America and Mexico (primarily New York and New Jersey), and 40 brokers based in Brazil.

9.3 Asia Pacific

The Tullett Prebon Group has offices in Singapore, Hong Kong, Tokyo, Sydney, Seoul, Jakarta, and Manila. The Tullett Prebon Group also operates through associated companies with offices in Shanghai, Mumbai and Bangkok. Revenue from the Tullett Prebon Group's activities in Asia Pacific for 2015 was £106.2 million (2014: £96.3 million), representing 13 per cent. of total Tullett Prebon Group revenue (2014: 14 per cent.). Broker headcount in Asia Pacific as at 31 December 2015 was 385.

9.4 Breakdown by region

The table below shows the Tullett Prebon Group's revenue for the years ended 31 December 2015, 31 December 2014, 31 December 2013 and 31 December 2012, respectively, broken down according to region:

	Year ended 31 December			
	2015	2014	2013	2012
	(£ in millions)			
Revenue by region				
Europe and the Middle East	455.3	405.6	468.7	501.2
Americas	234.5	201.6	233.9	236.9
Asia Pacific	106.2	96.3	101.1	112.7
Total	796.0	703.5	803.7	850.8

10. INFORMATION TECHNOLOGY

- 10.1** The Tullett Prebon Group deploys a number of computer and communications systems and networks to operate its broking business, including front office broking platforms available to customers and brokers to disseminate information, provide analytics and to collect and manage orders; and middle office systems to record, confirm, enrich, report, monitor, and settle trades and to calculate brokerage commission.
- 10.2** In its Information Sales business, the Tullett Prebon Group deploys computer and communications systems and networks to capture, cleanse and package data, and to disseminate it both real-time and at end of day to customers.
- 10.3** In its Risk Management Services business, the Tullett Prebon Group deploys computer and communications systems and networks to collect information from customers, and to compare and analyse that information to facilitate matching trades that reduce portfolio risk.
- 10.4** The Tullett Prebon Group deploys back office systems for invoicing customers, for financial management, and to support other administrative functions.
- 10.5** The Tullett Prebon Group's systems form an integral part of the services offered to customers who rely upon them to facilitate their activities. The capability, availability and performance of these systems are a significant factor in the Tullett Prebon Group's ability to attract and maintain customer business.
- 10.6** Over the last few years the Tullett Prebon Group has made investments in the development and launch of new electronic platforms, straight-through-processing functionality and associated technology infrastructure. The Tullett Prebon Group's electronic broking platforms provide clients with the flexibility to transact either entirely electronically or via the business's comprehensive voice execution broker network.
- 10.7** The regulatory reforms to the OTC derivatives markets that have been and are being introduced in the main territories in which the Tullett Prebon Group operates, require in some cases, the deployment of front office order management systems and middle office deal management systems with particular functionality and connectivity capability. In the United States, the Tullett Prebon Group's SEF is required to operate an electronic system to meet the minimum functionality requirements to enable all market participants to enter multiple bids and offers, to observe and receive bids and offers, and to transact on such bids and offers.
- 10.8** The Tullett Prebon Group deploys technical infrastructure to run the various platforms and systems and has established primary and secondary data centres in each of the three regions in which the Tullett Prebon Group operates. These data centres are connected through a wide area network that carries data communications at the high speed necessary for low-latency trading systems, together with sufficient bandwidth to accommodate telephone communications over the global network.

PART X
BUSINESS OVERVIEW OF IGBB

1. INTRODUCTION

IGBB is the global broking business of ICAP plc and is composed of:

- (a) ICAP's three regionally managed hybrid voice broking businesses in EMEA, the Americas and Asia Pacific, including all e-trading products and services developed by ICAP's e-Commerce team (including Fusion) (together "**IGBB Global Broking**");
- (b) ICAP's 40.23 per cent. economic interest in iSwap Limited ("**iSwap**"), a global electronic trading platform for EUR, USD, and GBP interest rate swaps;
- (c) revenues and operating profits from sales of information services products directly attributable to Global Broking and iSwap ("**IGBB Information Services**"); and
- (d) certain of ICAP's joint ventures, associates and investments, including but not limited to SIF ICAP, SA de CV (Mexico), Totan ICAP Co Limited (Japan), Central Totan Securities Co Limited (Japan) and Corretaje e Informacion Monetaria y de Divisas, SA (Spain).

2. HISTORY AND DEVELOPMENT

2.1 The ICAP Group resulted from the merger of Garban Group and Intercapital Group in August 1999.

2.2 Garban was one of the leading integrated money and securities brokers in the world, with approximately 2,000 employees in 26 offices. Garban operated in 23 countries across three main geographic regions: Europe, the Americas and Asia Pacific. Its principal operations were located in London, New York and Tokyo. Garban's broking operations included US, Japanese and UK government bonds, Eurobonds/corporate bonds and repos.

2.3 At the time of the merger Intercapital Group was one of the world's leading OTC derivatives brokers. Intercapital Group had approximately 1,100 employees operating in eight countries across three main geographic regions: Europe, North America and Asia Pacific. Intercapital Group provided a comprehensive service in European, Australian and Swiss Interest Rate Derivatives across the yield curve, foreign exchange options, Australian government bonds and in the inter dealer broker market for UK government gilts, Sterling deposits, US mortgage-backed securities and other securities products traded in the United States.

2.4 Since the merger, IGBB has made investments to extend its geographic reach and widen its product coverage. Key investments include the expansion into Energy and commodities products and Cash Equities, and extending geographic reach into the emerging markets as well as increasing presence in the United States.

2.5 Notable acquisitions by IGBB include:

- 2002—ICAP Energy (formerly APB) in the United States and Nittan Capital's voice broking interests in Asia;
- 2004—Intercontinental energy brokers;
- 2005—GovPX Inc (a provider of fixed income and derivatives information in the United States) and United fuels;
- 2008—an established domestic business in Brazil, and Arkhe; and
- 2009—Link equity derivatives business and launch of global cash equities business in Europe, North America and Asia.

3. BUSINESS MODEL

3.1 IGBB's business model is based on generating returns through bringing buyers and sellers together in the global wholesale financial markets, helping them to identify potential trading interest, access liquidity and facilitate price discovery in an array of financial instruments.

3.2 IGBB actively manages its risk as part of its business model and does not expose itself to material credit or market risks. IGBB does not intend or expect to take material losses during the ordinary

course of its activities. This is reflected in its fee and commission earning business model. It does not wish to expose itself to material credit or market risks and does not intentionally hold or deal in assets that stay on its balance sheet for any longer than the normal settlement cycle on the occasions when it is involved in ‘matched principal’ or exchange-traded broking.

- 3.3** The broking business of IGBB is based on three distinct models: the matched principal and stock lending model; the agency business (also known as “name give-up”) model; and the execution on exchange business model.
- 3.4** Around 12 per cent. of IGBB’s broking revenue is derived from matched principal activities, where IGBB is involved as principal in the matched purchase and sale of securities and other financial instruments between IGBB’s customers. As part of its matched principal business, IGBB faces short-term liquidity requirements arising from settlement and clearing arrangements, in the form of collateral and margin requirements for clearing houses or financial institutions providing clearing access. Large liquidity demands may also arise on the same day or the next day, due to reasons beyond IGBB’s direct control. IGBB manages its liquidity risk by using financial institutions for clearing access and ensuring that adequate liquidity resources are maintained to meet these liquidity requirements in support of its trading activities, for example, putting in place contingency funding arrangements and procedures, and maintaining access to a committed liquidity held centrally for same day and next day utilisation. To mitigate credit risk on matched principal transactions, IGBB uses appropriate policies and procedures including stringent on-boarding requirements, setting appropriate cash limits for all counterparties which are closely monitored to restrict any potential loss through counterparty default.
- 3.5** Around 71 per cent. of IGBB’s broking revenue is derived from name give-up activities, where IGBB matches buyers and sellers of financial instruments and raises invoices for the service provided. IGBB does not act as principal in name passing activities and only receives and transmits orders between counterparties. In this model, IGBB is exposed to credit risk resulting from unpaid invoices relating to broker commission charged on the transactions. IGBB monitors its receipt of payment of these invoices and is in regular contact with its client to ensure timely payment of commission fees due to IGBB.
- 3.6** Around 16 per cent. of IGBB’s broking revenue is derived from the business operating as a broker of exchange-listed products, where IGBB executes customer orders as principal and then novates the trade to the underlying customer’s respective clearing broker for settlement. IGBB is exposed to liquidity risk and credit risk as part of its exchange-traded business. The credit and market risk resulting from this model are similar to that which arises in the matched principal model and is monitored and managed in the same way.

4. PRINCIPAL STRENGTHS

4.1 Quality of broking services

IGBB provides services to participants in wholesale financial and commodities markets across a wide range of geographies and asset classes. IGBB’s brokers, have deep customer relationships which they use to help identify potential trading interest, access liquidity and facilitate price discovery in a vast array of financial instruments.

The quality of the broking service IGBB provides to clients has been recognised by IGBB being voted number one in multiple product categories across regions in Risk Magazine’s annual interdealer rankings in each of the last five years.

4.2 Breadth of product and geographic coverage

IGBB operates across 35 locations in 22 countries, providing hybrid voice inter-dealer broking services and complementary information services products across a wide range of asset classes including rates, emerging markets, commodities, equities, FX and money markets and credit. IGBB offers its customers a choice of trading venues and services, allowing them to select the execution method (matched principal, agency/ name give-up or execution on-exchange) appropriate for the liquidity of the product and their specific needs. Market participants use IGBB’s hybrid voice broking services to assess trading availability and successfully execute trades. Customers range from investment banks for fixed income products to end-user corporates and industrials for commodities.

4.3 Variety of execution methods

Market participants can use IGBB's voice and hybrid broking services to assess trading availability and successfully execute trades. IGBB's 1,472 voice brokers (as at 30 June 2015) can draw on their deep customer relationships and market expertise, and on IGBB's suite of pre-trade price discovery screens to identify potential trading interest, and in doing so create transparency, liquidity and facilitate the price discovery process. This is particularly important in markets where there is a wide range of potential transaction types and the number of parties willing to enter into certain transactions at any moment may be limited.

IGBB offers broking services for a wide range of asset classes including rates, FX, commodities, emerging markets, credit and equities. For each of these asset classes, IGBB has electronic capability which gives customers the choice to enter prices and execute trades electronically, directly via one of ICAP's electronic trading systems, and/or to engage with a broker to identify and help negotiate trades.

IGBB is growing its electronic product offerings. The iSwap central order book has been well established in Europe for several years and in 2014/15 started to see traction in the US dollar medium-term interest rate swap market contributing 13 per cent. to ICAP's SEF US dollar IRS volumes in the three months to March 2015 compared to 4 per cent. in the three months to March 2014. There has also been significant growth in revenue generated by IGBB Global Broking's electronic matching platforms and further expansion of the trading facilitated by these platforms is expected as customers become increasingly comfortable with such offerings.

4.4 Limited exposure to market and credit risk

IGBB holds or deals in assets that do not stay on its balance sheet for any longer than the normal settlement cycle on the occasions when it is involved in "matched principal" or exchange-traded broking. IGBB does not intentionally take proprietary positions during the provision of its services. From time to time, small positions result from broker errors or the inability to precisely match both sides of matched principal trades. For further details, please see section on "*Market Risk*" below. Its revenues are predominantly attributable to the fees and commissions based on levels of customer activity and usage of its services.

Credit Risk

IGBB enters into transactions only when executing on behalf of customers, providing customer access to clearing or providing additional fee-based services. However, there is a short-term credit exposure prior to clearing and settlements, and outstanding receivable risk that IGBB manages. The matched principal business involves IGBB acting as a counterparty on trades which are undertaken on a delivery-versus-payment basis. IGBB manages its credit risk on these transactions through appropriate policies and procedures including stringent on-boarding requirements, setting appropriate cash limits for all counterparties which are closely monitored to restrict any potential loss through counterparty default. IGBB only engages in activities which it believes will not result in loss due to credit risk.

Market Risk

IGBB defines market risk as the risk of losses in on- and off-balance sheet positions arising from adverse movements in market prices. IGBB does not actively take market risk. Where market risk does arise this is due to failures in IGBB's expected business processes, systems or human error. IGBB does not engage in proprietary trading or actively seek market exposure and actively reduces any incidental market exposure resulting from its activities as soon as reasonably practicable.

5. ORGANISATIONAL STRUCTURE

5.1 The principal subsidiaries of IGBB are set out in Note 15 to the historical financial information of IGBB set out in Section B of Part XVI (*Historical Financial Information of IGBB*) of this document. The principal associates and joint ventures of IGBB are also set out in Notes 16 and 17 to the historical financial information of IGBB set out in Section B of Part XVI (*Historical Financial Information of IGBB*) of this document.

6. CAPITAL STRUCTURE

- 6.1** IGBB is currently financed through shareholders' equity and debt, which is provided by affiliates in the wider ICAP Group. IGBB holds capital and cash in individual legal entities to meet regulatory and operating requirements in conjunction with liquidity support from a US\$200 million swingline facility provided to ICAP Group Holdings plc and settlement facilities provided by settlement agents and clearing banks.
- 6.2** Under the terms of the Acquisition Agreement, IGBB will be acquired with gross debt of £330 million payable to ICAP Group Holdings plc which will be repaid on completion of the sale and purchase of the Option Shares.

7. PRINCIPAL ACTIVITIES

- 7.1** Operating across 35 locations in 22 countries, IGBB provides hybrid voice interdealer broking services and complementary information services products across the following range of product groups:

(A) Rates

IGBB's Rates business comprises the broking of interest rate derivatives, government bonds and repos and is the largest asset class by revenue for IGBB. The main revenue contributors are voice/voice-electronic hybrid broking of OTC interest rate derivatives and government bonds in London, Jersey City and, to a smaller extent, Australia. IGBB's Rates business includes the electronic interest rate swap platform iSwap. In the year ended 31 March 2015, the IGBB Rates product group generated revenue of £315 million (2014: £360 million).

(B) Emerging Markets

IGBB is active in the emerging markets product group across Asia Pacific, Latin America, Central and Eastern Europe and Africa. IGBB Emerging Markets product group revenue includes domestic broking in local markets and cross-border broking activity in globally traded emerging markets financial instruments. IGBB Emerging Markets product group revenues are generated in both offshore centres and onshore centres. The largest offshore centres are London and Jersey City and the largest onshore presence is in Brazil. In the year ended 31 March 2015, the IGBB Emerging Markets product group generated revenue of £132 million (year ended 31 March 2014: £150 million).

(C) Commodities

IGBB is involved in the broking of transactions in various commodities, in particular energy (including power and electricity, oils, natural gas, coal and alternative fuels), metals and other bulk commodities. It is largely comprised of broking oils, natural gas and power in the United States and Europe. The United States business is spread across numerous locations with Jersey City and Kentucky being the largest offices. The European business is largely based in London and has smaller offices across Continental Europe including in Norway, Spain and Holland. In the year ended 31 March 2015, the IGBB Commodities product group generated revenue of £121 million (2014: £139 million).

(D) Equities

IGBB's Equities revenues are generated largely from equity derivatives broking in IGBB's Jersey City and London offices. In the year ended 31 March 2015, the IGBB Equities product group generated revenue of £103 million (2014: £113 million).

(E) FX and Money Markets

IGBB's FX and Money Markets revenues are generated largely by broking FX forwards with smaller businesses in spot FX and cash deposits. These revenues are primarily generated in Jersey City and London. In the year ended 31 March 2015, the IGBB FX and Money Markets product group generated revenue of £74 million (2014: £78 million).

(F) Credit

IGBB's Credit revenues are generated almost entirely from broking corporate bonds with a small presence in credit derivatives, largely from IGBB's Jersey City and London offices. In the year ended 31 March 2015, the IGBB Credit product group generated revenue of £63 million (2014: £73 million).

7.2 The below table shows IGBB's revenue for the year ended 31 March 2015, 31 March 2014 and 31 March 2013 and for the six months ended 30 September 2015 and 30 September 2014, respectively, broken down in relation to each of the product groups:

	Six months ended 30 September		Year ended 31 March		
	2015 (audited)	2014 (unaudited)	2015 (audited)	2014 (audited)	2013 (audited)
Product Group					
Rates	145	157	315	360	390
Emerging Markets	56	70	132	150	150
Commodities	57	60	121	139	162
Equities	57	51	103	113	106
FX and Money Markets	33	36	74	78	91
Credit	18	28	63	73	93
Total	366	402	808	913	992

7.3 IGBB Information Services

IGBB Information Services delivers independent data solutions to financial market participants, generating subscription-based fees from a suite of products and services directly attributable to IGBB Global Broking and iSwap. Information Services charges licence fees based on financial instruments linked to proprietary indices as well as licensing other index administrators for the use of IGBB data in their indices.

8. PRINCIPAL MARKETS

The below table shows a breakdown of IGBB's revenue for the three financial years ended 31 March 2015, 31 March 2014 and 31 March 2013 and for the six months ended 30 September 2015 and 30 September 2014, respectively, split between (i) the three geographic regions of IGBB Global Broking (including iSwap) and (ii) IGBB Information Services:

	Six months ended 30 September		Year ended 31 March		
	2015 (audited)	2014 (unaudited)	2015 (audited)	2014 (audited)	2013 (audited)
Revenue by region					
Global Broking and iSwap:					
EMEA	164	193	374	411	452
Americas	128	145	297	362	394
Asia Pacific	50	44	96	102	110
Information Services	24	20	41	38	36
Total	366	402	808	913	992

IGBB manages its operations on a regional basis in EMEA, Americas, and Asia Pacific.

8.1 EMEA

IGBB's key offices in EMEA are in London, Frankfurt and Copenhagen. IGBB Global Broking (including iSwap) revenue in EMEA for the year ended 31 March 2015 was £374 million (year ended 31 March 2014: £411 million, year ended 31 March 2013: £452 million), representing 46 per cent. of total IGBB revenue (year ended 31 March 2014: 45 per cent., year ended 31 March 2013: 46 per cent.).

8.2 Americas

IGBB's key offices in the Americas are in New York, Jersey City, Houston and Sao Paulo. Global Broking (including iSwap) revenue in the Americas for the year ended 31 March 2015 was £297 million (year ended 31 March 2014: £362 million, year ended 31 March 2013: £394 million), representing 37 per cent. of total IGBB revenue (year ended 31 March 2014: 40 per cent., year ended 31 March 2013: 40 per cent.).

8.3 Asia Pacific

IGBB's key offices in Asia Pacific are in Singapore, Hong Kong, Tokyo, Sydney, Seoul, Jakarta, and Manila. Global Broking (including iSwap) revenue in Asia Pacific for the year ended 31 March 2015 was £96 million (year ended 31 March 2014: £102 million, year ended 31 March 2013: £110 million), representing 12 per cent. of total IGBB revenue (year ended 31 March 2014: 11 per cent., year ended 31 March 2013: 11 per cent.).

9. INFORMATION TECHNOLOGY

- 9.1** IGBB deploys a number of computer and communications systems and networks to operate its broking business, including front office broking platforms available to customers and brokers to disseminate information, provide analytics and to collect and manage orders; and middle office systems to record, confirm, enrich, report, monitor, and settle trades and to calculate brokerage commission.
- 9.2** In the IGBB Information Services business, IGBB deploys computer and communications systems and networks to capture, cleanse and package data, and to disseminate it both in real-time and at the end of each day to customers and information vendors.
- 9.3** IGBB deploys back office systems for sending confirmations, invoicing customers, for financial management, for reporting trades to clearing and settlement facilities, and to support other administrative functions.
- 9.4** IGBB's systems form an integral part of the services offered to customers who rely upon them to facilitate their activities.
- 9.5** Over the last few years IGBB has made investments in the development and launch of new e-commerce, hybrid and electronic broking platforms, straight-through-processing functionality and associated technology infrastructure. IGBB's e-commerce, hybrid and electronic broking platforms provide clients with the flexibility to transact either electronically or via the business's comprehensive voice execution broker network.
- 9.6** The regulatory reforms to the OTC derivatives markets that have been and are being introduced in the main territories in which IGBB operates, require in some cases, the deployment of front office order management systems and middle office deal management systems with particular functionality and connectivity capability. IGBB operates two SEFs: one based in the United States (ICAP SEF (US) LLC) and one in the United Kingdom (ICAP Global Derivatives Limited) and is required to operate an electronic system to meet the minimum functionality requirements to enable all market participants to enter multiple bids and offers, to observe and receive bids and offers, and to transact on such bids and offers.
- 9.7** IGBB has deployed multiple systems to satisfy its regulatory compliance and business oversight requirements in the locations in which it operates. These systems provide for record keeping, compliance monitoring, trade and order surveillance and regulatory reporting.
- 9.8** IGBB deploys technical infrastructure to run the various platforms and systems and has established primary and secondary data centres in each of the three geographic regions in which IGBB operates. These data centres are connected through a wide area network that carries data communications at the high speed necessary for low-latency trading systems, together with sufficient bandwidth to accommodate telephone communications over the global network.

PART XI

SELECTED FINANCIAL INFORMATION OF TULLETT PREBON

The following is a summary of the Company's financial information for the periods indicated. The data has been extracted without material adjustment from, and is qualified in its entirety by reference to, the financial information in or incorporated by reference into Part XII (*Historical Financial Information of Tullett Prebon*) of this document. The summary should be read in conjunction with that section and with Part XIII (*Operating and Financial Review of Tullett Prebon*) of this document. Investors are advised to read the whole of this document and not rely on the information summarised in this Part XI.

Consolidated Income Statement

For the years ended 31 December 2015, 31 December 2014, 31 December 2013 and 31 December 2012

	Year ended 31 December			
	2015 (unaudited)	2014 (audited)	2013 (audited)	2012 (audited) (restated)
	(£ in millions)			
Revenue	796.0	703.5	803.7	850.8
Underlying operating profit	107.9	100.7	115.4	125.5
<i>Exceptional and acquisition related items</i>	14.0	(53.1)	(15.2)	(149.4)
Reported operating profit	121.9	47.6	100.2	(23.9)
<i>Net finance costs</i>	(16.2)	(14.1)	(15.8)	(14.2)
Profit/ (loss) before tax	105.7	33.5	84.4	(38.1)
<i>Taxation</i>	(25.0)	(10.4)	(20.0)	(24.0)
Profit/ (loss) of consolidated companies	80.7	23.1	64.4	(62.1)
<i>Share of results of associates</i>	2.6	1.9	1.4	1.2
Profit / (Loss) for the Period	83.3	25.0	65.8	(60.9)

Consolidated Balance Sheet

As at 31 December 2015, 31 December 2014, 31 December 2013 and 31 December 2012

	Year ended 31 December			
	2015 (unaudited)	2014 (audited)	2013 (audited)	2012 (audited)
	(£ in millions)			
Non-current assets	512.0	460.7	389.3	380.3
Current assets	3,018.4	3,559.7	6,103.0	6,185.3
Total assets	3,530.4	4,020.4	6,492.3	6,565.6
Current liabilities	(2,846.2)	(3,288.1)	(5,842.3)	(5,918.8)
Non-current liabilities	(142.5)	(268.8)	(251.6)	(274.8)
Total liabilities	(2,988.7)	(3,556.9)	(6,093.9)	(6,193.6)
Net assets	541.7	463.5	398.4	372.0
Equity				
<i>Share capital</i>	60.9	60.9	54.4	54.4
<i>Share premium</i>	17.1	17.1	17.1	17.1
<i>Merger reserve</i>	178.5	178.5	121.5	121.5
<i>Other reserves</i>	(1,165.1)	(1,173.4)	(1,180.1)	(1,172.3)
<i>Retained earnings</i>	1,448.6	1,378.8	1,383.4	1,348.8
Equity attributable to equity holders of the parent	540.0	461.9	396.3	369.5
<i>Minority interests</i>	1.7	1.6	2.1	2.5
Total Equity	541.7	463.5	398.4	372.0

PART XII

HISTORICAL FINANCIAL INFORMATION OF TULLETT PREBON

1. AUDITED FINANCIAL INFORMATION IN ANNUAL REPORTS

- 1.1** The consolidated financial statements of the Company included in the annual reports for each of the years ended 31 December 2014, 31 December 2013 and 31 December 2012, together with the audit opinions thereon, are incorporated by reference into this document. Deloitte LLP, London, United Kingdom, a member firm of the Institute of Chartered Accountants in England and Wales, has issued unqualified audit opinions on the consolidated financial statements of the Company included in the Annual Reports for each of the three years ended 31 December 2014, 2013 and 2012. The financial statements for the years ended 31 December 2014, 31 December 2013 and 31 December 2012 were prepared in accordance with IFRS.
- 1.2** The paragraphs below set out the sections of the Company's 2012 Annual Report, the Company's 2013 Annual Report and the Company's 2014 Annual Report which contain information incorporated by reference into, and forming part of, this Part XII of this document. Only information in the parts of the Company's 2012 Annual Report, the Company's 2013 Annual Report and the Company's 2014 Annual Report identified below is incorporated into and forms part of this Part XII of this document. Information in other parts of relevant Annual Reports is either covered or incorporated by reference elsewhere in this document or is not relevant to an investor's assessment of the assets and liabilities, financial position, profit and losses and prospects of the Company.
- 1.3** The consolidated financial statements of the Company for the year ended 31 December 2014, which include a consolidated income statement, a consolidated statement of comprehensive income, a consolidated balance sheet, a consolidated statement of changes in equity, a consolidated cash flow statement and the notes to the financial statements are set out on pages 55 to 108 (inclusive) of the Company's 2014 Annual Report. The audit opinion to the members of the Company for the year ended 31 December 2014 is set out on pages 50 to 54 of the Company's 2014 Annual Report.
- 1.4** The consolidated financial statements of the Company for the year ended 31 December 2013, which include a consolidated income statement, a consolidated statement of comprehensive income, a consolidated balance sheet, a consolidated statement of changes in equity, a consolidated cash flow statement and the notes to the financial statements are set out on pages 49 to 94 (inclusive) of the Company's 2013 Annual Report. The audit opinion to the members of the Company for the year ended 31 December 2013 is set out on pages 45 to 48 of the Company's 2013 Annual Report.
- 1.5** The consolidated financial statements of the Company for the year ended 31 December 2012, which include a consolidated income statement, a consolidated statement of comprehensive income, a consolidated balance sheet, a consolidated statement of changes in equity, a consolidated cash flow statement and the notes to the financial statements are set out on pages 46 to 88 (inclusive) of the Company's 2012 Annual Report. The audit opinion to the members of the Company for the year ended 31 December 2012 is set out on page 45 of the Company's 2012 Annual Report.

2. UNAUDITED FINANCIAL INFORMATION IN PRELIMINARY REPORT

- 2.1** The extracts from the financial statements of the Company for the year ended 31 December 2015 included on pages 21 to 33 of the Company's 2015 Preliminary Results are incorporated by reference into this document. The consolidated financial information included in the Company's 2015 Preliminary Results does not constitute the Company's statutory accounts for the year ended 31 December 2015, but is derived from those accounts. The Company's statutory accounts for the year ended 31 December 2015 were approved by the Tullett Prebon Board and signed on 1 March 2016. However, as those accounts have not yet been published, the Company's 2015 Preliminary Results incorporated by reference in this document and selected financial information of the Company for the year ended 31 December 2015 included in this document are unaudited. The Company expects to publish its statutory accounts for the year ended 31 December 2015 in April 2016. Statutory accounts for 2015, if approved, will be delivered to the Registrar of Companies following the Company's Annual General Meeting.
- 2.2** The paragraph below sets out the sections of the Company's 2015 Preliminary Results, which contains information incorporated by reference into, and forming part of, this document. Only information in the parts of the Company's 2015 Preliminary Results identified below is incorporated into and forms

part of this document. Information in other parts of the Company's 2015 Preliminary Results is either covered elsewhere in this document or is not relevant to an investor's assessment of the assets and liabilities, financial position, profit and losses and prospects of the Company.

2.3 The Company's 2015 Preliminary Results, which contain a comparison to figures from the financial year ended 31 December 2014, include a consolidated income statement, a consolidated statement of comprehensive income, a consolidated balance sheet, a consolidated statement of changes in equity, a consolidated cash flow statement and the notes to the consolidated financial statements set out on pages 21 to 33 (inclusive) of the Company's 2015 Preliminary Results.

2.4 Deloitte LLP, London, United Kingdom, a member of the Institute of Chartered Accountants in England and Wales, has agreed that the financial statements of the Company for the year ended 31 December 2015 included on pages 21 to 33 of the Company's 2015 Preliminary Results, and the selected financial information of the Company for the year ended 31 December 2015 included on pages 78 to 79 of this document, are substantially consistent with the final figures to be published in the Company's statutory accounts for the year ended 31 December 2015. The Directors and the Proposed Director, whose names appear on page 49 of this document, and Tullett Prebon, have approved this information.

3. FURTHER DETAILS ON INFORMATION INCORPORATED BY REFERENCE

See Part XXIII (*Documents Incorporated by Reference*) of this document for further details about information that has been incorporated by reference into this document.

PART XIII

OPERATING AND FINANCIAL REVIEW OF TULLETT PREBON

The selected historical financial information discussed in this operating and financial review of the Company has been extracted from the historical financial information of Tullett Prebon in, or incorporated by reference into, Part XII (Historical Financial Information of Tullett Prebon) of this document. The following discussion of the Company's financial condition and results of operations should be read together with the rest of this document, including the financial information in Part XII (Historical Financial Information of Tullett Prebon) of this document, and reliance should not be placed solely on the summarised information contained in this Part XIII.

The financial year of the Company commences on 1 January and ends on 31 December of each year.

1. OVERVIEW

- 1.1 The Tullett Prebon Group's business involves the provision of broking services to counterparties operating in the world's major wholesale OTC and exchange traded financial and commodity markets. As an intermediary, the Tullett Prebon Group provides a valuable service to its clients through its ability to create liquidity through price and volume discovery to facilitate trading.
- 1.2 The business offers broking services in five major product groups: Treasury Products; Interest Rate Derivatives; Fixed Income securities and their derivatives; Equities; and Energy.
- 1.3 The Tullett Prebon Group's broking business is conducted through voice broking, where brokers, supported by proprietary screens displaying historical data, analytics and real-time prices, discover price and liquidity for their clients; and through electronic platforms.
- 1.4 The business brokers products on either a "Name Passing" (also known as "Name Give-Up") basis (where all counterparties to a transaction settle directly with each other), a "Matched Principal" basis (where the Tullett Prebon Group is a counterparty to both sides of a matching trade), or an Executing Broker basis (where the Tullett Prebon Group executes transactions on certain regulated exchanges in accordance with client orders and then 'gives-up' the trade to the relevant client or its clearing member). The Tullett Prebon Group does not take any proprietary positions.
- 1.5 The Tullett Prebon Group also has an established Information Sales business (Tullett Prebon Information), which collects, cleanses, collates and distributes real-time information to data providers, and a Risk Management Services business, which provides clients with post-trade, multi-product matching services.
- 1.6 The Tullett Prebon Group operates in Europe, the Middle East, Africa, North and South America and Asia Pacific. Its principal offices are in London, New York, New Jersey, Singapore, Hong Kong and Tokyo.
- 1.7 The Tullett Prebon Group's revenue is derived from brokerage commission and from subscription fees charged by its Information Sales business.
- 1.8 In the year ended 31 December 2015, the Tullett Prebon Group generated revenue of £796 million and underlying operating profit of £108 million.

2. PRINCIPAL FACTORS AFFECTING RESULTS OF OPERATIONS

The principal factors affecting the Tullett Prebon Group's results of operations and financial condition during the periods under review, and those that are expected to affect its results of operations and financial condition in the future, include the following:

2.1 Level of financial market volatility and the shape and level of yield curves

The Tullett Prebon Group generates revenue from commissions it earns by facilitating and executing customer orders. The level of revenue is substantially dependent on customer trading volumes. The volumes of transactions the Tullett Prebon Group's customers' conduct with it are affected by the level of volatility in financial markets, by the steepness and absolute level of yield curves, as well as by customers' risk appetite, and by their willingness and ability to trade.

Volatility is one of the key drivers of activity in the financial markets. During periods of market turbulence the level of volatility tends to be high and the business benefits from the increased volumes that occur

during such periods. Levels of activity in the financial markets can reduce sharply, however, when high volatility is overshadowed by structural uncertainty, resulting in a reduction in risk appetite amongst clients. During periods of low volatility the level of financial market activity is generally lower, and the volume of transactions undertaken by the business on behalf of its clients tends to be lower.

The steepness and absolute level of yield curves is one of the key drivers of activity in financial markets. When yield curves are flat and low the level of activity tends to be lower than when yield curves are steep and both short and long term interest rates are higher.

Since the financial crisis in 2008 the level of volatility in the financial markets has reduced and yield curves have lowered and flattened in response to actions taken by governments and supranational bodies through quantitative easing, and reflecting lower levels of expected inflation and subdued economic growth.

The level of market activity has generally been lower in each year since 2010 reflecting the lower levels of volatility in most of the asset classes in which the business operates, the reduction in major currency interest rates and the flattening of major currency yield curves, and significant compression of credit spreads in bond markets. There have been periods of heightened volatility in some financial markets but these have not been sustained and market conditions have continued to be challenging, particularly in Europe due to the continuation of low interest rate conditions and compressed bond market spreads which has dampened activity in Interest Rate Derivatives and Fixed Income products.

2.2 Commodity price volatility

The Tullett Prebon Group's largest product group by revenue is Energy and commodities, including oil and oil related products and financial instruments. Activity in these markets tends to increase during periods of rapid change in commodity prices, and to be more subdued when prices are stable. Since the middle of 2014, commodity prices, particularly crude oil which is the world's most actively traded commodity, have been volatile which has resulted in a higher level of market activity.

2.3 The impact of the changing regulatory environment for the Tullett Prebon Group's customers

Since the financial crisis in 2008 regulators worldwide have been adopting an increased level of scrutiny in supervising the financial markets and have been generally tightening the capital, leverage and liquidity requirements of commercial and investment banks, and taking steps to limit or separate their activities in order to reduce risk.

The level of the Tullett Prebon Group's revenue is substantially dependent on customer trading volumes. The volumes of transactions the Tullett Prebon Group's customers conduct with it have been affected by their reaction to the actions being taken by regulators which have generally reduced their risk appetite and their willingness and ability to trade.

2.4 The impact of new regulations directly affecting OTC markets and the costs of complying with new regulations

Part of the regulatory reforms being introduced relates directly to the operation of OTC derivatives markets, which are the most important markets for the Tullett Prebon Group. The regulatory reforms of the OTC derivatives markets are being effected in the United States through the implementation by the CFTC and the Securities Exchange Commission ("SEC") of the provisions of the Dodd-Frank Act, and in the European Union through the European Markets Infrastructure Regulation ("EMIR") and the Markets in Financial Instruments Directive ("MiFID II") and Markets in Financial Instruments Regulation ("MiFIR"). There are four broad themes to the reforms:

- the requirement that certain derivatives contracts be cleared through central counterparties;
- the requirement for trades to be reported to trade repositories;
- enhanced pre- and post- trade transparency; and
- the requirement that trades in derivatives contracts which are required to be cleared are executed through regulated execution venues (the Swap Execution Facility in the United States, and the regulated market, multilateral trading facility ("MTF") or the organised trading facility ("OTF") in the European Union).

In the United States, the phasing in of mandatory clearing of certain interest rate swaps and credit default index swaps commenced in March 2013. With respect to trade execution and reporting, the final rules relating to SEFs were published by the CFTC on 4 June 2013. The Tullett Prebon Group's SEF, which was

granted temporary registration by the CFTC in September 2013, was granted permanent registration by the CFTC in January 2016. The SEF started operating on 2 October 2013 when the rules for the capture and reporting of all trades in instruments within the scope of the regulations came into effect. The requirement for the mandatory execution within a SEF of trades in instruments that have been determined by the CFTC to be 'made available to trade' first came into effect for certain instruments in February 2014.

In the European Union, the implementation of EMIR, which contains provisions governing mandatory central clearing requirements and trade reporting requirements for certain OTC derivatives, is coming into effect in stages as the various technical standards are approved. The mandatory reporting of the details of all relevant derivatives contracts to recognised trade repositories came into effect from February 2014. The first clearing obligations are expected to come into effect in June 2016, and margin requirements for non-cleared trades are expected to apply from September 2016.

The legislative framework governing permissible trade execution venues, and governance and conduct of business requirements for trading venues, through the introduction of MiFID II and MiFIR is currently set to become effective from 3 January 2018.

MiFID II/MiFIR reform the regulatory framework for capital markets in the European Union, providing harmonised conditions for the authorisation and operation of investment firms and trading venues, conduct of business requirements, pre- and post-trade transparency arrangements, trading of certain OTC derivatives on regulated trading venues in certain conditions, and arrangements for the cross-border provision of investment and ancillary services. The rules create a new type of trading venue (the OTF) for, among other things, Fixed Income instruments and derivatives, and require management of position limits for commodities derivatives. The broad reach of MiFID II/MiFIR reforms will present risks and challenges to the Tullett Prebon Group as a provider of investment and ancillary services, including as an operator of regulated trading venues.

The reforms are likely to have an effect on the Tullett Prebon Group's business and the revenue the business is able to generate from its activities, including potentially through changes in commission rates, the size of the market that is intermediated, or the Tullett Prebon Group's market share. In addition significant expenditure is expected to be incurred in order to comply with the regulations, including the costs of implementing business and technology changes, the development and running of technical infrastructure and associated operational costs.

2.5 Competition for brokers and the level of broker compensation

The Tullett Prebon Group competes with other interdealer brokers for staff. The costs of employing front office broking staff is currently the largest cost faced by the Tullett Prebon Group. The effect of the competition for broking staff can result in an increase in staff costs, or if staff leave the Tullett Prebon Group, can result in the loss of capability, customer relationships and expertise.

The Tullett Prebon Group has suffered from predatory actions by one of its competitors including raids on the Tullett Prebon Group's operations in London and North America designed to poach large numbers of brokers. In addition to the costs of the legal action that the Tullett Prebon Group has taken to seek to enforce its contractual and other legal rights the Tullett Prebon Group has faced increased costs of employment for front office personnel, reflected in an increase in the broker employment costs relative to broking revenue.

The level of broker compensation expressed as a percentage of broking revenue has been reduced since 2012 as a result of actions taken to manage the cost base (see below). The ability of the Tullett Prebon Group to maintain broker compensation at its current level or to reduce broker compensation further will be affected by the extent of competition for brokers by other firms.

2.6 Management of the cost base

The Tullett Prebon Group actively manages its cost base to support its profitability as circumstances require it. The Tullett Prebon Group has in the past undertaken major restructuring programmes involving the exit or restructuring of contracts of staff, and the exit from certain activities.

As the level of activity and revenue in the traditional interdealer product areas has fallen over the last few years, action has been taken in the product areas and geographies most affected to align the cost base with the lower level of revenue. The objectives of the cost improvement programmes have been to reduce fixed costs, to preserve the variable nature of broker compensation and to reduce it as a percentage of broking

revenue, in order to ensure that the business is well positioned to respond to less favourable market conditions and to maintain operating margins.

The Company took a number of actions in 2014 to reduce headcount and other fixed costs. This cost improvement programme involved the exit of 166 front office staff, 51 support and other staff, and the vacating of office space, reducing annual fixed costs by over £45 million. The costs of these actions was £46.7 million, of which £22.0 million were non-cash charges, including the £3.2 million write down of an employment incentive grant receivable that may not be recoverable due to the reduction in headcount, and was charged as an exceptional item in the income statement in the Company's 2014 Annual Report.

The Company implemented a cost improvement programme towards the end of 2015 focused on reducing headcount in Europe and the Middle East and on restructuring broker contracts in North America to reduce fixed costs and to reduce the level of pay out as a percentage of broking revenue. Front office broking headcount is being reduced by approximately 70 heads representing a reduction of around 7.5% of the front office headcount in Europe and the Middle East and in North America in Treasury Products, Interest Rate Derivatives and Fixed Income. The cost of the actions taken in 2015 of £25.7 million, of which £4.4 million represents a non-cash write down of amounts previously paid, has been charged as an exceptional item in the income statement to be included in the Company's 2015 Annual Report. A further charge of less than £10 million is expected to be made in the first half of 2016 relating to actions that will be taken as part of this programme.

The Tullett Prebon Group may undertake further cost improvement and restructuring programmes from time to time in the future, and any such future action might involve significant costs or have a disruptive effect on the Tullett Prebon Group's business, or the anticipated benefits of any actions might not be realised in full.

2.7 Changes in the carrying value of goodwill

The Tullett Prebon Group's consolidated balance sheet includes a balance relating to goodwill arising through business combinations. The initial recognition of goodwill represents the excess of the costs of acquisitions over the identifiable net assets of the entities acquired. The carrying value of the goodwill allocated to each region is reviewed for impairment at least annually. Impairment testing requires that the estimated value of the business in each region is compared with the balance sheet carrying value of the business in that region, including goodwill, and any shortfall is recognised as an impairment of goodwill.

The estimated value of the business for each region is based on calculations reflecting projections of future cash flows and assumptions on growth rates and discount rates. The projections of future cash flows reflect the current performance and position of each business without taking into account further investment for growth or further actions to reduce costs. Changes in the estimated value of the business for each region from time to time may result in impairments in the carrying value of goodwill.

The annual impairment review for the 2012 year-end balance sheet concluded that the estimated value for the North America region based on its current performance and position was £123.0 million less than the balance sheet carrying value. This was recognised as an impairment of the goodwill attributed to the region and was included as an exceptional item in the Company's consolidated income statement for the financial year ended 31 December 2012. The annual impairment review for the 2014 year-end balance sheet concluded that the estimated value for the Brazil region based on its current performance and position was £6.8 million less than the balance sheet carrying value. This was recognised as an impairment of the goodwill attributed to the region and was included as an exceptional item in the Company's consolidated income statement for the financial year ended 31 December 2014.

2.8 Litigation costs and settlements

Legal action has in the past been taken by the Tullett Prebon Group to seek to enforce its contractual and other legal rights, and the Tullett Prebon Group may consider it necessary to take such action in the future. The costs of such actions, and the settlements and awards that may be received as a result, and the costs of defending actions taken against the Tullett Prebon Group, may be significant.

The Tullett Prebon Group's consolidated income statement in 2012 and 2013 included a net charge for legal costs relating to such actions of £11.6m and £15.2m respectively, and in 2014 and 2015 included a net credit for legal costs net of settlements relating to such actions of £3.1m and £64.4m respectively. The credit in 2015 reflects the conclusion in January 2015 of the legal action taken by the Company and certain of its subsidiaries against BGC Partners, Inc. in the New Jersey Superior Court, alleging claims for racketeering, unfair competition, misappropriation of confidential information and trade secrets, and

tortious interference. The Company entered into an agreement with BGC on 13 January 2015, under which BGC has paid US\$100 million (approximately £67 million) to settle the litigation and all other outstanding litigation between the parties.

3. RESULTS OF OPERATIONS

3.1 Comparison of the financial years ended 31 December 2015, 31 December 2014, 31 December 2013 and 31 December 2012

The operating and financial reviews for the financial years ended 31 December 2015, 31 December 2014, 31 December 2013 and 31 December 2012 respectively of the Company, comprising the information set out at the following pages of the Company's 2015 Preliminary Results, the Company's 2014 Annual Report, the Company's 2013 Annual Report and the Company's 2012 Annual Report respectively, are incorporated by reference into this document:

	<u>Company's 2015 Preliminary Results</u>	<u>Company's 2014 Annual Report</u>	<u>Company's 2013 Annual Report</u>	<u>Company's 2012 Annual Report</u>
Operating Review	Pages 9 to 12	Pages 10 to 11	Pages 8 to 10	Pages 8 to 10
Financial Review	Pages 13 to 19	Pages 12 to 16	Pages 11 to 13	Pages 12 to 15

4. CURRENT TRADING TRENDS AND PROSPECTS

4.1 Tullett Prebon's revenue is dependent, in the short term, on the level of activity in the markets it serves. Revenue in the first two months of 2016 was 3 per cent. lower than in the the same period in 2015 at constant exchange rates. Revenue from Information Sales and Risk Management Services, and broking revenue in Energy and Equities, was higher than in the prior year, offset by lower broking revenue in the traditional interdealer product areas of Treasury Products, Interest Rate Derivatives and Fixed Income securities.

4.2 It is not possible to predict when the structural and cyclical factors currently adversely affecting the interdealer broker industry will ease, or when the level of activity in the wholesale OTC financial markets may increase. Tullett Prebon's recent performance has benefited from the buoyant level of activity in the Energy and commodities markets, particularly in oil and oil related financial instruments, and this level of activity may not persist. Tullett Prebon has taken further cost improvement action and will continue to actively manage its cost base to reflect market conditions.

5. FINANCIAL RISK MANAGEMENT

The Tullett Prebon Group's Risk Management Governance is set out in Part XX (*Directors, Proposed Director and Corporate Governance*) of this document. The Tullett Prebon Group's risk profile is set out on pages 16 to 21 of the Company's 2014 Annual Report, only the following sections of which are hereby incorporated by reference into this document:

- Market Risk;
- Credit Risk (including the sub-headings of Pre-settlement risk, Settlement risk, Cash deposits, Name Passing brokerage receivables and Concentration risk);
- Liquidity Risk; and
- Other Financial Risks (including the sub-headings of Interest rate risk, Currency risk, Taxation risk and Pension obligation risk).

6. CRITICAL ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

The Tullett Prebon Group's critical accounting policies, estimates and judgements are set out in Note 3 (pages 61 to 68) of the Company's 2014 Annual Report which have been incorporated by reference in Part XII (*Historical Financial Information of Tullett Prebon*) of this document.

7. DIVIDENDS

7.1 It is anticipated that the Company will continue to pay an interim dividend in November of each year and a final dividend in May of each year.

7.2 Dividends paid per share for the financial years ended 31 December 2015, 31 December 2014, 31 December 2013 and 31 December 2012 were as follows:

- In 2015, the Company paid a final dividend for 2014 of 11.25p per Ordinary Share, and an interim dividend for 2015 of 5.6p per Ordinary Share.
- In 2014, the Company paid a final dividend for 2013 of 11.25p per Ordinary Share, and an interim dividend for 2014 of 5.6p per Ordinary Share.
- In 2013, the Company paid a final dividend for 2012 of 11.25p per Ordinary Share and an interim dividend for 2013 of 5.6p per Ordinary Share.
- In 2012, the Company paid an interim dividend for 2012 of 5.6p per Ordinary Share.

8. KEY FINANCIAL AND PERFORMANCE INDICATORS

The information relating to the Tullett Prebon Group's key financial and performance indicators as set out on page 8 of the Company's 2015 Preliminary Results is hereby incorporated by reference into this document.

PART XIV

CAPITAL RESOURCES OF TULLETT PREBON

1. LIQUIDITY AND CAPITAL RESOURCES

1.1 Cash flow

The cash flows for the years ended 31 December 2015, 31 December 2014, 31 December 2013 and 31 December 2012 are summarised in the table below:

	Year ended 31 December			
	2015	2014	2013	2012
	(£ in millions)			
Operating cash flows before movement in working capital	162.4	77.9	112.4	104.7
Working capital	17.9	7.5	(6.0)	(45.6)
Cash generated from operations	180.3	85.4	106.4	59.1
Income taxes paid	(19.5)	(15.9)	(27.5)	(27.3)
Interest paid	(16.8)	(16.7)	(16.8)	(15.2)
Net cash from operating activities	<u>144.0</u>	<u>52.8</u>	<u>62.1</u>	<u>16.6</u>
Net cash used in investment activities	<u>(31.9)</u>	<u>24.1</u>	<u>(18.4)</u>	<u>(23.9)</u>
Dividends paid to shareholders	(41.0)	(36.7)	(36.7)	(36.6)
Dividends paid to minority interests	(0.4)	(0.2)	(0.3)	(0.6)
Repayment of debt	—	(8.5)	(30.0)	(90.1)
Equity issue costs	—	(1.4)	—	—
Funds received from debt issue	—	—	—	80.0
Debt issue and bank facility arrangement costs	(4.3)	—	(1.7)	(1.3)
Net cash used in financing activities	<u>(45.7)</u>	<u>(46.8)</u>	<u>(68.7)</u>	<u>(48.6)</u>
Net increase / (decrease) in cash and cash equivalents	<u>66.4</u>	<u>30.1</u>	<u>(25.0)</u>	<u>(55.9)</u>

1.2 Explanation of line items in the cash flow statement

The Tullett Prebon Group's operating cash flows before movement in working capital represents the operating profit reported for each year adjusted for non-cash items, mainly depreciation and amortisation.

Movements in working capital reflect the net of the movements in settlement balances, receivables, prepayments, bonus accruals, and trade and other payables.

The majority of the Tullett Prebon Group's tax payments are made in the UK where tax liabilities are paid partly in arrears. Payments in any one year therefore partly reflect charges for current tax in prior periods.

Interest payments reflect the income statement charge for cash finance expenses excluding the charge for the amortisation of debt issue costs.

The cash from or used in investment activities reflects capital expenditure, which mainly relates to investment in the development of electronic platforms and associated infrastructure, and improvements to various leasehold offices, expenditure on acquisitions and investments including payments for deferred consideration relating to the acquisitions made in previous years, and movements in the Tullett Prebon Group's holdings of financial assets (short term government securities and term deposits held with banks and clearing organisations).

1.3 Capital Structure

The Tullett Prebon Group's policy is to maintain a capital base and funding structure that maintains creditor, regulator and market confidence and provides flexibility for business development. The capital structure of the Tullett Prebon Group consists of debt and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

1.4 Debt Finance

At 31 December 2015, the Tullett Prebon Group's outstanding debt comprised £141.1 million sterling Notes due 6 July 2016, and £80.0 million sterling Notes due June 2019. The carrying value of these Notes, net of unamortised issue costs, amounted to £220.2 million.

Sterling Notes

- *Sterling Notes: Due 6 July 2016*

On 6 July 2009 £141,144,000 of 7.04 per cent. Guaranteed Notes due 6 July 2016 were issued.

- *Sterling Notes: Due June 2019*

On 11 December 2012, the Company issued sterling Notes amounting to £80,000,000 under its Euro Medium Term Note Programme. These sterling Notes have a coupon of 5.25 per cent. and are due on 11 June 2019.

1.5 Liquidity and short-term capital resources

The Tullett Prebon Group manages its day to day liquidity through holding significant cash balances and other financial assets, and through various credit and settlement facilities provided by the Tullett Prebon Group's bankers and settlement agents.

Cash, cash equivalents and other financial assets

At 31 December 2015, the Tullett Prebon Group held cash, cash equivalents and other financial assets totalling £379.2 million.

Revolving Credit Facility

In November 2015, the Company increased the size of its committed revolving credit facility from £150 million to £250 million. This facility will mature in April 2018. As at 26 February 2016 (being the last practicable date prior to the date of this document), this facility had not been drawn.

Bridge Loan Facility

On 11 November 2015, the Company entered into a £470 million term loan bridge facility that, on Completion, can be drawn to refinance the Guaranteed Notes due 6 July 2016 and to finance the repayment by IGBHL of a £330 million intercompany debt payable to ICAP Group Holdings plc under the terms of the Acquisition Agreement.

If Completion has not occurred prior to 6 July 2016 the Guaranteed Notes will be refinanced by drawing on the Revolving Credit Facility.

Cash flow

The Tullett Prebon Group generates cash from its operations which funds investment in the business and provides funds to pay interest and dividends on the Tullett Prebon Group's capital. The Tullett Prebon Group meets principal repayments of debt through a combination of cash generated from operations and the raising of new debt, and the Tullett Prebon Group may issue equity in order to fund investments in the business such as acquisitions, or to repay debt. Over the four years 2012 to 2015, the net cash generated from operating activities, less the amounts used in investment activities, totalled £225.4 million. The amount paid as dividends to shareholders of the Company in that period totalled £151.0 million. Over that four year period the Tullett Prebon Group has repaid £128.6 million of debt and raised £80 million (gross of issue costs) of new debt.

2. CAPITALISATION AND INDEBTEDNESS

The following table sets out the capitalisation of the Tullett Prebon Group as at 31 December 2015 (as extracted from the Company's 2015 Preliminary Results):

	<u>31 December 2015</u> (£ in millions)
Shareholder's Equity	
Share Capital	60.9
Share Premium	17.1
Other Reserves	462.0
Total	<u>540.0</u>

The following table sets out the indebtedness of the Tullett Prebon Group as at 31 December 2015 (as extracted from the Company's 2015 Preliminary Results):

	31 December 2015
	(£ in millions)
Total Current Debt	140.9
Guaranteed ⁽¹⁾	140.9
Secured	—
Unguaranteed/unsecured	—
Total Non-Current Debt	79.3
Guaranteed ⁽¹⁾	79.3
Secured	—
Unguaranteed/unsecured	—
Shareholder's Equity	540.0
Share Capital	60.9
Share Premium	17.1
Other Reserves	462.0
Total	<u>760.2</u>

Notes:

- (1) £80.0 million sterling Notes 2019 issued by Tullett Prebon plc guaranteed by TP Holdings Limited until July 2016; £141.1 million sterling Notes 2016 issued by Tullett Prebon Group Holdings Limited guaranteed by TP Holdings Limited until maturity

There have been no significant changes to the Tullett Prebon Group's indebtedness position since 31 December 2015.

3. NET FINANCIAL INDEBTEDNESS

The following table shows the net financial indebtedness of the Tullett Prebon Group as at 31 December 2015 (as extracted from the Company's 2015 Preliminary Results):

	31 December 2015
	(£ in millions)
Liquidity	379.2
Cash	296.7
Cash Equivalents	60.2
Client settlement money	2.0
Trading Securities	20.3
Current Financial Debt	(140.9)
Current Bank Debt	—
Notes issued	(140.9)
Other current financial debt	—
Net Current Financial Surplus	<u>238.3</u>
Non-current financial indebtedness	(79.3)
Non-current Bank Debt	—
Notes issued	(79.3)
Other non-current loans	—
Net Financial Surplus	<u>159.0</u>

4. REGULATORY CAPITAL

The Tullett Prebon Group's lead regulator is the FCA. The Tullett Prebon Group has an investment firm consolidation waiver (the "Waiver") given by the FCA in accordance with the discretion in Article 15 of the CRR so that the Tullett Prebon Group does not need to apply the requirements of certain aspects of the CRR on a consolidated basis. The Waiver took effect on 25 September 2014 and will expire on 24 September 2024. Under the terms of the Waiver, the Company, as the parent company, must maintain financial resources in excess of the sum of the solo notional capital resources requirements for each

relevant firm within the Tullett Prebon Group (referred to as the “**financial holding company test**”). Each investment firm within the Tullett Prebon Group must fall within either of the categories set out in Article 95(1) or Article 96(1) of the CRR and each EU investment firm in the Tullett Prebon Group must meet its relevant own funds requirements.

The Tullett Prebon Group’s regulatory capital headroom under the financial holding company test calculated in accordance with Pillar 1 as at 31 December 2015 was £761 million (2014: £715 million).

Many of the Tullett Prebon Group’s broking entities are regulated on a ‘solo’ basis, and are obliged to meet the regulatory capital requirements imposed by the legal regulator of the jurisdiction in which they operate. The Tullett Prebon Group maintains an appropriate excess of financial resources in such entities.

PART XV

SELECTED FINANCIAL INFORMATION OF IGBB

The following is a summary of IGBB's financial information for the periods indicated. The data has been extracted without material adjustment from, and is qualified in its entirety by reference to, the financial information in Section B of Part XVI (*Historical Financial Information of IGBB*). The summary should be read in conjunction with that section and with Part XVII (*Operating and Financial Review of IGBB*). Investors are advised to read the whole of this document and not rely on the information summarised in this Part XV.

Combined Statement of Income

For the years ended 31 March 2015, 31 March 2014 and 31 March 2013 and for the six months ended 30 September 2015 and 30 September 2014

	Six months ended 30 September		Year ended 31 March		
	2015 (audited)	2014 (unaudited)	2015 (audited)	2014 (audited)	2013 (audited)
	(£ in millions)				
Revenue	366	402	808	913	992
Trading operating profit	37	24	84	115	128
Acquisition and disposal costs	—	(1)	(1)	(14)	(88)
Exceptional items	—	(20)	(73)	(76)	(36)
Total operating profit	37	3	10	25	4
Net finance income	—	2	2	9	5
Share of profit of associates and JVs after tax	3	4	8	6	6
Profit before tax	40	9	20	40	15
Tax	(8)	—	1	4	(6)
Profit for the period	<u>32</u>	<u>9</u>	<u>21</u>	<u>44</u>	<u>9</u>

Combined Balance Sheet

As at 31 March 2015, 31 March 2014 and 31 March 2013 and as at 30 September 2015

	As at 30 September 2015	As at 31 March		
	(audited)	2015 (audited)	2014 (audited)	2013 (audited)
	(£ in millions)			
Non-current assets	218	218	227	251
Current assets	17,933	24,743	23,272	17,363
Total assets	18,151	24,961	23,499	17,614
Current liabilities	(17,512)	(24,346)	(22,847)	(16,902)
Non-current liabilities	(38)	(41)	(25)	(34)
Total liabilities	(17,550)	(24,387)	(22,872)	(16,936)
Net assets	<u>601</u>	<u>574</u>	<u>627</u>	<u>678</u>
Invested capital				
Invested capital attributable to:				
Owners of the group	579	548	602	640
Non-controlling interests	22	26	25	38
Total invested capital	<u>601</u>	<u>574</u>	<u>627</u>	<u>678</u>

Combined Cash Flow Statement

For the years ended 31 March 2015, 31 March 2014 and 31 March 2013 and for the six months ended 30 September 2015 and 30 September 2014

	Six months ended 30 September		Year ended 31 March		
	2015 (audited)	2014 (unaudited)	2015 (audited)	2014 (audited)	2013 (audited)
	(£ in millions)				
Cash flows from operating activities	58	(52)	24	(8)	122
Net cash flows from investing activities	(11)	(17)	(14)	(24)	(28)
Net cash flows from financing activities	<u>1</u>	<u>(12)</u>	<u>(131)</u>	<u>(32)</u>	<u>(103)</u>
Net (decrease)/increase in cash and cash equivalents	48	(81)	(121)	(64)	(9)
Cash and cash equivalents at beginning of the period ⁽¹⁾	317	367	367	438	410
FX adjustments	<u>(13)</u>	<u>21</u>	<u>71</u>	<u>(7)</u>	<u>37</u>
Cash and cash equivalents at end of the period ⁽¹⁾ . .	<u><u>352</u></u>	<u><u>307</u></u>	<u><u>317</u></u>	<u><u>367</u></u>	<u><u>438</u></u>

Notes:

(1) Net of bank overdraft.

PART XVI

HISTORICAL FINANCIAL INFORMATION OF IGBB

Section A: Accountant's Report on the Historical Financial Information relating to IGBB



The Directors
Tullett Prebon plc
Tower 42, Level 37
25 Old Broad Street
London
EC2N 1HQ

N M Rothschild & Sons Limited
New Court
St Swithin's Lane
London
EC4N 8AL

1 March 2016

Dear Sirs

Global Broking Business of ICAP plc ("IGBB")

We report on the financial information set out in Section B of Part XVI below (the "**IGBB Financial Information**"). The IGBB Financial Information has been prepared for inclusion in the combined prospectus and circular dated 1 March 2016 (the "**Prospectus**") of Tullett Prebon plc (the "**Company**") on the basis of the accounting policies set out in notes to the IGBB Financial Information. This report is required by item 20.1 of Annex I to the PD Regulation and 13.5.22R of the Listing Rules and is given for the purpose of complying with those items and for no other purpose.

We have not audited the financial information for the six month period ended 30 September 2014 and accordingly do not express an opinion thereon.

Responsibilities

The Directors of the Company are responsible for preparing the IGBB Financial Information in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion as to whether the IGBB Financial Information gives a true and fair view for the purposes of the Prospectus and to report our opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and for any responsibility arising under item 5.5.3R(2)(f) of the Prospectus Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 23.1 of Annex I to the PD Regulation and 13.4.1R(6) of the Listing Rules, consenting to its inclusion in the Prospectus.

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PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the IGBB Financial Information gives, for the purposes of the Prospectus dated 1 March 2016, a true and fair view of the state of affairs of the IGBB as at the dates stated and of its profits, cash flows and changes in invested capital for the periods then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f) we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex I to the PD Regulation.

Yours faithfully

PricewaterhouseCoopers LLP
Chartered Accountants

Section B: Historical Financial Information relating to IGBB

Combined income statement half year to 30 September 2015

	Notes	Trading	Acquisition and disposal costs	Exceptional items	Total
			(£ in millions)		
Revenue	2	366	—	—	366
Operating expenses	3	(330)	—	—	(330)
Other income		1	—	—	1
Operating profit	2	37	—	—	37
Finance income		1	—	—	1
Finance expense		(1)	—	—	(1)
Share of profit of associates and JVs after tax		3	—	—	3
Profit before tax		40	—	—	40
Tax	5	(8)	—	—	(8)
Profit for the period		32	—	—	32
Attributable to:					
Owners of IGBB		34	—	—	34
Non-controlling interests		(2)	—	—	(2)
		32	—	—	32

Combined income statement half year to 30 September 2014 (unaudited)

	Notes	Trading	Acquisition and disposal costs	Exceptional items	Total
			(£ in millions)		
Revenue	2	402	—	—	402
Operating expenses	3	(379)	(1)	(20)	(400)
Other income		1	—	—	1
Operating profit	2	24	(1)	(20)	3
Finance income		2	1	—	3
Finance expense		(1)	—	—	(1)
Share of profit of associates and JVs after tax		4	—	—	4
Profit before tax		29	—	(20)	9
Tax	5	(7)	—	7	—
Profit for the period		22	—	(13)	9
Attributable to:					
Owners of IGBB		24	—	(13)	11
Non-controlling interests		(2)	—	—	(2)
		22	—	(13)	9

Combined income statement year ended 31 March 2015

	Notes	Trading	Acquisition and disposal costs	Exceptional items	Total
			(£ in millions)		
Revenue	2	808	—	—	808
Operating expenses	3	(727)	(1)	(73)	(801)
Other income		3	—	—	3
Operating profit	2	84	(1)	(73)	10
Finance income		2	1	—	3
Finance expense		(1)	—	—	(1)
Share of profit of associates and JVs after tax		8	—	—	8
Profit before tax		93	—	(73)	20
Tax	5	(15)	(3)	19	1
Profit for the year		<u>78</u>	<u>(3)</u>	<u>(54)</u>	<u>21</u>
Attributable to:					
Owners of IGBB		79	(3)	(54)	22
Non-controlling interests		(1)	—	—	(1)
		<u>78</u>	<u>(3)</u>	<u>(54)</u>	<u>21</u>

Combined income statement year ended 31 March 2014

	Notes	Trading	Acquisition and disposal costs	Exceptional items	Total
			(£ in millions)		
Revenue	2	913	—	—	913
Operating expenses	3	(803)	(14)	(76)	(893)
Other income		5	—	—	5
Operating profit	2	115	(14)	(76)	25
Finance income		10	—	—	10
Finance expense		—	(1)	—	(1)
Share of profit of associates and JVs after tax		6	—	—	6
Profit before tax		131	(15)	(76)	40
Tax	5	(30)	22	12	4
Profit for the year		<u>101</u>	<u>7</u>	<u>(64)</u>	<u>44</u>
Attributable to:					
Owners of IGBB		103	7	(64)	46
Non-controlling interests		(2)	—	—	(2)
		<u>101</u>	<u>7</u>	<u>(64)</u>	<u>44</u>

Combined income statement year ended 31 March 2013

	Notes	Trading	Acquisition and disposal costs	Exceptional items	Total
			(£ in millions)		
Revenue	2	992	—	—	992
Operating expenses	3	(872)	(88)	(36)	(996)
Other income		8	—	—	8
Operating profit	2	128	(88)	(36)	4
Finance income		6	—	—	6
Finance costs		(1)	—	—	(1)
Share of profit of associates and JVs after tax		6	—	—	6
Profit before tax		139	(88)	(36)	15
Tax	5	(32)	19	7	(6)
Profit for the year		107	(69)	(29)	9
Attributable to:					
Owners of IGBB		106	(69)	(29)	8
Non-controlling interests		1	—	—	1
		107	(69)	(29)	9

Combined statement of other comprehensive income

	Six months ended 30 September		Year ended 31 March		
	2015	2014	2015	2014	2013
	(audited)	(unaudited)	(audited)	(audited)	(audited)
	(£ in millions)				
Profit for the period	32	9	21	44	9
Other comprehensive profit/(loss)					
Items that will be reclassified subsequently to profit or loss when specific conditions are met:					
Exchange differences	(4)	(5)	25	(66)	13
Other comprehensive profit/(loss) for the period, net of tax	(4)	(5)	25	(66)	13
Total comprehensive profit/(loss) for the period . . .	28	4	46	(22)	22
Total comprehensive profit/(loss) attributable to:					
Owners of IGBB	30	4	45	(19)	21
Non-controlling interests	(2)	—	1	(3)	1
	28	4	46	(22)	22

Combined balance sheet

	Notes	Six months ended 30 September 2015	Year ended 31 March		
			2015	2014	2013
(£ in millions)					
Assets					
Non-current assets					
Intangible assets arising on consolidation	9	82	82	80	96
Intangible assets arising from development expenditure	8	46	44	48	32
Property and equipment	19	24	26	30	35
Investment in joint ventures	16	7	7	5	8
Investment in associates	17	37	36	36	32
Available-for-sale investments	18	11	9	12	22
Deferred tax asset	5	10	12	15	21
Trade and other receivables	12	1	2	1	4
Retirement benefit assets		—	—	—	1
		218	218	227	251
Current assets					
Trade and other receivables	12	17,468	24,236	22,757	16,793
Receivable from affiliates	12	78	122	112	98
Available-for-sale investments	18	1	—	—	—
Restricted funds	7	27	35	35	33
Cash and cash equivalents	7	359	350	368	439
		17,933	24,743	23,272	17,363
Total assets		18,151	24,961	23,499	17,614
Liabilities					
Current liabilities					
Trade and other payables	13	(17,428)	(24,194)	(22,725)	(16,751)
Payable to affiliates	13	(38)	(75)	(92)	(104)
Bank overdraft	7	(7)	(33)	(1)	(1)
Tax payable		(23)	(30)	(21)	(46)
Provisions	10	(16)	(14)	(8)	—
		(17,512)	(24,346)	(22,847)	(16,902)
Non-current liabilities					
Trade and other payables	13	(5)	(6)	(6)	(7)
Deferred tax liabilities	5	(12)	(11)	(7)	(12)
Retirement benefit obligations		(3)	(4)	(2)	(3)
Provisions	10	(18)	(20)	(10)	(12)
		(38)	(41)	(25)	(34)
Total liabilities		(17,550)	(24,387)	(22,872)	(16,936)
Net assets		601	574	627	678
Invested capital					
Invested capital attributable to:					
Owners of IGBB		579	548	602	640
Non-controlling interests		22	26	25	38
Total invested capital		601	574	627	678

Combined statement of changes in invested capital

<u>Half year ended 30 September 2015</u>	<u>Owners</u>	<u>Non-controlling interests</u>	<u>Total</u>
		(<u>£ in millions</u>)	
Balance as at 1 April 2015	548	26	574
Profit/(loss) for the period	34	(2)	32
Other comprehensive profit for the period, net of tax	(4)	—	(4)
Total comprehensive profit for the period	<u>30</u>	<u>(2)</u>	<u>28</u>
Net distributions in the period	1	—	1
Other movements in NCI	—	(2)	(2)
Balance as at 30 September 2015	<u>579</u>	<u>22</u>	<u>601</u>
<u>Year ended 31 March 2015</u>	<u>Owners</u>	<u>Non-controlling interests</u>	<u>Total</u>
		(<u>£ in millions</u>)	
Balance as at 1 April 2014	602	25	627
Profit/(loss) for the year	22	(1)	21
Other comprehensive loss for the year, net of tax	23	2	25
Total comprehensive loss for the year	<u>45</u>	<u>1</u>	<u>46</u>
Net distributions in the year	(99)	—	(99)
Balance as at 31 March 2015	<u>548</u>	<u>26</u>	<u>574</u>
<u>Year ended 31 March 2014</u>	<u>Owners</u>	<u>Non-controlling interests</u>	<u>Total</u>
		(<u>£ in millions</u>)	
Balance as at 1 April 2013	640	38	678
Profit/(loss) for the year	46	(2)	44
Other comprehensive profit for the year, net of tax	(65)	(1)	(66)
Total comprehensive profit for the year	<u>(19)</u>	<u>(3)</u>	<u>(22)</u>
Net distributions in the year	(19)	—	(19)
Dividends to NCI*	—	(10)	(10)
Balance as at 31 March 2014	<u>602</u>	<u>25</u>	<u>627</u>
<u>Year ended 31 March 2013</u>	<u>Owners</u>	<u>Non-controlling interests</u>	<u>Total</u>
		(<u>£ in millions</u>)	
Balance as at 1 April 2012	723	42	765
Profit for the year	8	1	9
Other comprehensive profit for the year, net of tax	13	—	13
Total comprehensive profit for the year	<u>21</u>	<u>1</u>	<u>22</u>
Net distributions in the year	(104)	—	(104)
Other movements in NCI	—	(5)	(5)
Balance as at 31 March 2013	<u>640</u>	<u>38</u>	<u>678</u>

* Dividend payments to non-controlling interest of an IGBB subsidiary.

Combined statement of cash flows

	Notes	Half year to 30 September		Year ended 31 March		
		2015 (audited)	2014 (unaudited)	2015 (audited)	2014 (audited)	2013 (audited)
(£ in millions)						
Cash flows from operating activities	7(b)	58	(52)	24	(8)	122
Cash flows from investing activities						
Dividends received from associates	17	3	4	4	4	1
Dividends received from joint ventures . . .	16	—	1	1	5	—
Other equity dividends received		—	—	—	2	2
Payments to acquire property and equipment	19	(2)	(4)	(3)	(7)	(1)
Intangible development expenditure	8	(9)	(18)	(16)	(28)	(31)
Proceeds from disposal of subsidiary		—	—	1	—	—
Proceeds from disposal of available-for-sale investments		—	—	—	—	3
Acquisition of available-for-sale investments	18	(3)	—	—	—	—
Acquisition of associates and joint ventures	16/17	—	—	(1)	—	(2)
Net cash flows from investing activities . . .		<u>(11)</u>	<u>(17)</u>	<u>(14)</u>	<u>(24)</u>	<u>(28)</u>
Cash flows from financing activities						
Dividends paid to non-controlling interest*		—	—	—	(10)	—
Net cash distributions from/(to) affiliates . .		1	(12)	(131)	(22)	(103)
Net cash flows from financing activities . . .		<u>1</u>	<u>(12)</u>	<u>(131)</u>	<u>(32)</u>	<u>(103)</u>
Net decrease in cash and cash equivalents .		48	(81)	(121)	(64)	(9)
Cash and cash equivalents at beginning of the year**		317	367	367	438	410
FX adjustments		(13)	21	71	(7)	37
Cash and cash equivalents at end of the year**	7(a)	<u>352</u>	<u>307</u>	<u>317</u>	<u>367</u>	<u>438</u>

* Dividend payments to non-controlling interest of an IGBB subsidiary.

** Net of bank overdraft.

Notes to the combined financial information

1. Basis of preparation

Preparation of Combined Financial Information

The Combined Financial Information of the ICAP Global Broking Business (herein also referred to as “IGBB”) has been prepared on a basis that combines the results and assets and liabilities of IGBB by applying the principles underlying the consolidation procedures of IFRS 10 (revised) “Consolidated Financial Statements”. The Combined Financial Information has been prepared from the ICAP Group consolidation schedules which include the individual financial returns of IGBB companies and the ICAP Group consolidation and other adjustments attributable to IGBB entities and businesses.

This basis of preparation describes how the Combined Financial Information has been prepared in accordance with International Financial Reporting Standards (“IFRSs”) as adopted by the European Union and as issued by the International Accounting Standards Board. References to IFRSs hereafter should be construed as references to IFRSs as adopted by the EU. IFRS does not provide for the preparation of combined financial information, or for the specific accounting treatment set out below, and, accordingly, in preparing the Combined Financial Information, certain accounting conventions commonly used for the preparation of historical financial information for inclusion in investment circulars as described in the Annexure to SIR 2000 “Standards for Investment Reporting applicable to public reporting engagements on historical financial information” issued by the UK Auditing Practices Board have been applied.

The accounting policies that were in force as at 1 April 2014 and were adopted by ICAP Group for the financial year ended 31 March 2015 were applied in the preparation of the Combined Financial Information for all periods. These accounting policies are consistent with those used by Tullett Prebon plc in its annual financial statements for the year ended 31 December 2015. Measurement and presentation of IGBB’s financial statements for the years ending 31 March 2013 and 31 March 2014 were restated based on new IFRSs and/or changes in IFRSs that were adopted by ICAP Group for the first time from 1 April 2014.

The preparation of Combined Financial Information requires ICAP management to apply judgements and the use of estimates and assumptions about future conditions. ICAP management considers impairment review of goodwill and other intangible assets arising on consolidation to be the area requiring exercise of increased judgement. Further information about key assumptions concerning the future, and other key sources of estimation uncertainty, are set out in the relevant notes to the combined financial information. Estimates and assumptions are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Due to the inherent uncertainty in making estimates, actual results reported in future periods may be based on amounts which differ from those estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The following summarises the key accounting and other principles applied in preparing the Combined Financial Information:

- IGBB has not in the past constituted a separate legal group and therefore it is not meaningful to show share capital or an analysis of reserves for IGBB. The net assets of IGBB are represented by Invested Capital, the cumulative investment of ICAP plc and its subsidiaries (that are not part of IGBB together with associates and joint ventures “**ICAP Non-IGBB Group affiliates**” or “**affiliates**”). Any funding to, investments in and dividends received from/paid to ICAP Non-IGBB Group affiliates are shown as movements in Invested Capital.
- The trading results of IGBB are stated after the allocation of ICAP plc head office and corporate costs comprising those directly attributable to IGBB and of indirect costs consistent with the historical allocations to ICAP plc’s operating segments. Certain indirect costs (which for the year ended 31 March 2015 amounted to £14 million) are not to be charged to IGBB by ICAP plc following Completion. The results of IGBB presented might have been different had the entities operated as a separate group from 1 April 2012. The results are not necessarily indicative of future periods since the relationship of costs in respect of IGBB functions and services provided by ICAP Non-IGBB Group affiliates and related parties may be different.

Notes to the combined financial information (Continued)

1. Basis of preparation (Continued)

- The tax charges in the Combined Financial Information have been determined based on the analysis of ICAP Group's tax charge and, assessment of how much is attributable to IGBB business, taking into account legal entity charges and applicable group level adjustments. The tax charges recorded in the combined income statement may have been affected by the taxation arrangements within ICAP Group, and are not necessarily representative of the tax charges that could apply in the future.
- Current tax receivable/payable and deferred tax assets and liabilities were determined based on the analysis of ICAP Group's current tax position and temporary differences at each period end and assessment of how these relate directly or indirectly to IGBB business.
- Tax payments made in the period as presented in the combined statement of cash flows have been determined based on the aggregated payments made by IGBB entities including service companies. IGBB cash outflows relating to tax are not necessarily representative of tax payments that would be made by IGBB in the future.
- Transactions and balances between entities included within IGBB have been eliminated.
- Trading balances between IGBB entities and other ICAP companies have been presented in the combined balance sheet as current receivables and current payables.
- Assets including intangible assets arising from development expenditures and property and equipment in the combined balance sheet have been determined based on the assets recorded in IGBB companies, excluding assets recorded in IGBB service companies that are attributable to other businesses of ICAP Group outside IGBB but including shared assets of £30 million as at 30 September 2015. This approach follows how management views assets employed by each ICAP operating segment. The same approach has been adopted to determine the amortisation and depreciation expenses relating to these assets in the combined income statement. The shared assets, which as at 30 September 2015 were £30 million, are not to be acquired by Tullett Prebon under the terms of the share purchase agreement.
- The Combined Financial Information does not include borrowings and the finance costs associated with those borrowings. Funding is made available to IGBB as part of central treasury arrangements within ICAP Group. Therefore the finance costs and liabilities in IGBB's Combined Income Statements and Combined Balance Sheets are not necessarily representative of finance costs and liabilities that may arise if IGBB was seen in isolation.

Presentation of the combined income statement

IGBB has presented its combined income statement in a columnar format, which enables IGBB to improve the understanding of its results by presenting its trading profit, which is reconciled to profit before tax on the face of the combined income statement.

The column 'acquisition and disposal costs' includes: (i) any gains, losses or other associated costs on the full or partial disposal of investments, associates, joint ventures or subsidiaries and costs associated with a combination that do not constitute fees relating to the arrangement of financing; amortisation or impairment of intangible assets arising on consolidation; (ii) any re-measurement after initial recognition of deferred contingent consideration which has been classified as a liability; and (iii) any gains or losses on the revaluation of previous interests. The column may also include items such as gains or losses on the settlement of pre-existing relationships with acquired businesses and the re-measurement of liabilities that are above the value of indemnification.

Items which are of a non-recurring nature and material, when considering both size and nature, are disclosed separately to give a clearer presentation of IGBB's results. These are shown as 'exceptional items' on the face of the combined income statement.

Foreign currencies

In individual entities, transactions denominated in foreign currencies are recorded at the prior month closing exchange rate between the functional currency and the foreign currency. At each end of the

Notes to the combined financial information (Continued)

1. Basis of preparation (Continued)

reporting period, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Exchange differences are recognised in the combined income statement, except for exchange differences arising on non-monetary assets and liabilities where these form part of the net investment of an overseas business or are designated as hedges of a net investment or cash flow and, therefore, the changes in value resulting from exchange differences are recognised directly in other comprehensive income.

On combination, the results of businesses with non-pound sterling functional currencies are translated into the presentational currency of IGBB at the average exchange rates for the year where these approximate to the rate at the date of the transactions. Assets and liabilities of overseas businesses are translated into the presentational currency of IGBB at the exchange rate prevailing at the end of the reporting period. Exchange differences arising are recognised within other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a non-pound sterling entity are treated as assets and liabilities of that entity and translated into the presentational currency of IGBB at the period closing rate. Where applicable, IGBB has elected to treat goodwill and fair value adjustments arising before the date of transition to IFRS as denominated in the presentational currency of IGBB.

In the combined statement of cash flows, cash flows denominated in foreign currencies are translated into the presentational currency of IGBB at the average exchange rates for the year or at the rate prevailing at the time of the transaction where more appropriate.

Risk management

IGBB, as part of its day-to-day operations, faces certain risks including liquidity risk, credit risk, financial and market risks including interest rate risk and currency translation risk's. These risks are maintained and managed centrally as part of IGBB's risk management framework.

2. Segmental information

IGBB has determined its operating segments based on the management information including trading revenue and trading operating profit reviewed on a regular basis by the Chief Executive Officer of IGBB (IGBB chief operating decision maker ("CODM")). The CODM considers IGBB to consist of voice broking businesses in EMEA, the Americas and Asia Pacific and a global Information business, provider of voice broking generated data to the market participants. The voice broking regional business results include results of iSwap, the electronic trading platform for interest rate swaps.

Voice broking

- Matched principal and stock lending business

Certain IGBB companies are involved in a non-advisory capacity as principals in the matched purchase and sale of securities and other financial instruments between our customers. Revenue is generated from the difference between the purchase and sale proceeds and is recognised in full at the time of the commitment by our customers to sell and purchase the security or financial instrument. The revenue generated by the stock lending business is not material to IGBB.

- Agency business (name give-up)

IGBB acts in a non-advisory capacity to match buyers and sellers of financial instruments and raises invoices for the service provided. IGBB does not act as principal in name give-up transactions and only receives and transmits orders between counterparties. Revenue is stated net of rebates and discounts, value added tax and other sales taxes and is recognised in full on the date of the trade. Amounts receivable at the year end are reported as other trade receivables within trade and other receivables (note 12).

Notes to the combined financial information (Continued)

2. Segmental information (Continued)

- Execution on exchange business

IGBB also acts as a broker of exchange listed products, where IGBB executes customer orders as principal and then novates the trade to the underlying customer's respective clearing broker for settlement. Revenue is generated by raising an invoice and is recognised on the trade date.

Information

ICAP Information Services ("IIS") (part of which is included in IGBB) receives fees from the sale of OTC market information to the market participants. IIS employs a subscription-based charging structure providing a regular revenue stream.

	Six months ended 30 September 2015				
	Voice broking EMEA	Voice broking Americas	Voice broking Asia Pacific	Information	Total
	(£ in millions)				
Revenue	164	128	50	24	366
Trading operating profit	16	6	2	13	37
	Six months ended 30 September 2014 (unaudited)				
	Voice broking EMEA	Voice broking Americas	Voice broking Asia Pacific	Information	Total
	(£ in millions)				
Revenue	193	145	44	20	402
Trading operating profit	17	(1)	(3)	11	24
	Year ended 31 March 2015				
	Voice broking EMEA	Voice broking Americas	Voice broking Asia Pacific	Information	Total
	(£ in millions)				
Revenue	374	297	96	41	808
Trading operating profit	47	9	1	27	84
	Year ended 31 March 2014				
	Voice broking EMEA	Voice broking Americas	Voice broking Asia Pacific	Information	Total
	(£ in millions)				
Revenue	411	362	102	38	913
Trading operating profit	61	28	(1)	27	115
	Year ended 31 March 2013				
	Voice broking EMEA	Voice broking Americas	Voice broking Asia Pacific	Information	Total
	(£ in millions)				
Revenue	452	394	110	36	992
Trading operating profit	77	33	(5)	23	128

Notes to the combined financial information (Continued)

2. Segmental information (Continued)

IGBB did not earn more than 10 per cent. of its total revenue from any individual customer.

	Six months ended 30 September		Year ended 31 March		
	2015 (audited)	2014 (unaudited)	2015 (audited)	2014 (audited)	2013 (audited)
	(£ in millions)				
Revenue by asset class					
Rates	145	157	315	360	390
Emerging markets	56	70	132	150	150
Commodities	57	60	121	139	162
Equities	57	51	103	113	106
FX and money markets	33	36	74	78	91
Credit	18	28	63	73	93
Total	366	402	808	913	992

3. Operating expenses

	Six months ended 30 September		Year ended 31 March		
	2015 (audited)	2014 (unaudited)	2015 (audited)	2014 (audited)	2013 (audited)
	(£ in millions)				
Profit before tax is stated after charging:					
Trading operating expenses					
Employee costs*	243	279	543	624	678
Information technology costs**	33	27	65	70	67
Professional and legal fees	13	12	22	23	27
Depreciation of property and equipment	4	2	3	5	6
Governance costs*	11	13	18	16	14
Clearing and settlement fees***	6	10	15	13	10
Operating lease rentals—minimum lease payments	8	9	19	19	20
Exchange adjustments	(1)	—	(4)	2	(3)
Other	13	27	46	31	53
Trading operating expenses	330	379	727	803	872
Acquisition and disposal costs					
Amortisation of intangible assets arising on consolidation	—	—	—	7	11
Impairment of intangible assets arising on consolidation	—	—	—	7	72
Other acquisition and disposal costs	—	1	1	—	5
Acquisition and disposal costs	—	1	1	14	88
Exceptional items (note 4)	—	20	73	76	36
Total	330	400	801	893	996

* Net employee costs as per note 6(a) is £251 million (HY2015: £307 million, FY2015: £591 million, FY2014: £635 million, FY2013: £713 million). Governance costs include fees associated with risk, compliance, internal audit and legal. Additionally, £8 million (HY2015: £8 million, FY2015: £14 million, FY2014: £11 million, FY2013: £12 million) of employee costs are included in governance costs. Remaining employee costs of £nil (HY2015: £28 million, FY2015: £34 million, FY2014: £nil, FY2013: £23 million) are included in the £nil (HY2015: £20 million, FY2015: £73 million, FY2014: £76 million, FY2013: £36 million) exceptional costs for the period.

** Information technology costs include amortisation and depreciation charges on IT assets including intangibles and tangibles of £8 million (HY2015: £7 million, FY2015: £20 million, FY2014: £14 million, FY2013: £13 million). The remaining £25 million (HY2015: £20 million, FY2015: £45 million, FY2014: £56 million, FY2013: £54 million) of costs incurred include purchase of assets that are individually below IGBB's capitalisation threshold, maintenance expenditures and certain enhancements not

Notes to the combined financial information (Continued)

3. Operating expenses (Continued)

eligible for capitalisation and research phase related expenditures. Information technology costs does not include employee costs relating to the development of software assets that were not capitalised.

*** Contractual arrangements:

IGBB places reliance on a number of key suppliers to carry out its business and has procedures to ensure that purchasing decisions balance cost against other factors, including service quality, global reach and resilience.

The settlement of matched principal and exchange-traded businesses requires access to clearing houses either directly or through third party providers of clearing and settlement services. In North America IGBB is a member of the DTCC through which it clears US Treasury Products, and agency, mortgage and equity trades for its customer base. Clearing arrangements for certain US matched principal and exchange-traded transactions are outsourced to third parties. In Europe and Asia Pacific the majority of IGBB's clearing activities are outsourced to third parties where ICAP seeks to partner with one of the leading clearing providers in each market.

4. Exceptional items

Exceptional items are non-recurring significant items that are considered material in both size and nature. These are disclosed separately to enable a full understanding of IGBB's financial performance.

	Six months ended 30 September		Year ended 31 March		
	2015 (audited)	2014 (unaudited)	2015 (audited)	2014 (audited)	2013 (audited)
	(£ in millions)				
Exceptional items before tax					
Restructuring programme	—	20	58	—	24
Regulatory matters including associated legal and professional fees	—	—	15	76	12
Total exceptional items before tax	—	20	73	76	36
Tax credit	—	(7)	(19)	(12)	(7)
Total exceptional items after tax	—	13	54	64	29

Six months ended 30 September 2015

There were no exceptional items for the six months ended 30 September 2015.

Six months ended 30 September 2014/ financial year ended 31 March 2015

Restructuring programme

In response to the prevailing market conditions, ICAP Group has completed a restructuring programme aimed at focusing and realigning systems, processes and legal entity structures and increasing workforce productivity. In FY2015, 496 brokers and 244 infrastructure employees left ICAP Group, which resulted in one-off employee termination costs of £34 million for IGBB.

Additionally, office spaces in key regions including London, New York and Singapore have been vacated and are currently being marketed for sublease. As such, £18 million of property exit costs including onerous lease provisions and associated moving costs were charged to the income statement. This included a provision for onerous lease and associated costs of £16 million, net of £3 million of estimated income from the sublease of one of the properties. As at 31 March 2015, income from subleasing of other properties could not be reliably estimated, hence the provision only reflects the present value of rental charges of the obligations over the lease periods of these properties. In FY16, it is possible that some of the provision will be released when there are more certainties over income from the subleasing of the properties. See note 10 for further information on provisions.

Other restructuring costs are primarily driven by £2 million impairment of IT assets and £4 million of legal and professional fees connected with the ICAP Group reorganisation.

Notes to the combined financial information (Continued)

4. Exceptional items (Continued)

Regulatory matters

Regulatory matters include £11 million costs relating to a €14.9 million fine imposed by the European Commission for alleged competition violations in relation to Yen LIBOR, in respect of the same underlying matters that ICAP Europe Limited, a subsidiary of IGBB, settled with the Financial Conduct Authority (“FCA”) and the US Commodity Futures Trading Commission (“CFTC”) in September 2013. ICAP has appealed and is seeking a full annulment of the Commission’s decision.

The remaining £4 million relates to associated legal and professional costs incurred during the year on regulatory matters, principally as ICAP continues to co-operate with the CFTC in their investigation into the setting of USD ISDA Fix rates. See note 10.

Financial year ended 31 March 2014

In FY2014, ICAP Europe Limited (“IEL”) reached settlement agreements with the CFTC and the FCA relating to the involvement of certain former brokers in the attempted manipulation of Yen LIBOR by bank traders between October 2006 and January 2011. Under the terms of the settlements, IEL paid penalties of \$65 million to the CFTC and £14 million to the FCA, totalling £55 million.

A provision of £9 million was recorded during the year with respect to a potential settlement by Link with the SEC. See note 10. The remaining £12 million exceptional costs relate to legal and professional fees associated with the investigations noted above.

Financial year ended 31 March 2013

As a result of a cost reduction programme announced by ICAP plc in May 2012, IGBB recognised staff termination and property exit costs of £24 million. The £12 million of exceptional costs around regulatory matters were related to legal and professional fees associated with the CFTC and FCA Yen LIBOR case.

5. Tax

Tax on the profit for the period comprises both current and deferred tax as well as adjustments in respect of prior years. Tax is charged or credited to the combined income statement, except when it relates to items charged or credited to other comprehensive income or directly to equity, in which case the tax is also included in other comprehensive income or directly within equity, respectively.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted, or substantively enacted, by the end of the reporting period.

Deferred tax is recognised using the liability method, in respect of temporary differences between the carrying value of assets and liabilities for reporting purposes and the tax bases of the assets and liabilities. Deferred tax is calculated at the rate of tax expected to apply when the liability is settled or the asset is realised. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, joint ventures, associates and intangibles arising on consolidation, except where the timing of the reversal of the temporary difference is controlled by IGBB and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax liabilities are offset against deferred tax assets within the same taxable entity or qualifying local tax group where there is both the legal right and the intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Calculations of current and deferred tax liability have been based on on-going discussions with the relevant tax authorities, management’s assessment of legal and professional advice, case law and other relevant guidance. Where the expected tax outcome of these matters is different from the amounts that were recorded initially, such differences will impact the current and deferred tax amounts in the period in which such determination is made.

Notes to the combined financial information (Continued)

5. Tax (Continued)

Tax charged to the combined income statement in the period

	Six months ended 30 September		Year ended 31 March		
	2015 (audited)	2014 (unaudited)	2015 (audited)	2014 (audited)	2013 (audited)
	(£ in millions)				
Tax on trading profit					
Current tax					
Current year	5	7	15	47	50
Adjustment to prior years	—	—	(5)	(21)	(11)
	<u>5</u>	<u>7</u>	<u>10</u>	<u>26</u>	<u>39</u>
Deferred tax					
Current year	3	—	5	(10)	(11)
Adjustment to prior years	—	—	—	14	4
	<u>3</u>	<u>—</u>	<u>5</u>	<u>4</u>	<u>(7)</u>
Tax charge on trading profit	<u>8</u>	<u>7</u>	<u>15</u>	<u>30</u>	<u>32</u>
Tax credit on acquisition and disposal costs					
Current year	—	—	—	—	(2)
Adjustment to prior years	—	—	—	(19)	—
Deferred tax current	—	—	—	(2)	(17)
Deferred tax adjustment to prior years	—	—	3	(1)	—
Total tax credit on acquisition and disposal costs	<u>—</u>	<u>—</u>	<u>3</u>	<u>(22)</u>	<u>(19)</u>
Tax credit on exceptional costs					
Current year	—	(7)	(19)	(6)	(7)
Adjustment to prior years	—	—	—	(6)	—
Total tax credit on exceptional costs	<u>—</u>	<u>(7)</u>	<u>(19)</u>	<u>(12)</u>	<u>(7)</u>
Total tax charge to the combined income statement	<u>8</u>	<u>—</u>	<u>(1)</u>	<u>(4)</u>	<u>6</u>

	Six months ended 30 September		Year ended 31 March		
	2015 (audited)	2014 (unaudited)	2015 (audited)	2014 (audited)	2013 (audited)
	(£ in millions)				
Trading profit before tax	40	29	93	131	139
Tax on trading profit at the standard rate of Corporation Tax in the UK of 20 per cent. (HY2015: 21 per cent., FY2015: 21 per cent., FY2014: 23 per cent., FY2013: 24 per cent.)	8	6	20	30	33
Reconciling items:					
Expenses not deductible for tax purposes	—	—	(1)	5	3
Non-taxable income	(1)	(1)	(2)	(3)	(2)
Impact of overseas tax rates and bases	1	2	3	5	1
Prior year adjustment to current and deferred tax	—	—	(5)	(7)	(7)
Deferred tax assets not recognised	—	—	—	—	4
	<u>—</u>	<u>1</u>	<u>(5)</u>	<u>—</u>	<u>(1)</u>
Total tax charge on trading profit	<u>8</u>	<u>7</u>	<u>15</u>	<u>30</u>	<u>32</u>

IGBB's HY2016 effective tax rate on trading profit is 20 per cent. (HY2015: 24 per cent., FY2015: 16 per cent., FY2014: 23 per cent., FY2013: 23 per cent.).

Notes to the combined financial information (Continued)

5. Tax (Continued)

The standard rate of Corporation Tax in the UK changed from 23 per cent. to 21 per cent. with effect from 1 April 2014. Further reductions to the main rate have been enacted reducing it to 20 per cent. by 1 April 2015. Deferred tax will therefore unwind at a rate of 20 per cent. in the period to 31 March 2016.

	Six months ended 30 September		Year ended 31 March		
	2015 (audited)	2014 (unaudited)	2015 (audited)	2014 (audited)	2013 (audited)
	(£ in millions)				
Profit before tax	40	9	20	40	15
Tax on profit at the standard rate of Corporation Tax in the UK of 20 per cent. (HY2015: 21 per cent., FY2015: 21 per cent., FY2014: 23 per cent., FY2013: 24 per cent.)	8	2	4	9	4
Reconciling items:					
Reconciling items to trading profit before tax (see above)	—	1	(5)	—	(1)
Adjusted items not deductible for tax purposes . . .	—	1	(4)	14	8
Impact of overseas tax rates on acquisition and disposal costs and exceptional items	—	(4)	1	(3)	(4)
Impact of change in rates on acquisition and disposal costs and exceptional items	—	—	—	2	(1)
Impact of prior years' adjustments on exceptional items, and tax impacts on acquisition and disposal costs*	—	—	3	(26)	—
	—	(2)	(5)	(13)	2
Total tax charge on profit	8	—	(1)	(4)	6

* The £26 million impact in FY2014 relates to the write off of deferred tax on goodwill in relation to First Brokers as described in note 9, and prior year adjustments in relation to current and deferred tax balances of overseas entities.

Deferred tax balances recognised on the balance sheet

	Six months ended 30 September 2015	Year ended 31 March		
		2015	2014	2013
	(£ in millions)			
Deferred tax assets	10	12	15	21
Deferred tax liabilities	(12)	(11)	(7)	(12)
Net balances	(2)	1	8	9
	Six months ended 30 September 2015	Year ended 31 March		
		2015	2014	2013
	(£ in millions)			
Deferred tax by category (net)				
Goodwill	(9)	(9)	(3)	(10)
Employee-related items	9	12	12	8
Losses carried forward	—	—	—	9
Other	(2)	(2)	(1)	2
Total	(2)	1	8	9

Notes to the combined financial information (Continued)

5. Tax (Continued)

Deferred tax assets of £20 million (FY2015: £23 million, FY2014: £25 million, FY2013: £19 million) have not been recognised in respect of certain trading losses because it is not probable that future profits will be available against which IGBB can utilise the benefits. The principal movement in deferred tax relates to the on-going release of the deferred tax liability on the amortisation and impairment of intangibles arising on consolidation.

6. Employee information and expense

ICAP operates a number of pension plans throughout ICAP Group including both defined benefit and defined contribution schemes. Payments to defined contribution schemes are recognised as an expense in the combined income statement as they fall due. Any difference between the payments and the charge is recognised as a short-term asset or liability. The current service cost in relation to the defined benefit scheme is included in net operating expenses in the consolidated income statement.

ICAP plc awards share options and other share-based payments as part of its employee incentive schemes as well as other share-based payment transactions. The fair value of services acquired is measured by the fair value of the shares or share options awarded at the grant date and is charged to employee expenses over the period the service is received on a straight-line basis. A corresponding amount is recognised in equity.

(a) Analysis of employee costs

	Six months ended 30 September		Year ended 31 March		
	2015 (audited)	2014 (unaudited)	2015 (audited)	2014 (audited)	2013 (audited)
	(£ in millions)				
Salaries (including bonuses, net of amounts capitalised)	228	283	542	586	659
Social security costs	19	21	41	47	49
Share-based payments	1	1	3	(2)	1
Pension costs	3	2	5	4	4
Net employee costs	<u>251</u>	<u>307</u>	<u>591</u>	<u>635</u>	<u>713</u>

As at 30 September 2015, there is a net defined benefit liability position of £3 million (31 March 2015: £4 million, 31 March 2014: £2 million, 31 March 2013: £2 million).

(b) Number of employees analysed by business segment

	Average				Year end			
	Six months ended 30 September 2015	Year ended 31 March			As at 30 September 2015	As at 31 March		
		2015	2014	2013		2015	2014	2013
Voice broking	2,135	2,461	2,895	3,078	2,113	2,151	2,853	2,950
Information	58	46	40	37	59	48	43	39
Infrastructure	461	493	504	516	457	472	506	522
	<u>2,654</u>	<u>3,000</u>	<u>3,439</u>	<u>3,631</u>	<u>2,629</u>	<u>2,671</u>	<u>3,402</u>	<u>3,511</u>

The number of employees employed by the service companies have been adjusted in the above disclosure to include number of employees working only in IGBB.

(c) Key management remuneration

IGBB's key management includes the regional and global chief executive officers of IGBB, who are also members of ICAP plc Global Executive Management Group. The aggregate remuneration for IGBB's key management personnel was £5 million (FY2015: £5 million, FY2014: £3 million, FY2013: £4 million). This

Notes to the combined financial information (Continued)

6. Employee information and expense (Continued)

excludes recharges made to IGBB income statement for its share of the remuneration of ICAP plc key management personnel for services provided to ICAP plc.

7. Cash

Cash and cash equivalents comprise cash on hand, demand deposits and other short-term highly liquid investments which are subject to insignificant risk of change in fair value and are readily convertible into a known amount of cash with less than three months' maturity.

IGBB companies hold money, and occasionally financial instruments, on behalf of customers (client monies) in accordance with local regulatory rules. Since IGBB companies are not beneficially entitled to these amounts, they are excluded from the combined balance sheet along with the corresponding liabilities to customers.

Restricted funds comprise cash held with a CCP clearing house, or a financial institution providing the IGBB companies with access to a CCP, and funds set aside for regulatory purposes, but excluding client money. The funds represent cash for which IGBB does not have immediate and direct access or for which regulatory requirements restrict the use of the cash.

(a) Total cash

IGBB cash position is presented on a legal entity basis and therefore, includes the position of the Service companies.

	As at 30 September 2015	As at 31 March		
		2015	2014	2013
	(£ in millions)			
Cash and cash equivalents*	359	350	368	439
Overdrafts	(7)	(33)	(1)	(1)
Net cash and cash equivalents	352	317	367	438
Restricted funds	27	35	35	33
Total cash	379	352	402	471

* Cash and cash equivalents excludes client money (30 September 2015: £7 million, 31 March 2015: £10 million, 31 March 2014: £13 million, 31 March 2013: £20 million). This amount, together with the corresponding liabilities to customers, is not included in IGBB's combined balance sheet.

Cash and cash equivalents also excludes deposits held with IGBB's affiliates (30 September 2015: £50 million, 31 March 2015: £47 million, 31 March 2014: £40 million, 31 March 2013: £38 million). This deposit forms part of IGBB's current receivable from affiliates.

The credit risk on core cash and cash equivalents is monitored on a daily basis. All financial institutions that are transacted with are approved by ICAP's Group Finance Committee and internal limits are assigned to each one based on a combination of factors including external credit ratings. The majority of cash and cash equivalents is deposited with financial institutions rated 'A' or better by the major credit rating agencies.

Notes to the combined financial information (Continued)

7. Cash (Continued)

(b) Reconciliation of IGBB profit before tax to net cash flow from operating activities

	Six months ended 30 September		Year ended 31 March		
	2015 (audited)	2014 (unaudited)	2015 (audited)	2014 (audited)	2013 (audited)
	(£ in millions)				
Profit before tax	40	9	20	40	15
Exceptional items	—	20	73	76	36
Share of profit of associates after tax	(2)	(3)	(5)	(4)	(4)
Share of profit of joint ventures after tax	(1)	(1)	(3)	(2)	(2)
Amortisation and impairment of intangible assets arising from development expenditure	8	6	15	10	7
Depreciation and impairment of property and equipment	4	3	8	9	12
Acquisition and disposal costs	—	—	—	15	88
Share-based payments	—	1	4	(1)	1
Net finance income	(1)	(1)	(1)	(10)	(5)
Increase/(decrease) in provisions	1	—	—	(5)	(5)
Operating cash flows before movements in working capital	49	34	111	128	143
(Increase)/decrease in trade and other receivables	121	(18)	(11)	76	76
(Increase)/decrease in restricted funds	8	(8)	—	(2)	15
Increase/(decrease) in trade and other payables	(102)	(18)	2	(59)	(49)
(Decrease)/increase in net trade and other receivables/payables with affiliates	(7)	(17)	(25)	(25)	15
Cash generated by operations before exceptional items	69	(27)	77	118	200
Operating exceptional items paid	(2)	(26)	(48)	(72)	(34)
Cash generated by operations	67	(53)	29	46	166
Interest received	1	1	4	3	4
Tax paid	(10)	—	(9)	(57)	(48)
Net cash flow from operating activities	58	(52)	24	(8)	122

The movement in trade and other receivables and trade and other payables excludes the impact of the gross-up of matched principal trades as permitted by IAS 7 ‘Statement of Cash Flows’. The gross-up has no impact on the cash flow or net assets of IGBB. The cash flow movement in trade and other receivables includes the net movement on matched principal transactions and deposits for securities borrowed/loaned.

8. Intangible assets arising from development expenditure

Development expenditure on software is recognised as an intangible asset in accordance with the provisions of IAS38 ‘Intangible Assets’. Capitalised expenditure is recognised initially at cost and is presented subsequently at cost less accumulated amortisation and provisions for impairment. Amortisation of these assets is charged to the combined income statement on a straight-line basis over the expected useful economic life of the asset of three to five years. IGBB reviews the useful economic lives of these assets on a regular basis.

Development costs are incurred and capitalised when a final development plan (including the specifics of the assets to be developed) is signed off by a committee with appropriate delegated authority (including business management boards). As part of the approval process, the committee considers the commercial viability and technological feasibility of bringing the asset into use. When a project is abandoned in the development phase, costs are charged to the income statement. Prior to this stage, costs incurred in the research phase including undertaking feasibility studies are recorded in the income statement. Once an internally generated software asset is brought into use, any on-going related costs are charged to the

Notes to the combined financial information (Continued)

8. Intangible assets arising from development expenditure (Continued)

income statement to the extent that they relate to on-going maintenance of the asset. Where any costs are identified by an appropriately authorised management committee to be an enhancement to the original asset, these costs are capitalised and amortised over the remaining expected useful life of the asset.

The key component of the development costs is compensation of employees. Each of ICAP Non-IGBB Group's businesses and IGBB's infrastructure area have their own dedicated IT project development teams.

Amortisation and impairment of intangible assets arising from development expenditure is charged within operating expenses. Amortisation is charged against assets from the date at which the asset becomes available for use.

	As at 30 September 2015	As at 31 March		
		2015	2014	2013
	(£ in millions)			
Cost				
As at 1 April	92	91	75	62
Additions	9	16	28	31
Disposals	(3)	(16)	(9)	(20)
Reclassifications	—	(1)	1	—
Exchange adjustments	—	2	(4)	2
As at 31 March	<u>98</u>	<u>92</u>	<u>91</u>	<u>75</u>
Accumulated amortisation and impairment				
As at 1 April	(48)	(43)	(43)	(54)
Amortisation charge for the period	(8)	(15)	(10)	(7)
Impairment charge for the period	—	(2)	—	—
Disposals	3	14	7	20
Exchange adjustments	1	(2)	3	(2)
As at 31 March	<u>(52)</u>	<u>(48)</u>	<u>(43)</u>	<u>(43)</u>
Net book value				
As at 31 March	<u>46</u>	<u>44</u>	<u>48</u>	<u>32</u>

The majority of intangible assets arising from development expenditure additions represent capitalised employee costs.

In the year ended 31 March 2015, the £2 million impairment charge in the year relates to the restructuring programme and is presented as part of the exceptional items for the year (note 4).

Disposals represent retirement of fully amortised assets, and those that are no longer in use, from the fixed assets register.

9. Intangible assets arising on consolidation

Intangible assets arising on consolidation include goodwill and other separately identifiable intangible assets such as customer relationships and customer contracts that arose on business combinations. The amortisation and any impairment is included in the combined income statement within the column 'acquisition and disposal costs'.

(i) Goodwill

Goodwill arises on the acquisition of subsidiaries and joint ventures, when the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest and the fair value of any previously held equity interest in the acquire exceed the amount of the identifiable net assets acquired. If the amount of the identifiable assets and liabilities acquired is greater, the difference is recognised

Notes to the combined financial information (Continued)

9. Intangible assets arising on consolidation (Continued)

immediately in the income statement. Goodwill is initially recognised at cost and is subsequently held at cost less any provision for impairment.

Goodwill arises on the acquisition of interests in associates when the cost of investment exceeds ICAP's share of the net fair value of the associate's identifiable assets and liabilities. Goodwill arising on the acquisition of associates is included in 'Interests in associates' and is not tested separately for impairment. See note 17. On disposal of a subsidiary, joint venture or associate, the attributable goodwill is included in the calculation of the profit or loss on disposal, except for goodwill written off to reserves prior to 1998, which remains eliminated.

Where balances related to an acquisition are reported as provisional at the year end, there is a measurement period of up to 12 months from the date of acquisition to finalise the provisional amounts where new information becomes available about facts and circumstances that existed at the balance sheet date, which could impact the value of goodwill and intangible assets arising on consolidation. The measurement period ends as soon as the information required is received.

(ii) Separately identifiable intangible assets

IGBB has recognised separately identifiable intangible assets on acquisitions where appropriate. These generally include customer contracts and customer relationships. Intangible assets acquired are stated initially at fair value and are adjusted subsequently for amortisation and any impairment. Amortisation and impairment of intangibles arising on consolidation are recognised in the 'acquisition and disposal costs' column of the combined income statement. Where an impairment has taken place, the asset is reviewed annually for any reversal of the impairment. Any reversals of impairment are credited to the combined income statement. All intangible assets have a finite life.

Amortisation of separately identifiable intangible assets is charged to the combined income statement on a straight-line basis over their estimated useful lives as follows:

Customer relationships	2 – 10 years
Customer contracts	Period of contract
Other intangible assets	Period of contract

A deferred tax liability is recognised against the asset for which the amortisation is non-tax deductible. The liability unwinds over the same period as the asset is amortised.

(iii) Impairment

Goodwill is not amortised but is tested for impairment annually and whenever there is an indicator of impairment. Goodwill and other intangible assets arising on consolidation are allocated to a CGU for the purpose of impairment testing, which is undertaken at the lowest level at which goodwill is monitored for internal management purposes.

Management has considered that IGBB has only one cash-generating unit. The carrying amounts of the companies within IGBB plus the goodwill allocated to IGBB has been tested against the recoverable amount of IGBB which has been determined based on value in use calculations for all periods.

This process requires the exercise of significant judgement by management; if the estimates made prove to be incorrect or performance does not meet expectations which affect the amount and timing of future cash flows, goodwill and intangible assets may become impaired in future periods.

Notes to the combined financial information (Continued)

9. Intangible assets arising on consolidation (Continued)

(a) Intangible assets arising on consolidation

	<u>Goodwill</u>	<u>Other</u>	<u>Total</u>
	(£ in millions)		
Net book value			
As at 1 April 2015	82	—	82
Exchange adjustments	<u>—</u>	<u>—</u>	<u>—</u>
As at 30 September 2015	<u>82</u>	<u>—</u>	<u>82</u>
	<u>Goodwill</u>	<u>Other</u>	<u>Total</u>
	(£ in millions)		
Net book value			
As at 1 April 2014	80	—	80
Exchange adjustments	<u>2</u>	<u>—</u>	<u>2</u>
As at 31 March 2015	<u>82</u>	<u>—</u>	<u>82</u>
	<u>Goodwill</u>	<u>Other</u>	<u>Total</u>
	(£ in millions)		
Net book value			
As at 1 April 2013	90	6	96
Amortisation charge for the year	—	(6)	(6)
Impairment in the year	(7)	—	(7)
Exchange adjustments	<u>(3)</u>	<u>—</u>	<u>(3)</u>
As at 31 March 2014	<u>80</u>	<u>—</u>	<u>80</u>
	<u>Goodwill</u>	<u>Other</u>	<u>Total</u>
	(£ in millions)		
Net book value			
As at 1 April 2012	111	66	177
Amortisation charge for the year	—	(11)	(11)
Impairment in the year	(23)	(49)	(72)
Exchange adjustments	<u>2</u>	<u>—</u>	<u>2</u>
As at 31 March 2013	<u>90</u>	<u>6</u>	<u>96</u>

(b) Impairment testing of intangible assets arising on consolidation

The recoverable amount of a CGU is determined using VIU calculations, which are based on discounting management's pre-tax cash flow projections for the CGU. The pre-tax discount rate used is the weighted average cost of capital ("WACC") which ICAP allocates to investments in the businesses within which the CGU operates. A long-term growth rate estimate is used to extrapolate the cash flows in perpetuity because of the long-term nature of the businesses in the CGU. For the HY2016 annual impairment testing, management's cash flow projections for the year ended 31 March 2016 were used.

No impairment charge was recorded in HY2016 or in FY2015. In FY2014, a £7 million impairment loss was recognised with relation to First Brokers. In FY2013, an impairment charge of a total amount of £72 million is related to Link.

Link is a global equity derivatives broker acquired at the beginning of April 2008. At the time of acquisition, Link held a strong market position as the leading global equity derivatives broker in a market which had expanded significantly over the previous five to seven years. Since acquisition, the business has performed in line with the market, maintained its market leading position and remained profitable. However, since the financial crisis broke, the equity derivatives market has contracted, with industry data showing no return to the growth levels expected on acquisition over the next five years. These factors led to

Notes to the combined financial information (Continued)

9. Intangible assets arising on consolidation (Continued)

the impairment of the remaining goodwill by £23 million to £nil. A separate impairment review of the intangible asset that represents the customer relationships acquired was also undertaken. As a result of the contraction in the market along with a number of customers leaving the market altogether, these relationships are now considered to have limited prospects for future revenue generation. These considerations led to the impairment of the intangible asset by £49 million to a carrying value of £6 million.

CGUs

Goodwill and other intangibles attributed to the voice broking businesses are aggregated and reviewed for impairment at a single IGBB CGU level. Goodwill attributable to the Information division is immaterial.

Key assumptions

(i) Discount rates

IGBB's pre-tax WACC was 9.0 per cent. (FY2015: 8.9 per cent., FY2014: 9.6 per cent., FY2013: 10.7 per cent.), estimated based on ICAP Group's WACC of 8.7 per cent., adjusted for IGBB specific business risk factors. The increase in the WACC at 30 September 2015 reflects an increase in cost of debt and equity. IGBB WACC is a function of ICAP Group's cost of equity, derived using a Capital Asset Pricing Model ("CAPM"), and ICAP Group's cost of debt. The cost of equity estimate depended on inputs in the CAPM reflecting a number of variables including the risk-free rate and a premium to reflect the inherent risk of the business being evaluated. These inputs are based on the market's assessment of economic variables and management judgement. All inputs to the CAPM model were externally sourced.

(ii) Nominal long-term growth rate

The growth rate reflects weighted average GDP growth and inflation for the countries within which IGBB's businesses operate. The rates are based on International Monetary Fund's medium term forecast growth rates as they are deemed to be reliable estimate of likely future trends. The rates applied do not exceed the expected growth in the local economy or, for businesses which operate on a global scale, the global GDP. Given the continuing challenges, a nil growth rate was applied for IGBB.

(iii) Management's judgement in estimating the cash flows of a CGU

The cash flow projections for IGBB are based on management's assumption that the improvement in market conditions experienced in many asset classes in the later part of FY2015 will continue in FY2016 and the reduced fixed cost base is maintained. The key risks to the FY2016 cash flow assumptions arise from worsening market volumes and brokerage rates and the impact of short-term uncertainties arising from regulatory reforms continuing to be felt next year.

Based on the conditions at each of the balance sheet dates presented and having assessed sensitivities of the key assumptions, management determined that a reasonably possible change in any of those key assumptions noted above would not cause an impairment of the CGU except for impairment recognised in FY2014 and FY2013 as discussed above. .

Notes to the combined financial information (Continued)

10. Provisions

A provision is recognised where there is a present obligation, either legal or constructive, as a result of a past event for which it is probable there will be a transfer of economic benefits to settle the obligation. A provision is only recognised where a reliable estimate can be made of the value of the obligation.

	<u>Restructuring</u>	<u>Regulatory matters</u>	<u>Legal</u>	<u>Other</u>	<u>Total</u>
		(£ in millions)			
As at 1 April 2015	12	15	2	5	34
Amounts recognised in the income statement	—	—	—	1	1
Settled in the period	(2)	—	—	—	(2)
Exchange adjustments	1	—	—	—	1
As at 30 September 2015	<u>11</u>	<u>15</u>	<u>2</u>	<u>6</u>	<u>34</u>
As at 1 April 2014	—	13	1	4	18
Amounts recognised in the income statement	12	11	1	1	25
Released to the income statement	—	—	—	(1)	(1)
Settled in the year	—	(8)	—	—	(8)
Reclassified from accruals	—	—	—	1	1
Exchange adjustments	—	(1)	—	—	(1)
As at 31 March 2015	<u>12</u>	<u>15</u>	<u>2</u>	<u>5</u>	<u>34</u>
As at 1 April 2013	—	—	7	5	12
Amounts recognised in the income statement	—	13	—	—	13
Released to the income statement	—	—	(3)	(1)	(4)
Released against receivables	—	—	(2)	—	(2)
Exchange adjustments	—	—	(1)	—	(1)
As at 31 March 2014	<u>—</u>	<u>13</u>	<u>1</u>	<u>4</u>	<u>18</u>
As at 1 April 2012	—	—	10	8	18
Released to the income statement	—	—	(3)	(3)	(6)
As at 31 March 2013	<u>—</u>	<u>—</u>	<u>7</u>	<u>5</u>	<u>12</u>

Restructuring

During FY2015, as part of IGBB restructuring programme, office spaces in key regions including London, New York and Singapore have been vacated. Onerous lease provisions were recorded to reflect the present value of rental obligations on IGBB until the end of the lease period, net of estimated sublease income of £3 million. The present value of the provision is shown net of a discount of £1 million. As at 31 March 2015, sublet rental income for only one of the three office spaces could be reliably estimated. IGBB is looking at opportunities to sublet the other vacant office spaces.

£3 million of the restructuring provision is expected to be settled within one year of the balance sheet date; £3 million is expected to be settled within 1 – 2 years and the remaining £5 million is to be settled in more than 2 years.

Regulatory matters

In February 2015 the European Commission imposed a fine of £10.9 million (€14.9 million) on IGBB for alleged competition violations in relation to Yen LIBOR, in respect of the same underlying matters that ICAP Europe Limited, an IGBB subsidiary, settled with the Financial Conduct Authority (“FCA”) and the US Commodity Futures Trading Commission (“CFTC”) in September 2013. IGBB has appealed and is seeking a full annulment of the Commission’s decision. This is a current provision.

The remaining £4 million provision relates to legal and professional services fees to comply with the orders in the undertakings that were agreed with the CFTC, as part of reaching settlement on the Yen LIBOR investigations. £1 million of this provision is expected to be utilised in the next 12 months; £1 million within 1 – 2 years and the remaining over 2 years.

Notes to the combined financial information (Continued)

10. Provisions (Continued)

In FY2015, regulatory matters also include the settlement of £8 million during the year with the SEC. A provision of £8 million was recorded as at 31 March 2014. Additionally, legal fees in relation to on-going regulatory investigations were expensed as incurred.

Legal

Legal provisions represent amounts for certain claims brought against subsidiaries of IGBB in relation to certain tax matters and the provisions have been acquired by IGBB on the acquisition of subsidiary undertakings. It is impracticable to estimate the timing of these settlements.

11. Contingent liabilities, contractual commitments and guarantees

IGBB's contingent liabilities include possible obligations that arise from past events whose existence will be confirmed only by the occurrence, or non-occurrence, of one or more uncertain future events not wholly within its control. Additionally, contingent liabilities also include present obligations that have arisen from past events but are not recognised because it is not probable that settlement will require the outflow of economic benefits, or because the amount of the obligations cannot be reliably measured, which are judgemental areas. Contingent liabilities are not recognised in the financial statements but are disclosed unless the probability of the outflow of IGBB's economic resources is remote.

Contingent liabilities

IGBB subsidiaries are co-operating with the government agencies in Europe and in the US relating to their investigations into the setting of Yen LIBOR. ICAP Europe Limited is a named defendant in the amended US civil litigation against various Yen LIBOR and Euroyen TIBOR setting banks. The complaint has not yet been filed or served. On 24 July 2015, a new litigation was filed on behalf of two additional plaintiffs in the same court based on similar facts. The new litigation includes claims against ICAP Europe Limited, an IGBB subsidiary. ICAP Europe Limited intends to defend the litigation vigorously. Plaintiffs in the EURIBOR civil litigation named ICAP Europe Limited on 13 August 2015 as a party to that pre-existing litigation. ICAP Europe Limited intends to defend the litigation vigorously. It is not practicable to predict the ultimate outcome of these inquiries or the litigations. As a result it is not possible to provide an estimate of any potential financial impact on IGBB.

From time to time IGBB subsidiaries are engaged in litigation in relation to a variety of matters, and is required to provide information to regulators and other government agencies as part of informal and formal enquiries.

Details of regulatory and other matters that have a provision recognised for them are detailed in note 10.

Contractual commitments

Operating lease commitments

IGBB service companies regionally manage rental of office premises by entering into lease commitments. The lease charges are primarily paid by the service companies and then are recharged to other entities of IGBB and ICAP Group affiliates on the basis of an ICAP Group's Board approved allocation methodology. The outstanding commitments for IGBB for future minimum lease payments under non-cancellable operating leases which fall due are as follows.

The commitments below include commitments by IGBB service companies on behalf of ICAP Group affiliates, therefore the commitments below represent those of IGBB business as well as other businesses in ICAP Group.

Notes to the combined financial information (Continued)

11. Contingent liabilities, contractual commitments and guarantees (Continued)

IGBB is entitled to rental receivables from properties that will be sublet to ICAP Group affiliates which will reduce the lease commitment amount. At 30 September 2015, an income from subleasing of these properties could not be reliably estimated.

	As at 30 September 2015	As at 31 March		
		2015	2014	2013
		(£ in millions)		
Within one year	21	22	23	16
Between one and five years	48	55	66	82
After five years	10	13	26	41
	<u>79</u>	<u>90</u>	<u>115</u>	<u>139</u>

Guarantees

In the normal course of business certain IGBB companies enter into guarantees and indemnities to cover clearing and settlement arrangements and/or the use of third party services/software. As at 30 September 2015, £145 million (FY2015: £236 million, FY2014: £182 million, FY2013: £207 million) of guarantees were given to the counterparties in relation to IGBB's businesses. The guarantees were provided by both IGBB companies as well as other ICAP companies.

12. Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently held at amortised cost less any provision for recoverability. A provision for impairment of trade receivables is established when there is objective evidence that IGBB will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments, are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of the future cash flows. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the combined income statement within 'operating expenses'. When a trade receivable is determined to be uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'operating expenses' in the combined income statement.

Loans and receivables are non-derivative financial instruments which have a fixed or determinable value. They are recognised at cost, less any provisions for impairment in their value.

Fair value through profit or loss assets are designated as such where they meet the conditions of IAS39 'Financial Instruments: Recognition and Measurement'. They are recognised initially at fair value and any subsequent changes in fair value are recognised directly in the combined income statement. These assets are usually held for short-term gain, or are financial instruments not designated as hedges.

Matched principal transactions are those where IGBB acts in a non-advisory capacity as principal in the commitment to purchase and sell securities and other financial instruments through two or more transactions between our customers. Such trades have no contractual settlement date and are complete only when all sides of the transaction are settled, and therefore an aged analysis of matched principal trade receivables is not appropriate. Substantially all matched principal receivables and payables settle within a short period of time, usually within three days of the trade date. All amounts due to and payable by counterparties in respect of matched principal business are shown gross as matched principal trade receivables and matched principal trade payables (note 13), except where a netting agreement, which is legally enforceable at all times, exists and the asset and liability are either settled net or simultaneously. If any unmatched trades remain outstanding, the asset or liability is held within matched principal trade receivables or payables as appropriate and fair valued through the combined income statement until the trade is completed.

Notes to the combined financial information (Continued)

12. Trade and other receivables (Continued)

IGBB acts as an intermediary between its customers for collateralised stock lending transactions. Such trades are complete only when both the collateral and stock for each side of the transaction are returned. The gross amounts of collateral due to and receivable are disclosed in the balance sheet as deposits paid for securities borrowed and deposits received for securities loaned.

Financial instruments not held at fair value are impaired where there is objective evidence that the value may be impaired. The amount of the impairment is calculated as the difference between the carrying value and the present value of any expected future cash flows, with any impairment being recognised in the combined income statement. Subsequent recovery of amounts previously impaired are credited to the combined income statement.

	As at 30 September 2015	As at 31 March		
		2015	2014	2013
		(£ in millions)		
Non-current receivables				
Other receivables	1	2	1	4
	1	2	1	4
Current receivables				
Matched principal trade receivables	16,344	23,295	21,770	15,614
Deposits paid for securities borrowed	951	758	795	919
Other trade receivables	107	121	115	135
Impairment of other trade receivables	(1)	(1)	(1)	(1)
Amounts owed from affiliates:				
Amounts owed from joint ventures and associates	4	6	3	2
Amounts owed from other ICAP Group affiliates	74	116	109	96
Other receivables	39	33	35	60
Prepayments	28	30	43	66
	17,546	24,358	22,869	16,891

(a) Credit risk management

IGBB is exposed to credit risk in the event of non-performance by counterparties in respect of its name give-up, matched principal, exchange traded and corporate treasury operations; IGBB does not bear any significant concentration risk to either counterparties or markets.

The risk in respect of name give-up and information services businesses is limited to the collection of outstanding commission and transaction fees and this is managed proactively by IGBB's credit control function; the exposure to credit loss is limited to the value of the receivable.

The matched principal business involves IGBB acting as a counterparty on trades which are undertaken on a delivery versus payment basis. IGBB manages its credit risk in these transactions through appropriate policies and procedures in order to mitigate this risk including setting appropriate credit limits for all counterparties which are stringently monitored by the regional credit risk teams to restrict any potential loss through counterparty default.

A significant portion of IGBB's counterparty exposure at any given point throughout the year is to investment grade counterparties (rated BBB-/Baa3 or above).

(b) Impairment of other trade receivables

Other trade receivables represent amounts receivable in respect of agency business and information services. All receivables are individually assessed for impairment at the reporting date. Management judgement is applied in determining whether there is objective evidence that a loss event has occurred and, if so, the measurement of the impairment allowance. In determining whether there is objective evidence that a loss event has occurred, judgement is exercised in evaluating all relevant information on indicators of impairment, which is not restricted to the consideration of whether payments are contractually past-due

Notes to the combined financial information (Continued)

12. Trade and other receivables (Continued)

but includes broader consideration of factors indicating deterioration in the financial condition and outlook of customers affecting their ability to pay. For those receivables where objective evidence of impairment exists, management determines the size of the allowance required based on a range of factors including probability of default and, if defaulted, expectation of recovery. If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed and the reversal is recognised in the income statement.

As at 30 September 2015, £1 million of other trade receivables remain impaired (31 March 2015: £1 million, 31 March 2014: £1 million, 31 March 2013: £1 million).

Past due but not impaired trade and other receivables are those in respect of which the debtor has failed to make a payment or a partial payment in accordance with the contractual terms of the invoice, but there is no major concern over the creditworthiness of the counterparty, hence the debt is not impaired. In the prior reporting periods, receivables past a 'normal settlement date' were considered past due and were reported on that basis. The following trade and other receivables were past due but not impaired:

	As at 30 September 2015	As at 31 March		
		2015	2014	2013
		(£ in millions)		
Less than 30 days overdue	77	66	64	96
Over 30 days, but less than 90 days overdue	7	36	38	27
Over 90 days, but less than 180 days overdue	12	7	6	9
Over 180 days overdue	10	11	6	2
	<u>106</u>	<u>120</u>	<u>114</u>	<u>134</u>

(c) Offsetting financial assets and financial liabilities

IGBB operates under a clearing arrangement for certain US matched principal transactions on a fully disclosed clearing basis, which provides IGBB with the legally enforceable right to set off the recognised amounts and settle on a net basis. As such, certain matched principal trade receivables and payables (note 13) are recorded on a net basis.

	As at 30 September 2015	As at 31 March		
		2015	2014	2013
		(£ in millions)		
Gross recognised receivable	65,368	98,495	74,301	160,987
Gross recognised payable	65,827	98,075	73,907	160,332
Gross amounts that are netted	65,827	98,075	73,907	160,332
Gross amounts subject to netting arrangements that are not offset	459	420	394	655
Deposit securities paid (collateral)	10	12	10	9

13. Trade and other payables

Accounts payable are recognised initially at fair value based on the amounts exchanged and subsequently held at amortised cost.

Notes to the combined financial information (Continued)

13. Trade and other payables (Continued)

The accounting policies for matched principal transactions and collateralised stock lending are included within the trade and other receivables note (note 12).

	As at 30 September 2015	As at 31 March		
		2015	2015	2015
		(£ in millions)		
Current payables				
Matched principal trade payables	16,327	23,251	21,713	15,587
Deposits received for securities loaned	951	758	835	922
Other trade payables	9	10	8	19
Amounts owed to affiliates:				
—Amounts owed to joint ventures and associates	1	2	2	4
—Amounts owed to other ICAP Group affiliates	37	73	90	100
Amounts owed to other related parties	2	2	2	—
Accruals	116	151	144	195
Deferred income	6	4	3	2
Other payables	10	11	12	16
Deferred consideration	—	—	1	—
Other tax and social security	7	7	7	10
	<u>17,466</u>	<u>24,269</u>	<u>22,817</u>	<u>16,855</u>

	As at 30 September 2015	As at 31 March		
		2015	2015	2015
		(£ in millions)		
Non-current payables				
Accruals	1	1	4	6
Other payables	1	1	1	—
Contingent deferred consideration	—	—	—	1
Deferred income	3	4	1	—
Total	<u>5</u>	<u>6</u>	<u>6</u>	<u>7</u>

As at 30 September 2015, 31 March 2015, 31 March 2014 and 31 March 2013 the fair values of trade and other payables were not materially different from their book values.

Notes to the combined financial information (Continued)

13. Trade and other payables (Continued)

(a) Maturity of trade and other payables

The table below shows the maturity profile of IGBB's financial liabilities included within trade and other payables based on the contractual amount payable on the date of repayment:

	Less than three months	Three months to one year	One to five years	Greater than five years	Total
	(£ in millions)				
Maturity of trade and other payables as at					
30 September 2015					
Matched principal trade payables	16,327	—	—	—	16,327
Deposits received for securities loaned	951	—	—	—	951
Amounts owed to affiliates:					
—Amounts owed to joint ventures	1	—	—	—	1
—Amounts owed to other ICAP Group affiliates . . .	37	—	—	—	37
Amounts owed to other related parties	2	—	—	—	2
Other trade payables	9	—	—	—	9
Other payables	9	1	1	—	11
Accruals	28	88	1	—	117
	<u>17,364</u>	<u>89</u>	<u>2</u>	<u>—</u>	<u>17,455</u>
	Less than three months	Three months to one year	One to five years	Greater than five years	Total
	(£ in millions)				
Maturity of trade and other payables as at 31 March					
2015					
Matched principal trade payables	23,251	—	—	—	23,251
Deposits received for securities loaned	758	—	—	—	758
Amounts owed to affiliates:					
—Amounts owed to joint ventures	2	—	—	—	2
—Amounts owed to other ICAP Group affiliates . . .	73	—	—	—	73
Amounts owed to other related parties	2	—	—	—	2
Other trade payables	10	—	—	—	10
Other payables	8	3	1	—	12
Accruals	15	136	1	—	152
	<u>24,119</u>	<u>139</u>	<u>2</u>	<u>—</u>	<u>24,260</u>
	Less than three months	Three months to one year	One to five years	Greater than five years	Total
	(£ in millions)				
Maturity of trade and other payables as at 31 March					
2014					
Matched principal trade payables	21,713	—	—	—	21,713
Deposits received for securities loaned	835	—	—	—	835
Amounts owed to affiliates:					
—Amounts owed to joint ventures	2	—	—	—	2
—Amounts owed to other ICAP Group affiliates . . .	90	—	—	—	90
Amounts owed to other related parties	2	—	—	—	2
Other trade payables	3	5	—	—	8
Other payables	8	4	1	—	13
Deferred consideration	—	1	—	—	1
Accruals	36	108	4	—	148
	<u>22,689</u>	<u>118</u>	<u>5</u>	<u>—</u>	<u>22,812</u>

Notes to the combined financial information (Continued)

13. Trade and other payables (Continued)

	Less than three months	Three months to one year	One to five years	Greater than five years	Total
	(£ in millions)				
Maturity of trade and other payables as at 31 March 2013					
Matched principal trade payables	15,587	—	—	—	15,587
Deposits received for securities loaned	922	—	—	—	922
Amounts owed to affiliates:					
—Amounts owed to associates	4	—	—	—	4
—Amounts owed to other ICAP Group affiliates . . .	100	—	—	—	100
Other trade payables	2	17	—	—	19
Other payables	13	3	—	—	16
Contingent deferred consideration	—	—	1	—	1
Accruals	33	162	6	—	201
	<u>16,661</u>	<u>182</u>	<u>7</u>	<u>—</u>	<u>16,850</u>

The gross amounts payable have been disclosed above, rather than their net present value. Based on their short-term nature there is no material difference between the net present value and gross amount of the balances disclosed above. Taxes payable, deferred income are not classified as financial liabilities under IAS39.

14. Financial assets and liabilities

(a) Financial assets

The carrying value less impairment of current trade receivables and payables are assumed to approximate their fair values due to their short-term nature. As at 30 September 2015, 31 March 2015, 31 March 2014 and 31 March 2013 the fair values of financial assets are not materially different from their book values.

	Available- for-sale	Loans and receivables	Total
	(£ in millions)		
Classification of financial assets as at 30 September 2015			
Cash and cash equivalents	—	359	359
Restricted funds	—	27	27
Available-for-sale investments	12	—	12
Matched principal trade receivables	—	16,344	16,344
Deposits paid for securities borrowed	—	951	951
Other trade receivables (net)	—	106	106
Receivables from affiliates:			
—Receivables from joint ventures and associates	—	4	4
—Receivables from other ICAP Group affiliates	—	74	74
Other receivables	—	40	40
	<u>12</u>	<u>17,905</u>	<u>17,917</u>

Notes to the combined financial information (Continued)

14. Financial assets and liabilities (Continued)

	Available- for-sale	Loans and receivables	Total
	(£ in millions)		
Classification of financial assets as at 31 March 2015			
Cash and cash equivalents	—	350	350
Restricted funds	—	35	35
Available-for-sale investments	9	—	9
Matched principal trade receivables	—	23,295	23,295
Deposits paid for securities borrowed	—	758	758
Other trade receivables (net)	—	120	120
Receivables from affiliates:			
—Receivables from joint ventures and associates	—	6	6
—Receivables from other ICAP Group affiliates	—	116	116
Other receivables	—	35	35
	<u>9</u>	<u>24,715</u>	<u>24,724</u>

	Available- for-sale	Loans and receivables	Total
	(£ in millions)		
Classification of financial assets as at 31 March 2014			
Cash and cash equivalents	—	368	368
Restricted funds	—	35	35
Available-for-sale investments	12	—	12
Matched principal trade receivables	—	21,770	21,770
Deposits paid for securities borrowed	—	795	795
Other trade receivables (net)	—	114	114
Receivables from affiliates:			
—Receivables from joint ventures and associates	—	3	3
—Receivables from other ICAP Group affiliates	—	109	109
Other receivables	—	36	36
	<u>12</u>	<u>23,230</u>	<u>23,242</u>

	Available- for-sale	Loans and receivables	Total
	(£ in millions)		
Classification of financial assets as at 31 March 2013			
Cash and cash equivalents	—	439	439
Restricted funds	—	33	33
Available-for-sale investments	22	—	22
Matched principal trade receivables	—	15,614	15,614
Deposits paid for securities borrowed	—	919	919
Other trade receivables (net)	—	134	134
Receivables from affiliates:			
—Receivables from associates	—	2	2
—Receivables from other ICAP Group affiliates	—	96	96
Other receivables	—	64	64
	<u>22</u>	<u>17,301</u>	<u>17,323</u>

Notes to the combined financial information (Continued)

14. Financial assets and liabilities (Continued)

Financial assets can be reconciled to the balance sheet as follows:

	Note	As at	As at 31 March		
		30 September 2015	2015	2014	2013
(£ in millions)					
Current and non-current receivables	12	17,547	24,360	22,870	16,895
Available-for-sale investments	18	12	9	12	22
Cash and cash equivalents	7	359	350	368	439
Restricted funds	7	27	35	35	33
Excluded:					
—Prepayments		(28)	(30)	(43)	(66)
		<u>17,917</u>	<u>24,724</u>	<u>23,242</u>	<u>17,323</u>

In HY2016, a £3 million addition relates to acquisition of additional DTCC shares. In FY2014, IGBB's £8 million investment in Corretaje e Informacion Monetaria y de Divisas SA ("CIMD") was reclassified from an available-for-sale investment to associate. See note 17.

(b) Financial liabilities

At each period end the fair values of financial liabilities are not materially different from their book values. All financial liabilities at the period ends were classified at amortised cost. IGBB did not hold any derivative financial instruments.

15. Principal subsidiaries

An entity is regarded as a subsidiary if ICAP plc, the parent holding company of IGBB, has control over the entity's strategic, operating and financial policies and intends to hold the investment on a long-term basis for the purpose of securing a contribution to IGBB's activities.

The following subsidiaries are considered principal subsidiaries related to IGBB.

Principal subsidiaries

		per cent. held
Australia	ICAP Australia Pty Limited	100
	ICAP Brokers Pty Limited	100
Brazil	ICAP do Brasil Corretora de Títulos e Valores Mobiliários Ltda	100
England	ICAP Global Derivatives Limited	100
	ICAP Energy Limited	100
	ICAP Europe Limited	100
	ICAP Management Services Limited	100
	ICAP Securities Limited	100
	iSwap Limited	50.1
Japan	ICAP Totan Securities Co Limited	60
United States	ICAP Capital Markets LLC	100
	ICAP Corporates LLC	100
	ICAP Energy LLC	100
	ICAP Securities USA LLC	100
	ICAP Services North America LLC	100

The percentage held represents the percentage of issued ordinary share capital held (all classes) and also represents the voting rights of ICAP plc.

Notes to the combined financial information (Continued)

15. Principal subsidiaries (Continued)

IGBB has an economic interest of 40.2 per cent. in iSwap Limited, but the investment is classed as a subsidiary because IGBB is the largest single shareholder (next largest economic interest is 14.2 per cent.). IGBB also employs the key management personnel of iSwap Limited.

ICAP do Brasil Corretora de Títulos e Valores Mobiliários Ltda has a 31 December year end as required as part of local regulatory requirements. All other subsidiaries have a 31 March year end.

All companies operate in their country of incorporation. ICAP Energy Limited, ICAP Europe Limited, ICAP Securities Limited, ICAP Securities USA LLC and ICAP Corporates LLC each operate from branches outside the countries of incorporation.

16. Investment in joint ventures

Investments in joint ventures are recognised using the equity method. Under this method, such investments are initially stated at cost, including attributable goodwill, and are adjusted thereafter for the post-acquisition change in IGBB's share of net assets.

Investments in joint ventures are reviewed for indicators of impairment under IAS39 'Financial instruments: Recognition and Measurement'. Whenever application of IAS39 indicates that an investment may be impaired, the carrying amount of the investment, including attributed goodwill, is tested for impairment as a single asset under IAS36, by comparing the carrying amount with its recoverable amount (the higher of VIU and fair value less costs to sell).

IGBB adopted IFRS11 'Joint Arrangements' and IAS28 'Associates and Joint Ventures' for the financial year beginning 1 April 2012.

IGBB's joint ventures and their country of incorporation are listed below:

		per cent. held	Principal activity
Colombia	SET-ICAP FX S.A.	47.9	Broking
Colombia	SET ICAP Securities SA	47.4	Broking
Mexico	SIF ICAP, SA de CV	50.0	Broking
United Kingdom	Patshare Limited	50.0	Broking

Summary financial information of joint ventures

IGBB's share of joint ventures' assets, liabilities and profit is given below:

	Six months ended 30 September 2015	Year ended 31 March		
		2015	2014	2013
	(£ in millions)			
As at 1 April	7	5	8	4
Additions	—	—	—	2
Share of profit for the period	1	3	2	2
Dividends received	—	(1)	(5)	—
Exchange adjustments	(1)	—	—	—
As at 31 March	7	7	5	8

Notes to the combined financial information (Continued)

16. Investment in joint ventures (Continued)

	As at	As at 31 March		
	30 September 2015	2015	2014	2013
	(£ in millions)			
Assets	9	9	6	8
Liabilities	(2)	(2)	(2)	(2)
Net assets	<u>7</u>	<u>7</u>	<u>4</u>	<u>6</u>
	Six months ended 30 September 2015	Year ended 31 March		
		2015	2014	2013
	(£ in millions)			
Revenue	3	7	7	5
Operating expenses	(2)	(3)	(4)	(2)
Profit before tax	1	4	3	3
Tax	—	(1)	(1)	(1)
Profit for the period	<u>1</u>	<u>3</u>	<u>2</u>	<u>2</u>
Attributable to:				
Equity holders of the Company	<u>1</u>	<u>3</u>	<u>2</u>	<u>2</u>

17. Investment in associates

Investments in associates are recognised using the equity method. Under this method, such investments are initially stated at cost, including attributable goodwill, and are adjusted thereafter for the post-acquisition change in IGBB's share of net assets.

Investments in associates are reviewed for indicators of impairment under IAS39 Financial instruments: Recognition and Measurement. Whenever application of IAS39 indicates that an investment may be impaired, the carrying amount of the investment, including attributed goodwill, is tested for impairment as a single asset under IAS36, by comparing the carrying amount with its recoverable amount (higher of VIU and fair value less costs to sell).

	Six months ended 30 September 2015	Year ended 31 March		
		2015	2014	2013
	(£ in millions)			
As at 1 April	36	36	32	36
Additions	2	1	—	—
Disposals	—	—	—	(3)
Transfer (to)/from joint venture/available for sale	—	—	8	(2)
Share of profit for the period	2	5	4	4
Dividends received	(3)	(4)	(4)	(1)
Exchange adjustments	—	(2)	(4)	(2)
As at 31 March	<u>37</u>	<u>36</u>	<u>36</u>	<u>32</u>

Notes to the combined financial information (Continued)

17. Investment in associates (Continued)

Summary financial information for associates

IGBB's share of associates' assets, liabilities and profit is given below:

	As at 30 September 2015	As at 31 March		
		2015	2014	2013
		(£ in millions)		
Assets	56	51	51	27
Liabilities	(26)	(21)	(23)	(4)
Net Assets	30	30	28	23
		(£ in millions)		
	Six months ended 30 September 2015	Year ended 31 March		
		2015	2014	2013
Revenue	19	30	27	23
Operating expenses	(16)	(23)	(21)	(17)
Profit before tax	3	7	6	6
Tax	(1)	(2)	(2)	(2)
Share of profit of associates after tax	2	5	4	4

In HY2016, £2 million addition relates to change in classification of investment in ICAP (Middle East) W.L.L, which became an associate as a result of change in control. Prior to this change ICAP (Middle East) W.L.L. was classified as a subsidiary.

In FY2015, IGBB sold a 60 per cent. stake in First Brokers Securities LLC, a leading interdealer broker in US dollar-denominated corporate debt. The remaining 40 per cent. investment has been reclassified as an associate.

In FY2014, IGBB reclassified its £8 million available-for-sale investments in Corretaje e Informacion Monetaria y de Divisas SA (“CIMD”) as an associate. The reclassification was a result of establishing ICAP's significant influence through increased representation on CIMD's board of directors.

IGBB's associates and their country of incorporation are listed below:

		per cent. held	Principal activity
Bahrain	ICAP (Middle East) W.L.L.	49.0	Broking
Japan	Totan ICAP Co Limited	40.0	Broking
Japan	Central Totan Securities Co Limited	20.0	Broking
Malaysia	Amanah Butler Malaysia Sdn Bhd	32.1	Broking
Spain	Corretaje e Informacion Monetaria y de Divisas SA	21.5	Broking
United States	First Brokers Securities LLC	40.0	Broking

18. Available-for-sale investments

Available-for-sale financial assets are debt and equity non-derivative financial assets and are initially recognised at fair value.

Available-for-sale investments in equity assets that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, are subsequently recorded at cost less impairment. If there is objective evidence that an impairment loss has been incurred on such financial assets, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Notes to the combined financial information (Continued)

18. Available-for-sale investments (Continued)

All other available-for-sale financial assets are fair valued subsequently at each period end. Any subsequent changes in fair value are recognised directly in other comprehensive income. When a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income and there is objective evidence that the asset is impaired, the cumulative unrealised loss that had been recognised in other comprehensive income is transferred to the combined income statement.

Impairment losses recognised in the combined income statement for an investment in an available-for-sale equity instrument are not reversed through the combined income statement. Dividends on available-for-sale equity investments are recognised in the combined income statement when the right to receive payment is established. When an available-for-sale financial asset is derecognised, any cumulative unrealised gain or loss recognised previously in other comprehensive income is transferred to the combined income statement.

These assets are generally expected to be held for the long term and are included in non-current assets. Assets such as shares or seats in exchanges, cash-related instruments, and long-term equity investments that do not qualify as associates or joint ventures, are classified as available-for-sale.

	Six months ended 30 September 2015	Year ended 31 March		
		2015	2014	2013
	(£ in millions)			
As at 1 April	9	12	22	27
Additions	3	—	—	—
Disposals	—	(2)	(1)	(5)
Impairments	—	(1)	—	—
Revaluation	—	1	—	—
Transfer to associates	—	—	(8)	—
Exchange adjustments	—	(1)	(1)	—
As at 31 March	<u>12</u>	<u>9</u>	<u>12</u>	<u>22</u>
Available-for-sale investments				
Held at fair value	2	1	2	2
Held at cost	10	8	10	20
Total	<u>12</u>	<u>9</u>	<u>12</u>	<u>22</u>

During the six months ended 30 September 2015, additional DTCC shares of £3 million were acquired.

The fair value of £2 million (31 March 2015: £1 million, 31 March 2014: £2 million, 31 March 2013: £2 million) was determined using level 1 inputs, being the quoted prices of the equity instruments.

19. Property and equipment

Property and equipment is recognised initially at cost including the original purchase price of the asset and the costs attributable to bringing the asset into its intended use. Property and equipment is subsequently presented at initial cost less accumulated depreciation and any provisions for impairment in its value. It is depreciated on a straight-line basis over its expected useful economic life as follows:

Short leasehold property improvements	Period of lease
Furniture, fixtures and equipment	3 – 5 years

The depreciation rates are reviewed regularly to take account of any changes in circumstances. These rates are determined on consideration of factors such as the expected rate of technological development and anticipated usage levels.

Notes to the combined financial information (Continued)

19. Property and equipment (Continued)

When a leasehold property becomes surplus to the foreseeable business requirements, a provision is made on a discounted basis for the expected future net cost of the property.

	Six months ended	Year ended		
	30 September 2015	2015	2014	2013
	(£ in millions)			
Cost				
As at 1 April	106	133	140	171
Additions	2	3	7	1
Disposals	(8)	(34)	(2)	(36)
Reclassification	—	1	(1)	—
Exchange adjustments	(3)	3	(11)	4
As at 31 March	97	106	133	140
	Six months ended	Year ended 31 March		
	30 September 2015	2015	2014	2013
	(£ in millions)			
Accumulated depreciation				
As at 1 April	(80)	(103)	(105)	(122)
Charge for the period	(4)	(8)	(9)	(12)
Disposals	8	34	2	32
Exchange adjustments	3	(3)	9	(3)
As at 31 March	(73)	(80)	(103)	(105)
Net book value				
As at 31 March	24	26	30	35

Disposals represent retirement of fully depreciated assets, and those that are no longer in use, from the fixed assets register. In FY 2013, retirement of assets included those that were not yet fully depreciated.

20. Related party transactions

(a) IPGL

IPGL is a company controlled by Michael Spencer, the Chief Executive Officer of ICAP plc. A number of transactions take place between IPGL and its subsidiaries and IGBB and these are detailed below.

IPGL

During HY2016, IGBB collected revenue on behalf of IPGL of £nil (HY2015: £156, FY2015: £156, FY2014: £841, FY2013: £nil) in respect of employees of IGBB who provided services to IPGL and its investments and £200 (HY2015: £nil, FY2015: £nil, FY2014: £1,727, FY2013: £1,466) in respect of other services. As at 30 September 2015, IPGL owed IGBB £6,313 (FY2015: £6,113, FY2014: £6,125, FY2013: £nil).

Exotix Holdings Ltd (“Exotix”)

As part of the disposal of Exotix to IPGL in 2007, IGBB loaned employees of Exotix Ltd, a subsidiary of Exotix, £1.5 million to enable them to purchase a shareholding. Interest of £2,001 (HY2015: £3,111, FY2015: £5,069, FY2014: £924, FY2013: £2,606) has been charged on these loans during HY2016. IGBB collected revenue of £10 million (HY2015: £4 million, FY2015: £8 million, FY2014: £7.0 million, FY2013: £11.6 million) on behalf of Exotix and recharged Exotix £83,095 (HY2015: £266,429, FY2015: £230,049, FY2014: £255,210, FY2013: £270,707) for clearing-related services and £3,298 (HY2015: £2,263, FY2015: £25,063, FY2014: £288,435, FY2013: £237,845) for other services provided during HY2016. As at

Notes to the combined financial information (Continued)

20. Related party transactions (Continued)

30 September 2015, there was a balance due to Exotix from IGBB of £2.1 million (FY2015: £10.2 million, FY2014: £0.4 million, FY2013: £1.6 million). IGBB holds £1.9 million (FY2015: £1.9 million, FY2014: £1.9 million, FY2013: £1.9 million) as collateral from Exotix on deposit.

(b) ICAP Holdings South Africa Pty Limited

IGBB loaned some minority shareholders of ICAP Holdings South Africa Pty Ltd a subsidiary company, £629,558 in order to acquire 140,800 shares in the company from IGBB. Interest of £42,846 (HY2015: £6,335, FY2015: £7,247, FY2014: £11,078, FY2013: £nil) was charged on the loan during HY2016. As at 30 September 2015, the outstanding balance due on the loan was £83,141 (FY2015: £57,462, FY2014: £94,085, FY2013: £139,376).

(c) First Brokers Securities Inc.

IGBB recharged First Brokers Securities Inc., an associate company since February 2015, £nil (HY2015: £nil, FY2015: £424,835, FY2014: £nil, FY2013: £nil) for overheads and recharges during HY2016. As at 30 September 2015, the outstanding balance due to IGBB was £1,427,181 (FY2015: £461,638, FY2014: £nil, FY2013: £nil).

(d) ICAP Group Affiliates

Trading balances between IGBB entities and other ICAP companies have been presented in the combined balance sheet as current receivables and current payables. As at 30 September 2015, amounts owed to ICAP Group affiliates was £37 million (FY2015: £73 million, FY2014: £90 million, FY2013: £100 million) and amounts owed from ICAP Group affiliates was £74 million (FY2015: £116 million, FY2014: £109 million, FY2013: £96 million).

Non trading balances and their associated interest costs between IGBB entities and other ICAP companies have been recorded in Invested Capital.

PART XVII

OPERATING AND FINANCIAL REVIEW OF IGBB

The following discussion of IGBB's financial condition and results of operations should be read together with the rest of this document, including the financial information in Part XVI (Historical Financial Information of IGBB) of this document, and reliance should not be placed solely on the summarised information contained in this Part XVII.

The financial year of IGBB commences on 1 April and ends on 31 March of each year.

1. OVERVIEW

IGBB is the global broking business of ICAP plc and is composed of:

- ICAP's three regionally managed hybrid voice broking businesses in EMEA, the Americas and Asia Pacific, including all e-trading products and services developed by ICAP's e-commerce team (including Fusion) (together "**IGBB Global Broking**");
- ICAP's 40.23 per cent. economic interest in iSwap Limited, a global electronic trading platform for EUR, USD and GBP interest rate swaps ("**iSwap**");
- revenues and operating profits from sales of information services products directly attributable to IGBB Global Broking and iSwap ("**IGBB Information Services**"); and
- certain of ICAP's joint ventures, associates and investments, including but not limited to SIF ICAP, SA de CV (Mexico), Totan ICAP Co Limited (Japan), Central Totan Securities Co Limited (Japan) and Corretaje e Informacion Monetaria y de Divisas, SA (Spain).

2. PRINCIPAL FACTORS AFFECTING RESULTS OF OPERATION

The principal factors affecting IGBB's results of operations and financial condition during the periods under review, and those that are expected to affect its results of operations and financial condition in the future, include the following:

2.1 Level of financial market volatility

IGBB generates revenue from commissions it earns by facilitating and executing customer orders. The level of revenue is substantially dependent on customer trading volumes. The volumes of transactions conducted by IGBB with its customers are affected by the level of volatility in financial markets, by their risk appetite, and by their willingness and ability to trade. Volatility is one of the key drivers of activity in the financial markets. During periods of market turbulence the level of volatility tends to be high and the business benefits from the increased volumes that occur during such periods. Levels of activity in the financial markets can fall sharply, however, when high volatility is overshadowed by structural uncertainty, resulting in a reduction in risk appetite amongst clients. During periods of low volatility the level of financial market activity is generally lower, and the volume of transactions undertaken by the business on behalf of its clients tends to be lower.

As macro factors resulted in heightened volatility and market activity levels in the second half of the financial year, IGBB also saw better activity levels. This was most pronounced in markets where IGBB continued to have market leading franchises and hence market participants relying on it as an intermediary to facilitate risk transfer. The best example is IGBB's leading European OTC Interest Rate Derivatives franchise where increased demand for hedging of bond issuance drove a significant increase in activity levels in the final quarter of the financial year outpacing activity levels in exchange-traded futures markets. Moreover it is worth noting that in such OTC markets the major underlying driver of this change in activity levels was 'natural interest' from end users which was offset by banks in the interbank market in contrast to a higher proportion of speculators which characterise other markets including many exchange-traded ones.

2.2 The impact of the changing regulatory environment for IGBB's customers

Basel III requirements around capital, balance sheet size/leverage and liquidity have driven IGBB's traditional customer banks to shrink their balance sheets over recent years. The initial focus was on reducing risky assets that underpin risk-weighted asset calculations with a more recent focus on lower return businesses that negatively impact gross leverage ratios. Regulators have also introduced higher gross leverage ratio requirements for systemically important financial institutions which have impacted many of the banks which own leading FICC trading franchises.

These changes, as well as the Volcker Rule included in the Dodd-Frank Act, have resulted in a significant reduction of principal risk-taking by IGBB's bank customers and an increased focus on the strength and efficiency of their client franchises. In previous years Basel III led to a significant shrinkage in the inventory of corporate bonds held by banks at the same time that asset manager inflows into bond funds surged. This resulted in a significant shrinkage of the interbank markets in credit securities and an increase in flow from banks to the buy side in that asset class. More recently, as the focus has moved to gross leverage ratios, banks have begun to shrink their rates businesses which were typically the largest part of their balance sheets. This included OTC interest rate derivatives (which have also been impacted by higher margin requirements in the US relative to interest rates futures contracts) as well as repo books. Areas such as equities and FX (especially in cash products) have been relatively smaller users of balance sheet and capital and hence less impacted by the regulatory changes.

2.3 The impact of new regulations directly affecting OTC markets

MiFID II, which is scheduled to come into force on 3 January 2018, aims to normalise competition between trading venues (exchanges, MTFs and the newly created OTF category) in the EU and to increase price transparency in financial markets for both market users and regulators. There is potential in due course for direct competition with the derivatives exchanges in listed futures. IGBB business objectives are aligned with those of MiFID II as IGBB supports the move of liquid instruments to trading venues and a greater emphasis on both pre- and post-trade transparency.

The specific impact of the changes to IGBB's business will depend on the Regulatory Technical Standards which have not yet been published in final form. IGBB is incurring significant expenditure in order to comply with these regulations, including costs of development, launch and on-going running of new trading platforms and associated technology infrastructure and additional compliance resources.

Volumes have already started to migrate from IGBB's OTC infrastructure to its established venues where product standardisation and liquidity allow. Irrespective of the venue, a key role for IGBB continues to be the fostering of transparency by continually providing pre-trade information to the market, whether through pre-trade price screens or order book type structures. The demand for such solutions, against the background of the regulatory standards, stands to increase significantly over the coming year as the industry gears up to MiFID II implementation.

A key challenge for IGBB, as for the rest of the industry, is the scale of change required by new regulation. The organisational structures, alongside the implementation of some of the transparency and conduct requirements, will impact all areas of IGBB.

2.4 Management of the cost base

IGBB actively manages its cost base to support its profitability as circumstances require it. IGBB has in the past undertaken major restructuring programmes involving the exit or restructuring of contracts of staff, and the exit from certain activities.

ICAP implemented a restructuring programme effective from May 2014. As part of this programme, IGBB was reshaped to focus on market leading franchises with several business lines exited as well as desk closures. This resulted in annualised cost savings in excess of £70 million for the ICAP Group, net of revenue loss, with the majority of the savings predominantly in IGBB.

2.5 Regulatory investigations and settlements

In recent years, IGBB has incurred exceptional costs in connection with certain regulatory matters initiated by certain government agencies.

In September 2013, ICAP Europe Limited, an IGBB subsidiary, reached settlement agreements with the CFTC and the FCA and paid penalties totalling £55 million relating to the involvement of certain brokers assisting bank traders seeking to manipulate Yen LIBOR. Arising out of this same matter, in February 2015, the European Commission imposed a fine of £11 million (€14.9 million) on ICAP for alleged competition violations. ICAP is appealing that action.

In October 2012, four former cash equity brokers of Link Brokers Derivatives LLC, an IGBB subsidiary, were charged with wrongdoing by the SEC in respect of conduct that largely pre-dates IGBB's acquisition of Link in April 2008. In August 2014, Link entered into a settlement agreement with the SEC pursuant to which it agreed to pay an £8 million fine.

The above matters including the associated legal and professional fees resulted in one-off costs in IGBB financial statements in 2012/13 of £12 million, in 2013/14 of £76 million and in 2014/15 of £15 million.

3. RESULTS OF OPERATIONS

3.1 Comparison of the financial years ended 31 March 2015, 31 March 2014 and 31 March 2013, and the six months ended 30 September 2015 and 30 September 2014

(a) IGBB summary income statement

	Six months ended 30 September		Year ended 31 March		
	2015 (audited)	2014 (unaudited)	2015 (audited)	2014 (audited)	2013 (audited)
	(£ in millions)				
Revenue	366	402	808	913	992
Trading operating profit	37	24	84	115	128
Trading profit before tax	40	29	93	131	139
Acquisition and disposal costs	—	—	—	(15)	(88)
Exceptional items	—	(20)	(73)	(76)	(36)
Profit before tax	<u>40</u>	<u>9</u>	<u>20</u>	<u>40</u>	<u>15</u>

(b) IGBB revenue by businesses

	Six months ended 30 September		Year ended 31 March		
	2015 (audited)	2014 (unaudited)	2015 (audited)	2014 (audited)	2013 (audited)
	(£ in millions)				
IGBB Global Broking (including iSwap)	342	382	767	875	956
IGBB Information Services	24	20	41	38	36
IGBB Total	<u>366</u>	<u>402</u>	<u>808</u>	<u>913</u>	<u>992</u>

(c) IGBB revenue by geographical region

	Six months ended 30 September		Year ended 31 March		
	2015 (audited)	2014 (unaudited)	2015 (audited)	2014 (audited)	2013 (audited)
	(£ in millions)				
Revenue by region					
IGBB Global Broking (including iSwap)					
EMEA	164	193	374	411	452
Americas	128	145	297	362	394
Asia Pacific	50	44	96	102	110
IGBB Information Services	24	20	41	38	36
IGBB Total	<u>366</u>	<u>402</u>	<u>808</u>	<u>913</u>	<u>992</u>

(d) IGBB trading operating profit by businesses

	Six months ended 30 September		Year ended 31 March		
	2015 (audited)	2014 (unaudited)	2015 (audited)	2014 (audited)	2013 (audited)
	(£ in millions)				
IGBB Global Broking (including iSwap)	24	13	57	88	105
IGBB Information Services	13	11	27	27	23
IGBB	<u>37</u>	<u>24</u>	<u>84</u>	<u>115</u>	<u>128</u>

3.2 Performance trend from year ended 31 March 2013 to year ended 31 March 2014

IGBB Global Broking (including iSwap)

During the course of the year, the trading performance of IGBB Global Broking was progressively impacted by a combination of structural and cyclical factors. Uncertainty surrounding the implementation and on-going application of new regulatory requirements, both in the United States (SEF) and Europe (EMIR), had a disruptive effect on activity levels in financial markets which is expected to persist in the near term as further regulations are enacted. Bank deleveraging, in response to stricter regulatory capital requirements, further constrained the trading activity of IGBB's customers as evidenced by the continuing decline in the reported FICC revenues of the major dealer banks. The performance of IGBB Global Broking was also negatively influenced by on-going cyclical factors including low interest rate and FX volatility and uncertainty over the global economic recovery.

Against the market and regulatory backdrop outlined above, revenue for the year ended 31 March 2014 decreased by £81 million (8 per cent.) to £875 million (2012/13: £956 million). Trading operating profit reduced by £17 million (16 per cent.) to £88 million resulting in a modest fall in the overall operating margin to 10 per cent. The decline in revenue was partially offset by cost savings arising from the on-going cost reduction programme as the broker headcount declined during the year and individual broker compensation continued to be restructured across all regions to enhance the variable nature of broker costs.

On a regional basis revenue decreased across all regions for the year ended March 2014. In EMEA revenue decreased by £41 million to £411 million (2012/13: £452 million), Americas saw a reduction of £32 million to £362 million (2012/13: £394 million) and in Asia Pacific revenue fell by £8 million to £102 million (2012/13: £110 million).

IGBB Information Services

For the year ended 31 March 2014, revenue increased by 6 per cent. to £38 million (2012/13: £36 million) attributable to a growth in application licensing. Trading operating profit in the same period increased by 17 per cent. to £27 million (2012/13: £23 million).

3.3 Performance trend from year ended 31 March 2014 to year ended 31 March 2015

IGBB Global Broking (including iSwap)

During the course of the year, the trading performance of IGBB Global Broking was impacted by a combination of structural and cyclical factors. Bank deleveraging, in response to stricter regulatory capital requirements, constrained the trading activity of IGBB's customers.

This was partly offset in the second half of the year by the European quantitative easing announcements, speculation on the timing of a US interest rate rise, the dramatic fall in oil prices and the ripple effect of various European general elections which had increased volatility.

Against this market backdrop, IGBB undertook a fundamental review of the business evaluating the current contributions and future prospects by desk and location. Reduction in broker headcount and continued adjustment to broker compensation resulted in annualised cost savings of £70 million net of revenue loss.

For the year ended 31 March 2015, revenue decreased by 12 per cent. to £767 million (2013/14: £875 million). Trading operating profit reduced by 35 per cent. to £57 million resulting in a three percentage points reduction in the operating profit margin to 7 per cent. The decline in revenue was partially offset by cost savings arising from the on-going cost reduction programme outlined above.

On a regional basis revenue decreased across all regions for the year ended March 2015. In EMEA revenue decreased by £37 million to £374 million (2013/14: £411 million), Americas saw a reduction of £65 million to £297 million (2013/14: £362 million) and in Asia Pacific revenue fell by £6 million to £96 million (2013/14: £102 million).

IGBB Information Services

For the year ended 31 March 2015, revenue increased by 8 per cent. to £41 million (2013/14: £38 million). Trading operating profit in the same period remained flat at £27 million.

3.4 Performance trend from six months ended 30 September 2014 to six months ended 30 September 2015

IGBB's revenue from continuing businesses for the six months ended 30 September 2015, on a constant currency basis, was 1 per cent. higher on the same period in the prior year, primarily reflecting an increase in revenue from IGBB Information Services.

IGBB Global Broking (including iSwap)

During the six months ending 30 September 2015, the trading performance of IGBB Global Broking continued to be impacted by a combination of structural cyclical factors. Historically low interest rates, flat yield curves and bank deleveraging continued to constrain trading activity.

For the six months ending 30 September 2015, revenue decreased by 10 per cent. to £342 million (2014: £382 million). Trading operating profit increased by 85 per cent. to £24 million resulting in a four percentage points increase in the operating profit margin to 7 per cent.

The performance of IGBB Global Broking in the period has been mixed across regions as lower levels of market activity in EMEA and the Americas were offset by an improved performance in APAC.

On a regional basis revenue decreased in EMEA and Americas for the six months ended 30 September 2015. In EMEA revenue decreased by £29 million to £164 million (2014: £193 million) and the Americas saw a reduction of £17 million to £128 million (2014: £145 million). Asia Pacific saw a £6 million increase in revenue to £50 million (2014: £44 million).

IGBB Global Broking revenue in EMEA was adversely impacted as traders held positions in the lead up to the UK general election and due to reduced activity levels driven by uncertainty with regard to Greece's economic position. Revenue in the Americas was down due to the continued low interest rate volatility, lack of clear movement from the Federal Reserve and slow market trading (especially in FICC), driven by uncertainties over the health of the United States economy. APAC revenue improved on the prior year driven by Australian rates and government bonds following the announcement of a further interest rate cut.

Improved APAC performance, together with some increase in IGBB information services revenue generation, helped offset the adverse performance in EMEA and the Americas.

IGBB Information Services

For the six months ending 30 September 2015, revenue increased by 20 per cent. to £24 million (2014: £20 million). Trading operating profit in the same period also increase by 18% to £13 million (2014: £11 million).

4. CURRENT TRADING, TRENDS AND PROSPECTS

IGBB revenue from continuing businesses decreased by 5% on a constant currency basis and on a reported basis during the three month period to 31 December 2015 compared to the same period last year, driven by a decline in revenue in IGBB Global Broking partly offset by an increase in information revenue.

In IGBB Global Broking, revenue from continuing businesses decreased by 7% on a constant currency basis and on a reported basis for the period compared to the same period last year. Year-on-year revenue performance in November and December was much improved on October. The ongoing structural and cyclical factors affecting the division persist, including further deleveraging by the investment banks. Strong revenue growth from electronic matching sessions continues to develop especially in the Asia Pacific region and the Americas.

5. FINANCIAL RISK MANAGEMENT

IGBB faces certain risks as part of its day-to-day operations including liquidity risk, credit risk and market risks. These risks are maintained and managed centrally as part of the ICAP Group's risk management framework. Further information on the risks relevant to an investment in the Enlarged Tullett Prebon Group is set out in Part II (*Risk Factors*) of this document.

5.1 Liquidity risk

Liquidity risk in respect of IGBB involves the risk of IGBB or any of its entities not having sufficient liquid resources, or being unable to deploy such resources, to meet its actual or potential obligations in a timely manner as they fall due. As part of its matched principal and exchange-traded businesses, IGBB faces short-term liquidity requirements arising from settlement and clearing arrangements, in the form of collateral and margin requirements for clearing houses or financial institutions providing clearing access. Large liquidity demands may also arise on the same day or the next day, due to reasons beyond IGBB's direct control. IGBB manages its liquidity risk by using financial institutions for clearing access and ensuring that adequate liquidity resources are maintained to meet these liquidity requirements in support of its trading activities, for example, putting in place contingency funding arrangements and procedures, and maintaining access to a committed liquidity held centrally for same day and next day utilisation.

5.2 Credit risk

IGBB enters into transactions only when executing on behalf of customers, providing customer access to clearing or providing additional fee-based services. However, there is a short-term credit exposure prior to clearing and settlements, and outstanding receivable risk that IGBB manages. The matched principal business involves IGBB acting as a counterparty on trades which are undertaken on a delivery-versus-payment basis. IGBB manages its credit risk on these transactions through appropriate policies and procedures including stringent on-boarding requirements, setting appropriate cash limits for all counterparties which are closely monitored to restrict any potential loss through counterparty default. IGBB only engages in activities which it believes will not result in loss due to credit risk. For further discussion on IGBB's credit risk please refer to Note 12 to IGBB's historical financial information set out in Part XVI (*Historical Financial Information of IGBB*).

5.3 Market risk

IGBB defines market risk as the risk of losses in on- and off-balance sheet positions arising from adverse movements in market prices. IGBB does not actively take market risk. Where market risk does arise this is due to failures in IGBB's expected business processes, systems or human error. IGBB does not engage in proprietary trading or actively seek market exposure and actively reduces any incidental market exposure resulting from its activities as soon as reasonably practicable by actively monitoring its exposure and timely mitigation of unmatched positions.

6. CRITICAL ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

The preparation of IGBB financial information requires the use of estimates and judgements about future conditions. In view of the inherent uncertainties and the high level of subjectivity involved in the recognition or measurement of items listed below, it is possible that the outcomes in the next financial year could differ from those on which management's estimates are based, resulting in materially different conclusions from those reached by management for the purposes of the three and a half year financial statements to 30 September 2015.

Presentation of exceptional items—for further details please see Note 4 to the IGBB historical financial information as set out in Part XVI (*Historical Financial Information of IGBB*)

Goodwill impairment review—for further details please see Note 9 to the IGBB historical financial information as set out in Part XVI (*Historical Financial Information of IGBB*)

PART XVIII
CAPITAL RESOURCES OF IGBB

1. CAPITALISATION AND INDEBTEDNESS

The following table, which shows the indebtedness of IGBB as at 31 December 2015, has been extracted without material adjustment from the underlying accounting records of the combined companies included within IGBB.

	31 December 2015
	(£ in millions)
Total Current Debt	12
Guaranteed	—
Secured	12
Unguaranteed/Unsecured	—
Total Non-Current Debt (excluding current portion of the long term debt)	—
Guaranteed	—
Secured	—
Unguaranteed/Unsecured	—

IGBB has not in the past formed a separate legal group and therefore it is not meaningful to show share capital or an analysis of reserves for IGBB.

This statement of indebtedness has been prepared under IFRS using policies that are consistent with those used in preparing IGBB's combined historical financial information for the six months ended 30 September 2015 set out in Section B of Part XVI (*Historical Financial Information of IGBB*) of this document. Accordingly, this table does not include any loans or deposits at 31 December 2015 between IGBB entities and other entities in the ICAP Group. An internal reorganisation of the ICAP Group will be performed prior to Completion to settle those balances, such that £330 million of cash remains in IGBB together with a single payable of £330 million due to the ICAP Group.

The secured debt of £12 million arises as a result of short-term timing difference from unsettled positions on matched principal trades.

There have been no significant changes to IGBB's indebtedness position since 31 December 2015.

2. NET FINANCIAL INDEBTEDNESS

The following table, which shows the net indebtedness of IGBB as at 31 December 2015, has been extracted without material adjustment from the underlying accounting records of the combined companies included within IGBB.

	31 December 2015
	(£ in millions)
Cash	382
Cash Equivalents	—
Trading Securities	—
Total liquidity⁽¹⁾	382
Current Bank Debt	(12)
Current portion of non-current debt	—
Other current financial debt	—
Current Financial Debt	(12)
Net current financial indebtedness	370
Non-current bank loans	—
Bonds issued	—
Other non-current financial debt	—
Non-current financial indebtedness	—
Net Financial funds	370

Notes:

- (1) At Completion, IGBB will have a current debt of £330 million payable to ICAP in its balance sheet.
- (2) The analysis of net indebtedness presented above excludes client monies (and corresponding liabilities to customers) and restricted cash balances. IGBB holds money on behalf of customers (client monies) in accordance with local regulatory rules. IGBB is not beneficially entitled to these amounts. Restricted funds comprise cash held with a CCP clearing house or a financial institution providing IGBB with access to a CCP and funds set aside for regulatory purposes. Restricted funds represent cash for which IGBB does not have immediate and direct access or for which regulatory requirements restrict the use of the cash.

PART XIX

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED TULLETT PREBON GROUP

Section A: Unaudited Pro Forma Financial Information of the Enlarged Tullett Prebon Group

The Unaudited Pro Forma Financial Information has been prepared in accordance with Annex II of the Prospectus Directive Regulation and in a manner consistent with the accounting policies to be adopted by the Tullett Prebon Group in preparing its audited financial statements for the year ended 31 December 2015. The Unaudited Pro Forma Financial Information has been prepared to provide an illustrative impact of the Transaction on (i) the consolidated income of Tullett Prebon, as if the Transaction had taken place on 1 January 2015; and (ii) the net assets of Tullett Prebon as if the Transaction had taken place on 31 December 2015.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only, and because of its nature, addresses a hypothetical situation. It does not purport to represent what the Enlarged Tullett Prebon Group's financial position or results of operations actually would have been if the proposed Transaction had been completed on the dates indicated, nor does it purport to represent the results of operations for any future period or financial position at any future date.

The Unaudited Pro Forma Financial Information does not constitute financial statements within the meaning of Section 434 of the Companies Act.

Shareholders should read the whole of this document and should not rely solely on the summarised financial information contained in Part XIX (Unaudited Pro Forma Financial Information of the Enlarged Tullett Prebon Group). Deloitte LLP's report on the Unaudited Pro Forma Financial Information is set out in Section B of Part XIX (Unaudited Pro Forma Financial Information of the Enlarged Tullett Prebon Group).

Unaudited Pro Forma Income Statement

The following unaudited pro forma income statement of Tullett Prebon plc has been prepared on the basis set out in the Notes below to illustrate the consolidated income statement of the Enlarged Tullett Prebon Group as if the Transaction had taken place on 1 January 2015.

	Tullett Prebon for the year ended 31 December 2015	Adjustments		Pro forma for the year ended 31 December 2015
		IGBB for the year ended 31 March 2015	Transaction adjustments	
	(£ in millions)			
	(Note 1)	(Note 2)	(Note 3)	
Revenue	796.0	808.0	—	1,604.0
Administrative/operating expenses	(693.9)	(727.0)	21.0	(1,399.9)
Other income	5.8	3.0	—	8.8
Operating profit—underlying	107.9	84.0	21.0	212.9
Acquisition costs related to the Transaction	(12.1)	—	(17.1)	(29.2)
Other acquisition related items	(12.6)	(1.0)	—	(13.6)
Exceptional items	38.7	(73.0)	14.0	(20.3)
Operating profit—reported	<u>121.9</u>	<u>10.0</u>	<u>17.9</u>	<u>149.8</u>

Notes:

- (1) The results of Tullett Prebon plc as at 31 December 2015 have been extracted without adjustment from the Company's 2015 Preliminary Results.
- (2) The results of IGBB as at 31 March 2015 have been extracted without adjustment from the historical financial information relating to IGBB included in Part XVI (*Historical Financial Information of IGBB*) of this document.
- (3) The adjustment of £21.0 million to administrative/operating expenses relates to £14.0 million of ICAP head office and corporate costs that will not be charged to IGBB or replicated at Completion plus £7.0 million of amortisation and depreciation that will not be incurred by IGBB following Completion. The adjustment of £14.0 million to exceptional items relates to onerous lease provisions relating to a liability not being acquired. The adjustment of £17.1 million to acquisition costs related to the Transaction relates to estimated transaction costs not already incurred as at 31 December 2015.

- (4) No account has been taken of any fair value adjustments arising on the Transaction which would be required to restate the assets and liabilities of IGBB to their fair values.
- (5) There are no material differences in the accounting policies applied by Tullett Prebon plc and those applied by IGBB under IFRS as presented in Part XVI (*Historical Financial Information of IGBB*) in this document.
- (6) No account has been taken of any trading of Tullett Prebon plc after 31 December 2015 or of IGBB after 31 March 2015.

Unaudited Pro Forma Statement of Net Assets

The following unaudited pro forma statement of net assets of Tullett Prebon plc has been prepared on the basis set out in the Notes below to illustrate the consolidated statement of net assets of the Enlarged Tullett Prebon Group as if the Transaction had taken place on 31 December 2015.

	Tullett Prebon 31 December 2015	Adjustments		Pro forma net assets at 31 December 2015
		IGBB 30 September 2015	Transaction adjustments	
	(Note 1)	(Note 2)	(Note 3)	(Note 4)
			(£ in millions)	
Non-current assets				
Intangible assets arising on consolidation	357.4	82.0	—	932.5
Other intangible assets	22.1	46.0	(16.0) ^(a)	—
Property, plant and equipment	27.4	24.0	(14.0) ^(a)	—
Interest in associates	6.0	37.0	—	—
Investment in joint ventures	—	7.0	—	—
Investments/available-for-sale investments	8.5	11.0	—	—
Deferred tax assets	2.4	10.0	—	—
Trade and other receivables	—	1.0	—	—
Defined benefit pension scheme	88.2	—	—	—
	<u>512.0</u>	<u>218.0</u>	<u>(30.0)</u>	<u>932.5</u>
Current assets				
Trade and other receivables	2,639.2	17,468.0	(25.0) ^(b)	—
Receivables from affiliates	—	78.0	(78.0) ^(c)	—
Financial assets/ available-for-sale investments	20.3	1.0	—	—
Restricted funds	—	27.0	—	—
Cash and cash equivalents	358.9	359.0	(56.0) ^(d)	—
	<u>3,018.4</u>	<u>17,933.0</u>	<u>(159.0)</u>	<u>—</u>
Total assets	<u>3,530.4</u>	<u>18,151.0</u>	<u>(189.0)</u>	<u>932.5</u>
Current liabilities				
Trade and other payables	(2,666.7)	(17,428.0)	—	—
Payable to affiliates	—	(38.0)	38.0 ^(c)	—
Interest bearing loans and borrowings	(140.9)	(7.0)	7.0 ^(c)	—
Current tax liabilities	(17.3)	(23.0)	24.0 ^(f)	—
Short-term provisions	(21.3)	(16.0)	2.0 ^(g)	—
	<u>(2,846.2)</u>	<u>(17,512.0)</u>	<u>71.0</u>	<u>—</u>
Net current assets	<u>172.2</u>	<u>421.0</u>	<u>(88.0)</u>	<u>—</u>
Non-current liabilities				
Interest bearing loans and borrowings	(79.3)	—	(330.0) ^(e)	—
Deferred tax liabilities	(33.2)	(12.0)	—	—
Long-term provisions	(7.8)	(18.0)	12.0 ^(g)	—
Defined benefit pension scheme	—	(3.0)	—	—
Other long-term payables	(22.2)	(5.0)	—	—
	<u>(142.5)</u>	<u>(38.0)</u>	<u>(318.0)</u>	<u>—</u>
Total liabilities	<u>(2,988.7)</u>	<u>(17,550.0)</u>	<u>(247.0)</u>	<u>—</u>
Net assets	<u>541.7</u>	<u>601.0</u>	<u>(436.0)</u>	<u>932.5</u>

Notes

- (1) The net assets of Tullett Prebon plc as at 31 December 2015 have been extracted without adjustment from the Company's 2015 Preliminary Results.
- (2) The net assets of IGBB as at 30 September 2015 have been extracted without adjustment from the historical financial information relating to IGBB included in Part XVI (*Historical Financial Information of IGBB*) of this document.
- (3) Transaction adjustments reflect specific amendments to the net assets of IGBB reported at 30 September 2015. No account has been taken of any fair value adjustments or deferred tax which may arise on the Transaction.

- (a) Intangible assets arising from development expenditures (£16 million) and property and equipment (£14 million) are not being acquired.
 - (b) The full risk and reward of certain receivables are not being acquired.
 - (c) Amounts receivable from affiliates (£78 million) and due to affiliates (£38 million) are to be settled by Completion.
 - (d) Cash and cash equivalents acquired together with restricted funds are to be no less than £330 million at Completion.
 - (e) As set out in Part XXII (*Additional Information*) of this document interest-bearing loans will be £330 million at Completion.
 - (f) The obligations relating to certain potential tax liabilities amounting to £30.0 million are not being acquired offset by £6.0 million of tax effects relating to adjustments in this table.
 - (g) Short and long term provisions relating to onerous leases of £2 million and £8 million respectively and £4 million long term provision relating to interest on certain tax liabilities are not being acquired.
- (4) The pro forma statement of net assets has been prepared on the basis that the acquisition of IGBB will be accounted for using the acquisition method. The excess of consideration over the book value of assets acquired, after acquisition adjustments, has been reflected as intangible assets arising on consolidation. The intangible assets on this basis have been calculated as follows:

	<u>No of shares (million)</u>	<u>Share price (pence)</u>	<u>£ in millions</u>
Consideration settled in shares (at 26 February 2016 closing share price (being the latest practicable date prior to publication of this document)) .	310.3	346.6	1,075.5
Net assets at 30 September 2015			(601.0)
Transaction adjustments (Note 3)			436.0
Non-controlling interests acquired			22.0
Intangible assets arising on consolidation			<u>932.5</u>

- (5) The unaudited pro forma statement of net assets does not include any adjustments which would be required to restate the assets and liabilities of IGBB to their fair values.
- (6) There are no material differences in the accounting policies applied by Tullett Prebon plc and those applied by IGBB under IFRS as presented in Part XVI (*Historical Financial Information of IGBB*) of this document.
- (7) No account has been taken of any trading of Tullett Prebon plc after 31 December 2015 or of IGBB after 30 September 2015.

Section B: Accountants' Report on the Unaudited Pro Forma Financial Information on the Enlarged Tullett Prebon Group

Athene Place
66 Shoe Lane
London
EC4A 3BQ

The directors and the Proposed Director of Tullett Prebon plc (together "the Directors") on behalf of Tullett Prebon plc
Tower 42, Level 37
25 Old Broad Street
London, EC2N 1HQ

N. M. Rothschild & Sons Ltd
St Swithin's Lane
London EC4P 7DU

1 March 2016

Dear Sirs,

Tullett Prebon plc (the "Company")

We report on the pro forma financial information (the "Pro forma financial information") set out in Section A of Part XIX of the combined prospectus and circular dated 1 March 2016 (the "Prospectus"), which has been prepared on the basis described therein, for illustrative purposes only, to provide information about how the transaction might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing the financial statements for the period ended 31 December 2015. This report is required by the Commission Regulation (EC) No 809/2004 (the "Prospectus Directive Regulation") and Listing Rule 13.3.3R.

Responsibilities

It is the responsibility of the Directors to prepare the Pro forma financial information in accordance with Annex II items 1 to 6 of the Prospectus Directive Regulation and Listing Rule 13.3.3R.

It is our responsibility to form an opinion, as to the proper compilation of the Pro forma financial information and to report that opinion to you in accordance with Annex II item 7 of the Prospectus Directive Regulation as applied by Listing Rule 13.3.3R.

Save for any responsibility arising under Prospectus Rule 5.5.3R (2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Annex I item 23.1 of the Prospectus Directive Regulation and Listing Rule 13.3.3R, consenting to its inclusion in the Prospectus.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro forma financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro forma financial information with the Directors.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro forma financial information has

been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards or practices.

Opinion

In our opinion:

- (a) the Pro forma financial information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Company.

Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f), we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Annex I item 1.2 of the Prospectus Directive Regulation.

Yours faithfully

Deloitte LLP
Chartered Accountants

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PART XX

DIRECTORS, PROPOSED DIRECTOR AND CORPORATE GOVERNANCE

1. DIRECTORS

The Directors of the Company as at the date of this document and their respective roles are set out below:

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Date appointed</u>
Rupert Robson	55	Chairman	January 2007
John Phizackerley	54	Chief Executive Officer	September 2014
Paul Mainwaring	52	Finance Director	October 2006
Angela Knight	65	Senior Independent non-executive Director	September 2011
Roger Perkin	67	Independent non-executive Director	July 2012
Stephen Pull	59	Independent non-executive Director	September 2011
David Shalders	49	Independent non-executive Director	February 2014
Carol Sergeant	63	Independent non-executive Director	July 2015

The business address of all of the Directors is Tower 42, Level 37, 25 Old Broad Street, London EC2N 1HQ.

The management expertise and experience of each of the Directors is set out below. For further information on the Directors, including the companies of which each of the Directors has been a director at any time in the past five years, see paragraph 7 of Part XXII (*Additional Information*) of this document.

1.1 Rupert Robson, Chairman

Rupert Robson was appointed to the Board in January 2007 and to Chairman on 6 March 2013. He is Chairman of the Nominations Committee and a trustee of the Company's UK defined benefit pension scheme. He has held a number of senior roles in financial institutions, most recently Chairman of Charles Taylor plc, Non-executive Director of London Metal Exchange Holdings Ltd and Non-executive Director of OJSC Nomos Bank, Global Head, Financial Institutions Group, Corporate Investment Banking and Markets at HSBC and Head of European Insurance, Investment Banking at Citigroup Global Markets. Currently he is Chairman of EMF Capital Partners and Sanne Group plc. He is also a Non-executive Director of Savills plc.

1.2 John Phizackerley, Chief Executive

John Phizackerley was appointed to the Board and as Chief Executive in September 2014. From 1986 to 2009 he held various positions in Lehman Brothers including head of Equity Research, head of Equity Sales in Europe, Global Head of Pan-European Cash Equities, Co-Head of European Equities and Chief Administrative Officer, Europe and Middle East. He remained with the firm post the Nomura acquisition in 2009 and held a number of positions, including Chief Operating Officer of Nomura International and Chief Executive Officer of Nomura Bank International, becoming Chief Executive officer of Nomura International plc in 2011.

1.3 Paul Mainwaring, Finance Director

Paul Mainwaring qualified as a chartered accountant with Price Waterhouse in 1987, and obtained an MBA from Cranfield School of Management in 1991. From 1993 to 2000, he worked for Caradon plc in a number of financial roles, including three years as Finance Director of MK Electric. In 2000, he was appointed as Group Finance Director of TDG plc. He was appointed as Group Finance Director of Mowlem plc in 2005. He was appointed to the Collins Stewart Tullett plc Board in October 2006, and has been Finance Director of Tullett Prebon plc since December 2006. He is also a trustee of the Company's UK defined benefit pension scheme.

1.4 Angela Knight, Senior Independent Non-executive Director

Angela Knight was appointed as a Non-executive Director of Tullett Prebon plc in September 2011. She is a member of the Audit, Remuneration and Nominations Committees. Angela Knight is the senior independent director on Brewin Dolphin Plc and a Non-executive director of Transport for London. She was formerly the Chief Executive of Energy UK until 31 December 2014, the Chief Executive of the British Bankers' Association from 2007 to 2012 and the Chief Executive of the Association of Private Client Investment Managers and Stockbrokers from 1997 to 2006. She was also formerly the Member of Parliament for Erewash from 1992 to 1997, serving as a Treasury Minister from 1995 to 1997. Her previous

Non-executive Director appointments include the Financial Skills Partnership, Lloyds TSB plc, Scottish Widows and LogicaCMG plc.

1.5 Roger Perkin, Independent Non-executive Director

Roger Perkin joined the Board on 1 July 2012. He is Chairman of the Audit Committee and a member of the Risk and Nominations Committees. He is a former partner at Ernst & Young LLP and spent 40 years in the accounting profession before retiring from the firm in 2009. He is a Non-executive Director and Chairman of the Audit Committee for Nationwide Building Society and Electra Private Equity plc. He was formerly a Non-executive Director at The Evolution Group plc until its acquisition in December 2011 and of Friends Life Group Limited until its acquisition in 2015. He is a trustee of two charities, Chiddingstone Castle and Crime Reduction Initiatives.

1.6 Stephen Pull, Independent Non-executive Director

Stephen Pull was appointed as a Non-executive Director of Tullett Prebon plc in September 2011. He is Chairman of the Remuneration Committee, a member of the Nominations Committee and a trustee of the Company’s UK defined benefit pension scheme. Stephen Pull was Chairman of Corporate Broking at Nomura between 2008 and 2011 following their acquisition of Lehman Brothers Europe for whom Stephen worked from 2002 as Head of Corporate Broking, and then as Chairman of Corporate Broking. He has also held a number of other senior roles in the City, including Managing Director of Corporate Broking at Merrill Lynch and Head of UK Equity Sales at Barclays de Zoete Wedd.

1.7 David Shalders, Independent Non-executive Director

David Shalders joined the Board on 27 February 2014 and is a member of the Remuneration and Risk Committees. David Shalders is Group Operations & Technology Director at Willis Towers Watson, responsible for information technology, operations, real estate and change management functions. David Shalders joined Willis from the Royal Bank of Scotland Group where he served for over a decade in senior operations and IT roles, most recently as Global Chief Operating Officer for Global Banking and Markets. He also led the division’s regulatory response to Basel 3. Prior to that, David led the integration with ABN Amro and held roles as Head of London and Asia Operations and Head of Derivative Operations for NatWest.

1.8 Carol Sergeant, Independent Non-executive Director

Carol Sergeant CBE was appointed as a non-executive director in July 2015. She chairs the Board’s Risk Committee and is also a member of the Audit Committee. She is currently a non-executive director at Danske Bank Group as well as being Chair of the Standards Policy and Strategy Committee of the British Standards Institute, Trustee of the Lloyds Register Foundation and Chair of the UK whistle blowing charity, Public Concern at Work. Carol Sergeant has enjoyed a distinguished City career, holding various senior positions, including Head of Major Banks’ Supervision at the Bank of England, Managing Director at the Financial Services Authority and Chief Risk Officer at Lloyds Banking Group. She was formerly a Non-executive Director of Secure Trust Bank plc until 31 December 2015.

2. PROPOSED DIRECTOR

The Proposed Director will become a director of the Company following Completion (subject to regulatory approval):

<u>Name</u>	<u>Age</u>	<u>Proposed position</u>	<u>Date appointed</u>
Ken Pigaga	61	Chief Operating Officer	N/A

Ken Pigaga

Ken Pigaga has been Group Chief Operating Officer of ICAP since November 2013. He joined ICAP in 2006 and served as Chief Operating Officer for ICAP Americas until becoming Chief Operating Officer of the ICAP Group. Prior to joining ICAP, Ken was a managing director at JPMorgan in the Investment Bank focused on e-commerce activities. From 1991 to 2001, he held a variety of roles at Goldman Sachs in emerging markets trading, portfolio structuring and e-commerce.

3. REMUNERATION AND BENEFITS

- 3.1** Information regarding the amount of remuneration paid to the Directors and benefits in kind, including amounts set aside by the Tullett Prebon Group to provide pension, retirement or similar benefits in relation to Directors for the year ended 31 December 2014, is set out in the Report on Directors' Remuneration on pages 35 to 48 of the Company's 2014 Annual Report, which is hereby incorporated by reference into this document. Save as set out below, there have been no other changes to Directors' remuneration since 31 December 2014 as at 26 February 2016 (being the last practicable date prior to the date of this document).
- 3.2** On 23 April 2015, the Remuneration Committee made awards of £654,545 to John Phizackerley and £245,455 to Paul Mainwaring respectively under the Tullett Prebon Long Term Incentive Scheme, subject to the performance conditions set out in that scheme and the rules applicable to that scheme (as considered or varied from time to time). The normal vesting date of both these awards is 30 June 2018.

4. DIRECTORS' TERMS AND CONDITIONS

4.1 Executive Directors

The terms and conditions relating to the employment of the Executive Directors are set out in the Report on Directors' Remuneration on pages 35 to 48 of the Company's 2014 Annual Report, which are hereby incorporated by reference into this document.

4.2 Non-executive Directors

The terms and conditions relating to the appointment of the Non-executive Directors are set out in the Report on Directors' Remuneration on pages 35 to 48 of the Company's 2014 Annual Report, which are hereby incorporated by reference into this document.

4.3 Directors' indemnity

All of the Directors have been granted indemnities by the Company to the maximum extent permitted by the Companies Act (including the right to recover costs on an "as incurred" basis), subject to certain exceptions, including that such indemnities will not apply to the extent that any recovery is made under any policy of insurance.

4.4 Termination benefits

Save as disclosed above in paragraph 4.1 of this Part XX, there are no existing or proposed service agreements between any Director and any member of the Tullett Prebon Group providing for benefits upon termination of employment.

5. DIRECTORS' INTERESTS

- 5.1** The interests (all beneficial) of the Directors in the ordinary share capital of the Company as at the end of the financial year ended 31 December 2014 are set out in the Directors' Report starting on page 45 of the Company's 2014 Annual Report which is hereby incorporated by reference into this document. Save as discussed below, there have been no changes to the interests of the Directors prior to 26 February 2016 (being the last practicable date prior to the date of this document).
- 5.2** The Directors and the Proposed Director have the following interests in the Ordinary Shares as at 26 February (being the last practicable date prior to the date of this document) and, on the assumption that the expected number of New Tullett Prebon Shares to be issued by the Company in

connection with the Transaction is 310,314,296, they will have the following interests in the Ordinary Shares from Admission:

<u>Director</u>	<u>Number of Ordinary Shares as at 26 February 2016</u>	<u>Number of Ordinary Shares on Admission</u>
John Phizackerley	42,500	42,500
Paul Mainwaring	279,741	279,741
Stephen Pull	7,000	7,000
Rupert Robson	7,000	7,000
Roger Perkin	Nil	Nil
Angela Knight	Nil	Nil
David Shalders	Nil	Nil
Carol Sergeant	Nil	Nil
Ken Pigaga	Nil	Nil

- 5.3** Save as disclosed in this paragraph 5, no Director nor any Proposed Director has any interests (beneficial or non-beneficial) in the share capital of the Company or any of its subsidiaries.
- 5.4** Save as disclosed above, no other person involved in the Transaction has an interest which is material to the Transaction.
- 5.5** No Director nor any Proposed Director has or has had any interest in any transaction which is or was unusual in its nature or conditions, or which is or was significant to the business of the Company and which was effected by the Company during the current or immediately preceding financial year or during any further financial year and which remains in any respect outstanding or unperformed.
- 5.6** There are no outstanding loans granted by the Company (or any member of the Tullett Prebon Group) to any of the Directors or Proposed Director, nor has any guarantee been provided by the Company (or any of its subsidiaries) for their benefit.

6. CORPORATE GOVERNANCE

- 6.1** The Board currently complies with, and complied throughout the year to 31 December 2014 with, the Governance Code, and will continue to comply with the Governance Code following the Transaction.
- 6.2** The Company complies with a code of securities dealings which is consistent with the Model Code. The Model Code applies to the directors of the Company and relevant employees of the Tullett Prebon Group.
- 6.3** The Tullett Prebon Group's corporate governance policies, including the terms of reference and composition of the Audit Committee, Risk Committee, Remuneration Committee and Nominations Committee, are set out in the Corporate Governance Report on pages 28 – 34 of the Company's 2014 Annual Report which are hereby incorporated by reference into this document. Save as discussed below, there have been no changes in the Tullett Prebon Group's corporate governance as at 26 February 2016 (being the last practicable date prior to the date of this document).
- 6.4** The Board considers that Angela Knight, Roger Perkin, Stephen Pull, David Shalders and Carol Sergeant are Non-executive Directors who are independent of management and free from any business or other relationship that could materially interfere with the exercise of their independent judgement.
- 6.5** The Board has established four principal committees: the Audit Committee, the Risk Committee, the Remuneration Committee and the Nominations Committee.

The current members of each committee as at 26 February 2016 (being the last practicable date prior to the date of this document) are as follows:

	<u>Chairman</u>	<u>Members</u>
Audit Committee	Roger Perkin	Angela Knight and Carol Sergeant
Risk Committee	Carol Sergeant	Roger Perkin and David Shalders
Remuneration Committee	Stephen Pull	Angela Knight and David Shalders
Nominations Committee	Rupert Robson	Angela Knight, Stephen Pull and Roger Perkin

6.6 Audit Committee

The Board has delegated responsibility to the Audit Committee for:

- providing recommendations on the appointment, reappointment, removal and terms of engagement of the external auditor;
- reviewing the independence and objectivity of the external auditor and effectiveness of the audit process;
- developing and implementing policy on the engagement of the external auditor to supply non-audit services;
- reviewing and approving the annual audit plan, scope of engagement and reviewing the effectiveness of the audit process;
- monitoring the integrity of Tullett Prebon's financial statements;
- reviewing the results of the audit;
- reviewing the effectiveness of Tullett Prebon's internal control and risk management procedures;
- approving the internal audit plan, reviewing the effectiveness of the internal audit function, and considering the internal audit reports;
- reviewing the arrangements by which staff may, in confidence, raise concerns about improprieties in financial reporting and other matters;
- reviewing the Company's procedures for detecting fraud;
- reporting to the Board on how the Audit Committee has discharged its responsibilities;
- providing advice to the Board on whether the annual report of Tullett Prebon, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess Tullett Prebon's performance, business model and strategy; and
- ensuring that an audit services contract is put out to tender at least once every 10 years.

6.7 Remuneration Committee

The Board has delegated responsibility to the Remuneration Committee for:

- reviewing and approving the general principles of Tullett Prebon's remuneration policies;
- considering the relationship between incentives and risk;
- determining the application of Tullett Prebon's remuneration policies to the Executive Directors;
- reviewing the application of Tullett Prebon's remuneration policies to Senior Management, Brokers and Control Functions;
- determining the remuneration of Executive Directors and the Chairman;
- approving the remuneration of Senior Management after consultation with the Chief Executive;
- approving all share and long term incentive schemes and their application;
- reviewing and approving the Report on Directors' Remuneration;
- advising and where appropriate make recommendations to the Board as to developments in best practice relating to the remuneration of all employees;
- escalating to the Board's Risk Committee matters as required by the Enterprise Risk Management Framework ("ERMF"), risk management policies and other policies in place; and
- working with, but not being bound by, the Board's Risk Committee to ensure that risk and risk appetite are properly considered in setting remuneration policy.

6.8 Nominations Committee

The Board has delegated responsibility to the Nominations Committee for:

- reviewing the balance and skill, knowledge and experience of the Board;

- agreeing and implementing procedures for the selection of new Board appointments; and
- making recommendations to the Board on all proposed new appointments, elections and re-elections of Directors at Annual General Meetings.

6.9 Risk Committee

The Board has delegated responsibility to the Risk Committee for:

- overseeing the development, implementation and maintenance of the Tullett Prebon Group's overall risk management and compliance framework and its risk appetite, principles and policies to ensure that they are in line with emerging regulatory, corporate governance and industry best practice and support the Tullett Prebon Group's strategy;
- reviewing new risk principles and policies and any material amendments recommended by the Executive Directors, for approval by the Board;
- considering future and emerging risks and current and upcoming regulatory developments and advising the Board as appropriate;
- overseeing the Tullett Prebon Group's actual risk exposures and risk and compliance management practices to ensure that they are effective, in line with risk appetite and comply with regulatory requirements or any other higher standards set by the Board;
- reviewing the Tullett Prebon Group's prudential regulatory requirements (capital and liquidity/ICAAP) and making recommendations to the Board;
- considering the risks arising from any strategic initiatives and advising the Board accordingly;
- reviewing the annual risk and compliance work plans;
- overseeing the independence and effectiveness of the risk and compliance functions including adequacy of resourcing, capabilities and succession planning;
- ensuring the Board receives appropriate and timely risk and compliance information;
- reviewing the appointment, resignation or dismissal of the Chief Risk Officer, General Counsel and Head of Compliance and make appropriate recommendations to the Board;
- providing input to the Remuneration Committee on the alignment of remuneration to risk performance;
- facilitating the effective contribution and involvement of Non-executive Directors and aiding their understanding of risk issues and the way they are managed in the Tullett Prebon Group;
- arranging for the periodic review of its own performance and at least annually reviewing its terms of reference and recommending any changes it considers necessary to the Board for approval; and
- liaising with the Audit Committee to ensure clear delineation of responsibilities.

7. RISK MANAGEMENT GOVERNANCE

7.1 Enterprise Risk Management Framework

The Board has adopted an ERMF, the purpose of which is to enable the Tullett Prebon Group to understand the risks to which it is exposed, and to manage them in line with the Tullett Prebon Group's overall business objectives and within its stated risk appetite. The ERMF defines the processes, ownership, responsibilities and the risk governance required to support effective implementation of the framework, and comprises four mutually reinforcing components:

- a risk management philosophy which sets out the Tullett Prebon Group's underlying attitude to the management of risk and addresses the Tullett Prebon Group's risk appetite;
- a risk management culture which seeks to foster adoption of appropriate risk management principles and behaviours throughout the Tullett Prebon Group;
- a risk management governance structure based on three lines of defence that segregate risk management (first line of defence) from risk oversight (second line of defence) and risk assurance (third line of defence); and
- risk management processes that enable effective identification, assessment, management and reporting of risk exposures.

7.2 Risk management philosophy

Effective risk management is essential for the financial strength and resilience of the Tullett Prebon Group, and for the achievement of its business objectives. The Board has the responsibility to ensure that the Tullett Prebon Group implements an appropriate risk management culture throughout the Tullett Prebon Group, underpinned by a robust framework of risk governance and controls, complying with all relevant laws and regulations.

The Tullett Prebon Group has adopted core principles that set the context for the Tullett Prebon Group's risk management activities:

- risk management should be value enhancing so that current and potential risks are managed to support achievement of the Tullett Prebon Group's business objectives and strategy;
- risk management should address the expectations and requirements of the key stakeholders (shareholders and regulatory authorities);
- risk oversight and assurance functions should be sufficiently independent of business decision taking and supported by adequate resources;
- the Board must clearly define its risk appetite, setting out the type and level of risk the Tullett Prebon Group is willing to accept in pursuit of its objectives;
- risk management should be integrated into the business processes of the Tullett Prebon Group, and both current and emerging risks should be managed as an integral aspect of the business management processes. Risk management should be proportionate and commensurate with the level and complexity of both the business model and the nature of associated risks;
- the cost of risk management should be proportionate to the value it creates for the Tullett Prebon Group, while ensuring that regulatory objectives are met; and
- risk management should be subject to continual review and enhancement to ensure that associated structures, systems and processes remain effective and reflect stakeholder expectations.

7.3 Risk management culture

The Board recognises that embedding a sound risk management culture is fundamental to the effective operation of the Tullett Prebon Group's risk management framework, and sets the tone and manner in which the Tullett Prebon Group conducts its business activities through defined values and expected behaviours. The Board notes that the Tullett Prebon Group must ensure that the risk management culture is implemented across all businesses and functions, such that all employees are aware of, and act in conformity with, the desired values and behaviours adopted by the Tullett Prebon Group in their day-to-day activities.

The Tullett Prebon Group seeks to achieve the implementation of its desired risk management culture through a combination of frameworks, policies and practices, including: the Tullett Prebon Group cultural framework which puts market integrity at the heart of the business; risk appetite statements that clearly define the type and level of risk the Tullett Prebon Group is willing to accept in pursuit of its objectives; the adoption of a comprehensive policy framework to ensure that all employees are aware of their risk management responsibilities as they relate to specific risks; the allocation of responsibility for identification, assessment, mitigation and reporting of risks to management across the business (including front office, control function and executive management); a performance management process that links staff appraisals and remuneration to risk management and conduct criteria; and corporate communications that reinforce awareness and understanding of the Tullett Prebon Group's desired risk management culture and associated policies.

7.4 Risk management governance structure

The Board

The Board has overall responsibility for the management of risk within the Tullett Prebon Group. This includes determining its risk appetite which sets out the nature and extent of the principal risks it is willing to take in achieving its objectives, defining expectations for the Tullett Prebon Group's risk culture, ensuring that it has an appropriate and effective risk management framework and monitoring performance so that the Tullett Prebon Group remains within its risk appetite. The Board has delegated certain risk governance responsibilities to the Risk Committee of the Board ("BRC").

Risk Committee

In 2015, the Group implemented a Risk Committee governance structure to oversee the implementation and operation of the ERMF. This structure comprises the BRC, Group Executive Risk Committee (“**GERC**”) and three Regional Risk Committees (in EMEA, Americas and APAC).

The Regional Risk Committees are responsible for exercising risk management oversight in their respective regions. The Regional Risk Committee of each region is chaired by the relevant Regional CEO and attended by the Regional CROs.

The Regional Risk Committees all report to the GERC, chaired by the Group CEO, which in turn reports to the Board Risk Committee which is a formal committee of the Board, and is chaired by the Group’s designated Risk Non-Executive Director. Both of these committees are attended by the Group CRO.

First line of defence—risk management within the business

The first line of defence comprises the management of the business units and support functions. The first line of defence has primary responsibility for ensuring that the business operates within risk appetite on a day-to-day basis.

In discharging this responsibility, business management are responsible for identifying, assessing and managing any risks arising from their activities, and for adhering to all relevant risk management policies adopted by the Tullett Prebon Group. This includes ensuring the effective operation of any controls required to manage risk within appetite, and for ensuring that the employees for whom they are responsible are aware of, and competent to undertake, their role in the risk management process.

Second line of defence—risk oversight

The second line of defence comprises the risk and compliance functions, which are separate from operational management, and are responsible for overseeing and challenging the first line of defence as it undertakes the identification, assessment and management of risks, and for assisting the Board (and its various committees) in discharging its overall risk oversight responsibilities.

The Tullett Prebon Group’s risk function is responsible for assisting the Board in the development of the Tullett Prebon Group’s risk appetite and framework, monitoring the implementation of the ERMF and providing robust challenge to the first line in its risk management activities.

The compliance function is responsible for monitoring compliance with all applicable regulatory requirements, including those relating to conduct of business requirements, market abuse provisions and the prevention of financial crime. The Compliance function is also responsible for monitoring potential changes to the regulatory framework in which the Group operates, to assess their impact on the Group and identify the actions required to meet these new requirements

Third line of defence—independent assurance

Internal Audit provides independent assurance on the design and operational effectiveness of the Tullett Prebon Group’s risk management framework and activity, including the performance of the business units and support and oversight functions which constitute the first and second lines of defence. Internal Audit considers all relevant risk related information in constructing its audit plan, including risk exposure reports, the results of risk and control self-assessments, and specific risk events which have occurred (such as loss events or ‘near-misses’). Internal Audit has a direct reporting line to the Audit Committee.

The Audit Committee is a sub-committee of the Board, which discharges a number of risk management responsibilities, including:

- the review of the effectiveness of the Tullett Prebon Group’s internal control and risk management procedures;
- the approval of the Tullett Prebon Group’s annual internal audit plan;
- the review of the internal audit function; and
- the review of all internal audit reports and related management actions.

The Audit Committee is comprised of at least three members, all of whom are Non-executive Directors.

7.5 Risk management processes

The ERMF sets out the core risk management activities undertaken by the Tullett Prebon Group to ensure that the Board understands the Tullett Prebon Group's risk profile and adopts a clearly defined risk appetite, that it manages risk exposures within risk appetite and that the Tullett Prebon Group's desired risk culture is embedded throughout the Tullett Prebon Group.

The business objectives and strategy adopted by the Board determine the nature and scale of the commercial activities undertaken by the Tullett Prebon Group, and the overall risk appetite of the Tullett Prebon Group. As such, the business objectives are the key determinant of the Tullett Prebon Group's risk profile.

The Tullett Prebon Group periodically identifies the risks to which it is exposed as a result of its business objectives, strategy and operating model, collectively referred to as the 'risk universe'. This exercise also covers any emerging risks, defined as newly developing and changing risks which could have a significant impact on the Tullett Prebon Group. The risk universe is approved by the Board at least once a year, or more frequently in the event of a significant change to the Tullett Prebon Group's business activities or external business environment.

Risk appetite represents the type and level of risk which the Tullett Prebon Group is willing to accept in pursuit of its objectives and is articulated by the Board through the Tullett Prebon Group's risk appetite statements, at least annually or more often if required. These can be expressed in either quantitative or qualitative terms. The Tullett Prebon Group implements these risk appetite statements through the adoption of 'risk thresholds' which provide exposure thresholds at individual risk level which the 'first line of defence' must use to manage the risk exposure within risk appetite on a day-to-day basis. The Board approves the risk appetite statements at least annually. Risk thresholds are approved by the BRC on an annual basis. In setting its risk appetite, the Tullett Prebon Group adheres to the overriding principle that the risk profile of the Tullett Prebon Group should be managed to be as low as reasonably practicable.

The Tullett Prebon Group publishes risk management policies which describe the principal risk management and control requirements that must be implemented to manage the Tullett Prebon Group's risk exposure within appetite.

The Tullett Prebon Group conducts a formal assessment of its risk exposure at least once a year to ensure that it is operating within risk appetite. The assessment of risk exposure consists of the risk and controls self-assessment process ("RCSA"); a top-down risk assessment process; and stress testing and scenario analysis. The findings of the RCSA process, the top-down risk assessment process and the stress testing and scenario analysis are taken together to determine the Tullett Prebon Group's overall risk exposure, and then compared with the applicable risk appetite statement to assess whether the Tullett Prebon Group is operating within risk appetite.

The RCSA is the process by which the Tullett Prebon Group assesses its exposure to specific risks, including an assessment of the effectiveness of the control framework it has in place. RCSAs are undertaken by the Tullett Prebon Group's front office, support and control functions with support from the Risk function. Any impact on the Tullett Prebon Group's capital, liquidity, reputation, regulatory standing or access to capital markets is considered.

The top-down risk assessment process is completed by the Board and Executive Committee to ensure that the overall Tullett Prebon Group risk assessment process incorporates the input of those members of senior management who have not been involved in the 'bottom-up' RCSA process, and to ensure that the process incorporates the Board and Executive's view of the major and strategic risks to which the Tullett Prebon Group is exposed.

The Tullett Prebon Group undertakes stress testing and scenario analyses to complement the RCSA process and enhance its understanding of its risk profile and control framework. These include macro-economic scenarios to investigate the impact on the Tullett Prebon Group of 'severe but plausible' external events which are beyond the control of the Tullett Prebon Group and reverse stress tests to identify those risks which could render the Tullett Prebon Group's business model unviable in an extreme scenario, thereby identifying those areas of the Tullett Prebon Group's control framework which require particular scrutiny.

The ability of the Tullett Prebon Group to withstand severe risk events is, to a large extent, determined by the level of capital and liquidity resources held by the Tullett Prebon Group. The Tullett Prebon Group therefore regularly assesses the adequacy of its capital and liquidity resources to cover the Tullett Prebon Group's risk profile as established through the RCSA, top-down risk assessment and stress testing and scenario analysis. The assessment of financial resources is undertaken at a subsidiary level, to ensure that each subsidiary has access to adequate financial resources on a standalone basis.

PART XXI
UK TAXATION

The following statements are intended to apply only as a general guide to certain UK tax considerations and do not purport to be a complete analysis of all potential UK tax consequences of acquiring, holding or disposing of Ordinary Shares. They are based on current UK tax law and what is understood to be the current practice of HM Revenue and Customs (“HMRC”) (which may not be binding on HMRC), both of which are subject to change at any time, possibly with retrospective effect. They relate only to certain limited aspects of the UK taxation treatment of shareholders who are resident and, in the case of individuals, domiciled in (and only in) the UK for UK tax purposes (except to the extent that the position of non-UK resident shareholders is expressly referred to), who hold the Ordinary Shares as investments (other than under an individual savings account or a self-invested personal pension) and who are the absolute beneficial owners of both the Ordinary Shares and any dividends paid on them. The statements may not apply to certain classes of shareholders such as (but not limited to) persons acquiring their Ordinary Shares in connection with an office or employment, dealers in securities, insurance companies and collective investment schemes. The following statements do not cover any UK tax consequences of acquiring New Tullett Prebon Shares.

Prospective subscribers for or purchasers of Ordinary Shares (including New Tullett Prebon Shares) who are in any doubt as to their tax position regarding the acquisition, ownership and disposition of the Ordinary Shares or who are subject to tax in a jurisdiction other than the UK are strongly recommended to consult their own tax advisers.

1. DIVIDENDS

The Company will not be required to withhold UK tax at source from dividend payments it makes, irrespective of the residence or particular circumstances of the shareholder receiving such dividend payment.

A shareholder’s liability to taxation on dividends will depend upon the circumstances of the shareholder. Changes have been announced concerning the position of UK resident individual shareholders from April 2016. The current position for UK resident individuals, as well as the announced position from April 2016, is described in paragraph 1.1 (“UK resident individual shareholders”) below.

1.1 UK resident individual shareholders

(A) Current position (before 6 April 2016)

Individual shareholders who are resident in the UK for tax purposes and receive a dividend from the Company will be entitled to a tax credit which may be set off against their total income tax liability on the dividend. Such an individual shareholder’s liability to income tax is calculated on the aggregate of the dividend and the tax credit (the gross dividend) which will be regarded as the top slice of the individual’s income. The tax credit will be equal to 10 per cent. of the gross dividend (i.e. the tax credit will be one-ninth of the amount of the dividend received).

A UK resident individual shareholder who is not liable to income tax in respect of the gross dividend will not be entitled to reclaim any part of the tax credit.

A UK resident individual shareholder who is liable to income tax at a rate or rates not exceeding the basic rate will be subject to income tax on the dividend at the rate of 10 per cent. of the gross dividend so that the tax credit will satisfy in full such shareholder’s liability to income tax on the dividend.

A UK resident individual shareholder liable to income tax at the higher rate (but not the additional rate) will be subject to income tax on the gross dividend at 32.5 per cent. to the extent that the gross dividend, when treated as the top slice of that shareholder’s income, exceeds the threshold for higher rate income tax, but will be able to set the tax credit off against part of this liability. Such a shareholder will therefore have to account for additional tax equal to 22.5 per cent. of the gross dividend (or 25 per cent. of the cash dividend received) to the extent that the shareholder’s income (including the gross dividend) exceeds the higher rate threshold.

A UK resident individual shareholder liable to income tax at the additional rate will be subject to income tax on the gross dividend at 37.5 per cent. to the extent that the gross dividend, when treated as the top slice of that shareholder’s income, exceeds the threshold for additional rate income tax, but will be able to set the tax credit off against part of this liability. Such a shareholder will therefore have to account for additional tax equal to 27.5 per cent. of the gross dividend (or approximately 30.56 per cent. of the cash

dividend received) to the extent that the shareholder's income (including the gross dividend) exceeds the additional rate threshold.

(B) Position from 6 April 2016

It was announced at the Budget on 8 July 2015 that the UK government proposes to abolish the tax credit system described above from 6 April 2016 and introduce a new dividend tax-free allowance of £5,000 a year instead. It is proposed that the new rates of tax on dividend income above the tax-free allowance will be 7.5 per cent. on dividend income within the basic rate band, 32.5 per cent. on dividend income within the higher rate band and 38.1 per cent. on dividend income within the additional rate band. Draft legislation effecting this change is due to be included in the UK Finance Bill 2016.

1.2 UK resident corporate shareholders

A corporate shareholder that is resident in the UK for tax purposes and is a "small company" for the purposes of Chapter 2 of Part 9A of the Corporation Tax Act 2009 will not be subject to UK corporation tax on any dividend received from the Company provided certain conditions are met (including that the distribution is not made as part of a tax advantage scheme).

Other corporate shareholders resident in the UK for tax purposes will not be subject to UK corporation tax on any dividend received from the Company so long as the dividend falls within one of the exempt classes set out in Chapter 3 of Part 9A of the Corporation Tax Act 2009 and certain conditions are met. For example, (i) dividends paid on shares that are not redeemable and do not carry any present or future preferential rights to dividends or to the Company's assets on its winding up, and (ii) dividends paid to a person holding less than a 10 per cent. interest in the Company, should generally fall within an exempt class. However, the exemptions mentioned above are not comprehensive and are subject to anti-avoidance rules.

If the conditions for exemption are not met or cease to be satisfied, or such a corporate shareholder elects an otherwise exempt dividend to be taxable, the shareholder will be subject to UK corporation tax on dividends received from the Company, at the rate of corporation tax applicable to that corporate shareholder (currently 20 per cent. but reducing to 19 per cent. from 1 April 2017 and 18 per cent. from 1 April 2020).

1.3 UK resident exempt shareholders

UK resident shareholders who are not liable to UK taxation on dividends, including pension funds and charities, are not entitled to reclaim any tax credit attaching to any dividend paid by the Company. In any event, from 6 April 2016 the tax credit system will be abolished.

1.4 Non-UK resident shareholders

A shareholder resident outside the UK for tax purposes will not generally be able to claim repayment from HMRC of any part of any tax credit attaching to a dividend received from the Company.

A non-UK resident shareholder may also be subject to taxation on dividend income under local law. A shareholder who is not solely resident in the UK for tax purposes should consult their own tax advisers concerning their tax liabilities (in the UK and any other country) on dividends received from the Company, whether they are entitled to claim any part of any tax credit and, if so, the procedure for doing so, and whether any double taxation relief is due in any country in which they are subject to tax.

2. TAXATION OF CHARGEABLE GAINS

A disposal or deemed disposal of Ordinary Shares by a shareholder who is resident in the UK for tax purposes may, depending on the shareholder's circumstances and subject to any available exemptions and reliefs (such as the annual exempt amount for individuals and indexation allowance for corporate shareholders), give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of capital gains.

Generally, an individual shareholder who has ceased to be resident in the UK for tax purposes for a period of five full tax years or less and who disposes of Ordinary Shares during that period may be liable on their return to the UK to UK taxation on any capital gain realised (subject to any available exemption or relief). Special rules apply to shareholders who are subject to tax on a "split-year" basis, who should seek specific professional advice if they are in any doubt about their position.

The applicable rate for an individual shareholder who is subject to income tax at a rate or rates not exceeding the basic rate and becomes liable to UK capital gains tax on the disposal of Ordinary Shares is 18 per cent. Where an individual shareholder is subject to income tax at either the higher or the additional rate, or to the extent that any gain on the disposal takes the individual shareholder's aggregate income and gains over the higher rate threshold, the applicable rate will be 28 per cent.

3. STAMP DUTY AND STAMP DUTY RESERVE TAX ("SDRT")

The statements in this paragraph 3 are intended as a general guide to the current position relating to UK stamp duty ("**stamp duty**") and stamp duty reserve tax ("**SDRT**") and apply to any holders of Ordinary Shares irrespective of their place of tax residence. Certain categories of person, including intermediaries, brokers, dealers and persons connected with depositary receipt arrangements and clearance services, may not be liable to stamp duty or SDRT or may be liable at a higher rate or may, although not primarily liable for tax, be required to notify and account for it under the Stamp Duty Reserve Tax Regulations 1986.

3.1 Issue

No stamp duty or SDRT will be payable on the issue of the New Tullett Prebon Shares.

3.2 Subsequent transfers

The conveyance or transfer on sale of Ordinary Shares outside the CREST system will generally be subject to ad valorem stamp duty on the instrument of transfer at the rate of 0.5 per cent. of the amount or value of the consideration given (rounded up to the nearest £5). An exemption from stamp duty is available on an instrument transferring Ordinary Shares where the amount or value of the consideration is £1,000 or less, and it is certified on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds £1,000. An unconditional agreement to transfer Ordinary Shares will normally give rise to a charge to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration for the Ordinary Shares. However, where within six years of the date of the agreement (or, if the agreement is conditional, the date on which it becomes unconditional) an instrument of transfer is executed pursuant to the agreement, and stamp duty is paid on that instrument, any SDRT already paid will generally be refunded (generally, but not necessarily, with interest) provided that a claim for payment is made, and any outstanding liability to SDRT will be cancelled.

The purchaser or transferee of the Ordinary Shares will generally be responsible for paying such stamp duty or SDRT.

3.3 Ordinary Shares held through CREST

Under the CREST system for paperless share transfers, deposits of Ordinary Shares into CREST will generally not be subject to stamp duty or SDRT unless such a transfer is made for a consideration in money or money's worth, in which case a liability to SDRT will arise usually at the rate of 0.5 per cent. of the amount or value of the consideration. Paperless transfers of Ordinary Shares within CREST are generally liable to SDRT, rather than stamp duty, at the rate of 0.5 per cent. of the amount or value of the consideration. CREST is obliged to collect SDRT on relevant transactions settled within the system.

3.4 Clearance Services and Depositary Receipt Arrangements

Subject to the comments in the following paragraphs, where Ordinary Shares are issued or transferred (i) to, or to a nominee for, a person whose business is or includes the provision of clearance services or (ii) to, or to a nominee or agent for, a person whose business is or includes issuing depositary receipts, stamp duty or SDRT may be payable at a rate of 1.5 per cent. of the amount or value of the consideration payable or, in certain circumstances, the value of the Ordinary Shares (in the case of stamp duty, rounded up to the nearest multiple of £5).

Transfers of Ordinary Shares within a clearance service or depositary receipt system will generally be exempt from SDRT and, provided no instrument of transfer is entered into, will not be subject to stamp duty.

Clearance service providers may opt, in certain circumstances, for the normal rates of stamp duty and SDRT to apply to an issue or transfer of Ordinary Shares into, and to transactions within, the service instead of the higher rate applying to an issue or transfer of the Ordinary Shares into the clearance system and the exemption for dealings in the Ordinary Shares whilst in the system.

Any liability for stamp duty or SDRT in respect of a transfer into a clearance service or depositary receipt system, or in respect of a transfer within such service or system, which does arise, will generally be an obligation of the clearance service or depositary receipt system operator or their nominee, as the case may be, but the cost will in practice be borne by the participants in the clearance service or depositary receipt system.

Following litigation, HMRC has confirmed that it will no longer seek to impose the 1.5 per cent. SDRT charge on issues of UK shares to depositary receipt issuers and clearance services anywhere in the world on the basis that the charge is not compatible with EU law. HMRC considers, though, that the 1.5 per cent. SDRT charge will still apply to transfers of shares to depositary receipt issuers or clearance services that are not an integral part of an issue of share capital. *Specific professional advice should be sought before paying the 1.5 per cent. SDRT or stamp duty charge in any circumstances.*

PART XXII
ADDITIONAL INFORMATION

1. RESPONSIBILITY

The Company, the Directors and the Proposed Director, whose names appear on page 49 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company, the Directors and the Proposed Director (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. INCORPORATION AND REGISTERED OFFICE

The Company was incorporated and registered in England and Wales on 5 May 2006 as a public company limited by shares with the name New CST plc and registered number 05807599. By a special resolution, the Company changed its name to Tullett Prebon plc on 15 December 2006.

The principal legislation under which the Company operates and under which the New Tullett Prebon Shares will be issued is the Companies Act and the regulations made thereunder.

The Company is domiciled in the United Kingdom with its registered office and principal place of business at Tower 42, Level 37, 25 Old Broad Street, London EC2N 1HQ. The telephone number of the Company's registered office is +44 (0) 20 7200 7000.

3. ORGANISATIONAL STRUCTURE

Following the Transaction, the Company will remain the ultimate holding company in the Enlarged Tullett Prebon Group.

The Company's principal subsidiaries and associated undertakings (each of which is considered by the Company to be likely to have a significant effect on the assessment of the assets and liabilities, the financial position or the profits and losses of the Tullett Prebon Group) as at the end of the financial year ended 31 December 2014 are set out in Note 37 of the Notes to the Consolidated Financial Statements (page 102) in the Company's 2014 Annual Report which is hereby incorporated into this document.

4. TULLETT PREBON GENERAL MEETING

The Tullett Prebon General Meeting has been convened to consider and, if thought fit, approve the Transaction and other matters related to the Transaction. Further details regarding the Tullett Prebon General Meeting are set out in paragraph 12 ("*Details of the Tullett Prebon General Meeting and the Resolutions*") of Part VII (*Letter from the Chairman of Tullett Prebon plc*) of this document and the Resolutions are set out in the notice of the Tullett Prebon General Meeting at the end of this document.

Resolution 1—to approve the Transaction and to authorise the Directors to take all steps and enter into all agreements and arrangements necessary or desirable to implement the Transaction

Resolution 1 proposes that the Transaction be approved and that the Directors be authorised to take all steps and enter into all agreements and arrangements necessary or desirable to implement the Transaction. Resolution 1 is conditional upon Resolution 2 being passed.

Resolution 2—to authorise the Directors to issue the New Tullett Prebon Shares

Resolution 2 of the Tullett Prebon General Meeting proposes that the Directors be authorised to allot and issue up to 325,426,232 New Tullett Prebon Shares in connection with the Transaction (representing approximately 134 per cent. of the Company's issued share capital as at 26 February 2016 (being the last practicable date prior to the date of this document)).

Tullett Prebon has agreed to issue New Tullett Prebon Shares comprising 56 per cent. of Tullett Prebon's share capital, calculated on a fully diluted basis and immediately following such issuance. Accordingly, any new Ordinary Shares issued by Tullett Prebon other than the New Tullett Prebon Shares and the 302,148 new Ordinary Shares that may be issued as a result of the exercise of a vested share option award under the Company's long term incentive plan between 26 February 2016 (being the last practicable date prior to the date of this document) and Admission will result in Tullett Prebon being required to issue additional New Tullett Prebon Shares. The maximum number of New Tullett Prebon Shares to be issued by the Company

of 325,426,232 allows for up to 15,111,936 additional New Tullett Prebon Shares to be issued in connection with the Transaction compared with the 310,314,296 that are expected to be issued which allows the Company to issue up to 12,175,812 new Ordinary Shares prior to Admission.

Resolutions 1 and 2 will be proposed as ordinary resolutions and votes will be voted on by way of a poll. The Resolutions must be approved by Tullett Prebon Shareholders who together represent a simple majority of the Ordinary Shares being voted (whether in person or by proxy) at the Tullett Prebon General Meeting. The Transaction will not proceed unless each of Resolutions 1 and 2 is passed.

5. SHARE CAPITAL

5.1 Issued share capital

The Ordinary Shares have a nominal value of 25 pence each and are on the date of this document, and on Admission will be, listed on the premium listing segment of the Official List and admitted to trading on the London Stock Exchange's main market for listed securities. The ISIN of the Ordinary Shares is GB00B1H0DZ51, the SEDOL number is B1H0DZ5 and the ticker symbol is TLPR.

None of the Ordinary Shares are held by the Company as treasury shares.

The issued fully paid up share capital of the Company as at 26 February 2016 (being the last practicable date prior to the date of this document) is, and at the date of Admission is expected to be, as follows:

Issued and fully paid as at 26 February 2016 (being the last practicable date prior to the date of this document)

<u>Class</u>	<u>Number</u>	<u>Nominal value per share (£)</u>
Ordinary shares	243,516,227	0.25

Issued and fully paid at the date of Admission (assuming that 310,314,296 New Tullett Prebon Shares are issued on Completion)

<u>Class</u>	<u>Number</u>	<u>Nominal value per share (£)</u>
Ordinary shares	553,830,523	0.25

5.2 Changes in share capital

On incorporation, the authorised share capital of the Company was £50,000.02 divided into 50,000 redeemable deferred shares of £1 each and two ordinary shares of £0.01 each.

As at 13 December 2006, the Company's authorised share capital was £1,992,946,152, comprising 50,002 redeemable deferred shares of £1 each and 284,699,450 ordinary shares of £7 each.

Pursuant to the authority granted under an ordinary resolution passed on 13 December 2006, 212,338,139 ordinary shares at £7 each were allotted. Following this allotment, 212,338,141 ordinary shares of £7 each were in issue and the remainder (being 72,361,309 ordinary shares of £7 each) were unissued and 50,002 redeemable deferred shares of £1 each were in issue.

By a special resolution of the Company passed on 23 November 2006 and with the sanction of the High Court of Justice dated 18 December 2006, the authorised share capital of the Company was reduced from £1,992,946,152, divided into 50,002 redeemable shares of £1 each and 284,699,450 ordinary shares of £7 each, to £925,323,214.50, divided into 50,002 redeemable shares of £1 each, of which 50,002 were in issue, and 284,699,450 ordinary shares of £3.25 each, of which 212,338,141 were in issue.

On 16 January 2007, two ordinary shares of £3.25 each were cancelled in accordance with section 146 of the Companies Act 1985, having been acquired by the Company otherwise than for valuable consideration.

By a special resolution of the Company passed on 26 February 2007 and with the sanction of the High Court of Justice dated 14 March 2007, the issued capital of the Company was reduced from £925,323,214.50, divided into 50,002 redeemable shares of £1 each and 284,699,450 ordinary shares of £3.25 each, to £71,224,864.50, divided into 50,002 redeemable shares of £1 each (of which 50,002 were in issue) and 284,699,450 ordinary shares of £0.25 each (of which 212,338,139 were in issue).

On 7 June 2007, 50,002 redeemable deferred shares of £1 each were redeemed in accordance with the Company's articles of association.

Pursuant to the authority granted under an ordinary resolution passed on 26 February 2007:

- (A) 630,680 ordinary shares of £0.25 each were allotted on 12 November 2007;
- (B) 2,262,196 ordinary shares of £0.25 each were allotted on 14 March 2008; and
- (C) 82,569 ordinary shares of £0.25 each were allotted on 2 June 2008.

Pursuant to the authority granted under an ordinary resolution passed on 12 May 2011:

- (D) 2,298,288 ordinary shares of £0.25 each were allotted on 5 January 2012; and
- (E) 127,832 ordinary shares of £0.25 each were allotted on 18 April 2013.

As at 31 December 2013, the share capital of the Company was £54,434,926, divided into 217,739,704 ordinary shares of £0.25 each.

Pursuant to the authority granted under an ordinary resolution passed on 9 May 2014, 25,776,523 ordinary shares of £0.25 each were allotted on 26 November 2014.

As at 31 December 2014, the share capital of the Company was £60,879,056.75, divided into 243,516,227 ordinary shares of £0.25 each.

Save in respect of the New Tullett Prebon Shares to be issued pursuant to the Transaction and pursuant to the operation of the Tullett Prebon Long Term Incentive Plan, there are no acquisition rights or obligations in relation to the issue of shares in the capital of the Company or an undertaking to increase the capital of the Company.

There are no convertible securities, exchangeable securities or securities with warrants in the Company in issue.

Save as disclosed in this document, during the three years immediately preceding the date of this document, there has been no issue of share capital of the Company fully or partly paid either for cash or other consideration and no such issues are proposed and no share capital of any member of the Tullett Prebon Group is under option or agreed, conditionally or unconditionally, to be put under option.

Rights attaching to the Ordinary Shares are summarised in paragraph 6.3 below. No commissions, discounts, brokerages or other special terms have been granted in respect of the issue of any share capital of the Company.

The Ordinary Shares are in registered form and, subject to the provisions of the CREST Regulations, the Directors may permit the holding of Ordinary Shares in uncertificated form and title to the Ordinary Shares may be transferred by means of a relevant system (as defined in the CREST Regulations). Where the Ordinary Shares are held in certificated form, share certificates will be sent to the registered share owners by first class post. No temporary documents of title have been or will be issued in respect of the Company's Ordinary Shares.

6. MEMORANDUM AND ARTICLES OF ASSOCIATION

6.1 The Memorandum of Association and Articles of Association are available for inspection at the Company's registered office.

6.2 The Articles provide that the Company's objects are unrestricted. (Article 3)

6.3 The Articles, adopted pursuant to the special resolution passed on 10 May 2012, contain (among others) provisions to the following effect:

(A) Share Capital

Liability of Members

The liability of the members is limited to the amount, if any, unpaid on the shares in the Company respectively held by them. (Article 4)

Further Issues and Rights attaching to the Shares

Subject to the Statutes and to the rights conferred on the holders of any other shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine or, if the Company has not so determined, as the directors may determine. (Article 5)

Subject to the Statutes, the Articles of Association and any resolution of the Company, the Board may offer, allot (with or without conferring a right of renunciation), grant options over or otherwise deal with or dispose of any shares to such persons, at such times and generally on such terms as the Board may decide. (Article 6)

Changes to the share capital

The Company may by ordinary resolution:

- increase its share capital by the allotment of new shares;
- reduce its share capital;
- sub-divide or consolidate and divide all or any of its share capital; and
- redenominate all or any of its shares and reduce its share capital in connection with such a redenomination. (Article 10)

Redemption of shares

Subject to the Statutes, any share may be issued which is or is to be liable to be redeemed at the option of the Company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such share before the shares are allotted. (Article 11)

(B) Rights attaching to the Shares of the Company

Dividends

The Company may by ordinary resolution declare dividends in accordance with their respective rights and interests in the profits but no dividend shall exceed the amount recommended by the directors. The directors may pay interim dividends or dividends payable at a fixed rate, if it appears to them that they are justified by the profits of the Company available for distribution. If the directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having non-preferred or deferred rights. (Articles 107 and 108)

Except as otherwise provided by the Articles of Association or the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. If any share is issued on terms that it ranks for dividend as from a particular date, it shall rank for dividend accordingly. In any other case, dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion(s) of the period in respect of which the dividend is paid. The dividends may be declared or paid in any currency. (Article 109)

A general meeting declaring a dividend may, upon the recommendation of the directors, direct that it shall be satisfied wholly or partly by the distribution of specific assets and, where any difficulty arises in regard to the distribution, the directors may settle the same as they think fit. (Article 115)

The directors may, with the authority of an ordinary resolution of the Company, offer any holders of ordinary shares the right to elect to receive new ordinary shares, credited as fully paid, instead of cash in respect of the whole (or some part) of any dividend specified by the ordinary resolution. (Article 116)

No dividend or other moneys payable by the Company on or in respect of any share shall bear interest against the Company, unless otherwise provided by the rights attached to the share. (Article 111)

The Company may cease to send any payment in respect of any dividend payable in respect of a share if:

- (1) in respect of at least two consecutive dividends payable on that share, the cheque or warrant has been returned to the Company or remains uncashed; or
- (2) in respect of one dividend payable on that share the cheque or warrant has been returned to the Company or remains uncashed, or another method of payment has failed, and reasonable enquiries have failed to establish any new address or account of the recipient,

but, subject to the Articles of Association, the Company may recommence sending cheques or warrants or using another method of payment in respect of dividends payable on that share if the person(s) entitled so request and have supplied to the Company a new address or account to be used for that purpose. (Article 114)

All unclaimed dividends, interest or other sums payable may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. All dividends unclaimed for a period of 12 years after having been declared shall be forfeited and cease to remain owing by the Company. (Article 113)

Voting rights

Subject to any rights or restrictions attached to any shares (Article 40):

- (1) on a show of hands:
 - (a) every member who is present in person has one vote;
 - (b) every proxy present who has been duly appointed by one or more members entitled to vote on the resolution has one vote, except that if the proxy has been duly appointed by more than one member entitled to vote and is instructed by one or more of those members to vote for the resolution and by one or more others to vote against it, or is instructed by one or more of those members to vote in one way and is given discretion as to how to vote by one or more others (and wishes to use that discretion to vote in the other way) he has one vote for and one vote against the resolution; and
 - (c) every corporate representative present who has been duly authorised by a corporation has the same voting rights as the corporation would be entitled to; and
- (2) on a poll every member present in person or by duly appointed proxy or corporate representative has one vote for every share of which he is the holder or in respect of which his appointment as proxy or corporate representative has been made.

For the purposes of determining which persons are entitled to attend or vote at any general meeting and how many votes such persons may cast, the Company may specify in the notice convening the meeting a time, not more than 48 hours before the time fixed for the meeting (not including any part of a day that is not a working day), by which a person must be entered on the register in order to have the right to attend or vote at the meeting. (Article 40)

In the case of joint holders, the vote of the joint holder whose name appears first on the register of members in respect of the joint holding shall be accepted to the exclusion of the votes of the other joint holders. (Article 42)

No member, unless the Board decides otherwise, shall have the right to vote at any general meeting or at any separate meeting of the holders of any class of shares, either in person or by proxy, in respect of any share held by him unless all amounts presently payable by him in respect of that share have been paid. (Article 44)

Transfer of the shares

Subject to the restrictions in the Articles of Association, a member may transfer all or any of his shares in any manner which is permitted by the Statutes and is from time to time approved by the directors. (Article 17)

A share in certificated form may be transferred by an instrument of transfer which may be in any usual form or in any other form approved by the directors, executed by or on behalf of the transferor and, where the share is not fully paid, by or on behalf of the transferee. The Company shall maintain a record of uncertificated shares in accordance with the Statutes. The transfer may not be in favour of more than four transferees. (Articles 18, 19)

In their absolute discretion the directors may refuse to register the transfer of a share in certificated form over which the Company has a lien or which is not fully paid provided that if the share is listed on the Official List such refusal does not prevent dealings in the shares from taking place on an open and proper basis. The directors may also refuse to register a transfer of a share in certificated form (whether fully paid or not) unless the instrument of transfer:

- (1) is lodged, duly stamped, at the registered office of the Company or such other place as the directors may appoint;
- (2) is accompanied by the certificate for the share to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer; and

(3) is in respect of only one class of share. (Article 19)

If the directors refuse to register a transfer of a share, they shall send the transferee notice of that refusal with reasons for the refusal within two months after the date on which the transfer was lodged with the Company (in the case of a transfer of a share in certificated form). (Article 21)

No fee shall be charged for the registration of any instrument of transfer of other document or instruction relating to or affecting the title to any share. (Article 20)

Distribution of assets on a winding-up

If the Company is wound up, the liquidator may, with the sanction of a special resolution and any other authority required by law, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he may with the like sanction determine, but no member shall be compelled to accept any assets upon which there is a liability. (Article 130)

Disclosure of interest in shares

Where a section 793 notice is given by the Company to a person appearing to be interested in any share, a copy shall at the same time be given to the holder, but the accidental omission to do so or the non-receipt of the copy by the holder shall not prejudice the operation of Article 25.

If the holder of, or any person appearing to be interested in, any share has been given a section 793 notice and, in respect of that share, has been in default for a period of 14 days after the section 793 notice has been given, the below restrictions shall apply and shall continue to apply for the period specified by the Board being not more than seven days after the earlier of the Company being notified that the default shares have been sold pursuant to an exempt transfer or the due compliance, to the satisfaction of the Board, with the section 793 notice.

The restrictions referred to above are as follows:

- (1) if the default shares in which any one person is interested or appears to be interested represent less than 0.25 per cent. of the issued shares of that class, the holder of the default shares shall not be entitled, in respect of those shares, to attend or to vote at any general meeting;
- (2) if the default shares in which any one person is interested or appears to be interested represent less than 0.25 per cent. of the issued shares of that class, that holders of the default shares shall not be entitled to, in respect of those shares:
 - (a) attend or vote at any general meeting;
 - (b) receive any dividend or other distribution; or
 - (c) transfer or agree to transfer any of those shares or the rights in them.

The restrictions shall not prejudice the right of either the member holding the default shares or, if different, any person having a power of sale over those shares to sell or agree to sell those shares under an exempt transfer. The Board has the power to waive these restrictions, in whole or in part, at any time. (Article 25)

Untraced members

The Company shall be entitled to sell at the best price reasonably obtainable any share held by a member, or any share to which a person is entitled by transmission (including in consequence of death or bankruptcy of the member or otherwise by operation of law) if:

- (1) for a period of 12 years, no cash dividend has been claimed, no dividend sent by means of a funds transfer system has been paid, no communication has been received by the Company from the member or the person entitled by transmission to the share and no cheque or warrant or other method of payment for amounts payable in respect of the share sent and payable in a manner authorised by the Articles of Association has been cashed or effected;

- (2) during that period of 12 years, at least three dividends have become payable (whether interim or final) and no such dividend has been claimed by the member or person concerned;
- (3) the Company has, after the expiration of that period, by advertisement in a national newspaper published in the UK and in a newspaper circulating in the area of the registered address or last known address of the member or person concerned, given notice of its intention to sell such share; and
- (4) the Company has not during the further period of three months following the date of publication of the advertisements and prior to the sale of the share received any communication from the member or person concerned. (Article 127)

Variation of Rights

If the capital of the Company is divided into different classes of shares, the rights attached to any class in issue may be varied from time to time (whether or not the Company is being wound up) in such a manner (if any) as may be provided by those rights or if there are no such provisions either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of such shares.

To every such separate meeting the provisions of the Articles of Association relating to general meetings shall apply, except that the quorum for any such meeting shall be two persons together holding or representing by proxy at least one-third in nominal value of the issued shares of the class in question. At an adjourned meeting the quorum shall be one person holding shares of the class in question or his proxy.

Unless otherwise expressly provided by the rights attached to any class of shares, those rights shall be deemed not to be varied by the creation or issue of further shares ranking *pari passu* with them or by the purchase or redemption of any of its own shares by the Company. (Article 16)

(C) Directors of the Company

Appointment

Unless the Company determines otherwise by ordinary resolution, the number of directors (other than alternate directors) shall not be less than two nor more than 15. (Article 50)

Subject to the provisions of the Articles of Association, the Company may by ordinary resolution appoint a person who is willing to act as a director, and is permitted by law to do so, to be a director, either to fill a vacancy or as an additional director. (Article 52)

The directors may appoint a person who is willing to act as a director, and is permitted by law to do so, to be a director, either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number fixed as the maximum number of directors. (Article 54)

Other than a director retiring at the meeting, no person shall be appointed or reappointed a director at any general meeting unless he is recommended by the directors or notice of the intention to propose such person for appointment or reappointment executed by a member qualified to vote on the appointment or reappointment is given to the company not less than 14 nor more than 42 days before the date of appointed for the meeting. (Article 52)

Retirement

At each annual general meeting of the Company, all directors who held office on the date seven days before the date of notice of the annual general meeting will retire.

If the Company, at the meeting at which a director retires under any provision of the Articles of Association, does not fill the vacancy the retiring director shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or a resolution for the reappointment of the director is put to the meeting and lost. If a director retiring at an annual general meeting is not reappointed or deemed to have been reappointed, he shall retain office until the meeting elects someone in his place or, if it does not do so, until the close of the meeting. (Article 55)

Removal

In addition to any power of removal under the Companies Act, the Company may remove a director before the expiration of his period of office by special resolution or by an ordinary resolution of which special notice has been given. A director may also be removed from office by giving him notice to that effect signed or approved in writing by or on behalf of not less than three-quarters of the other directors (or their alternates). (Article 56)

A person ceases to be a director as soon as:

- (1) he is prohibited by law from being a director;
- (2) he generally becomes bankrupt or he makes any arrangements or composition with his creditors generally;
- (3) a registered medical practitioner who has examined him gives a written opinion to the Company stating that he has become physically or mentally incapable of acting as a director and may remain so for more than three months, or, by reason of his mental health, a court makes an order which wholly or partly prevents him from personally exercising any powers or rights which he would otherwise have and, in either case, the Board resolves that his office is to be vacated;
- (4) for more than six months both he and any alternate director appointed by him are absent, without special leave of absence from the Board, from board meetings held during that period and the Board resolves that his office is to be vacated; or
- (5) he gives to the Company notice of his wish to resign, in which event he shall vacate that office on the receipt of that notice by the Company or at such later time as is specified in the notice. (Article 57)

Powers of directors

The business of the Company shall be managed by the directors who, subject to the provisions of the Articles of Association and to any directions given by special resolution to take, or refrain from taking, specified action, may exercise all the powers of the Company. The directors also have the power to change the name of the Company. (Articles 64 and 68)

The Board may delegate any of the powers which are conferred on it under the Articles of Association to such a director or committee (provided that a majority of the members of the committee are directors); by such means; to such an extent; in relation to such matters or territories; and on such terms and conditions, as it thinks fit. The Board may revoke or vary all or any delegations of its powers but no person dealing in good faith will be affected by any such revocation or variation. (Articles 69, 70 and 71)

Each director (other than an alternate director) may appoint any other director, or any other person approved by resolution of the directors and willing to act and permitted by law to do so, to be an alternate director and may remove such an alternate director appointed from office. (Article 59)

An alternate director shall be entitled to receive notices of meetings of the directors, to attend and vote at any such meeting at which the director appointing him is not present and generally to perform all the functions of his appointer as director in his absence. (Article 59)

Borrowing powers

The directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property and assets (both present and future) and uncalled capital and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

The directors shall restrict the borrowings of the Company and exercise all powers of control exercisable by the Company in relation to its subsidiary undertakings so as to secure (insofar as they can) that the aggregate principal amount (including any premium payable on final repayment) outstanding of all money borrowed by the Tullett Prebon Group (excluding intra group borrowings other than as specifically provided by the Articles of Association) shall not at any time, save with the previous sanction of an ordinary resolution of the Company, exceed:

- (1) the greater of £500 million and an amount equal to three times the adjusted total equity; or
- (2) the higher limit fixed by an ordinary resolution of the Company which is applicable at the relevant time. (Article 67)

Voting at board meetings

No business shall be transacted at any meeting of the directors unless a quorum is present and the quorum may be fixed by the directors. If the quorum is not fixed by the directors, the quorum shall be two. Any director who ceases to be a director at a board meeting may continue to be present and to act as a director and be counted towards the quorum until the end of the board meeting if no other director objects and if otherwise a quorum would not be present. (Article 82)

Questions arising at a meeting shall be decided by a majority of votes. In case of an equality of votes, the chairman shall (unless he is not entitled to vote on the resolution in question) have a second or casting vote. (Article 85)

A resolution in writing agreed to by all the directors entitled to receive notice of a meeting of the directors and who would be entitled to vote (and whose vote would have been counted) on a resolution at a meeting of the directors shall (if that number is sufficient to constitute a quorum) be as valid and effectual as if it had been passed at a meeting of the directors, duly convened and held. (Article 87)

Restrictions on voting

A director shall not vote (or be counted in the quorum at a meeting) in respect of any resolution concerning his own appointment (including fixing or varying its terms), or the termination of his own appointment, as the holder of any office or place of profit with the Company or any other company in which the Company is interested but, where proposals are under consideration concerning the appointment (including fixing or varying its terms), or the termination of the appointment, of two or more directors to offices or places of profit with the Company or any other company in which the Company is interested, those proposals may be divided and a separate resolution may be put in relation to each director and in that case each of the directors concerned (if not otherwise debarred from voting under this article) shall be entitled to vote (and be counted in the quorum) in respect of each resolution unless it concerns his own appointment or the termination of his own appointment.

Subject to the provisions of the Articles of Association, a director shall not vote at a meeting of the directors on any resolution concerning any transaction or arrangement with the Company in which he has an interest which may reasonably be regarded as likely to give rise to a conflict of interest, unless such interest arises only because the case falls within one or more of the following:

- (1) any transaction or arrangement in which he is interested by virtue of an interest in shares, debentures, or other securities of the Company or otherwise in or through the Company;
- (2) the giving of any guarantee, security, or indemnity in respect of:
 - (a) money lent or obligations incurred by him or by any other person at the request of the Company or any of its subsidiaries; or
 - (b) a debt or obligation of the Company and its subsidiaries for which he himself has assumed responsibility under a guarantee or indemnity by giving security;
- (3) indemnification by the Company in relation to the performance of his duties on behalf of the Company or any of its subsidiaries;
- (4) any issue or offer of shares, debentures or other securities of the Company or any subsidiary undertakings in respect of which he is or may be entitled to participate in his capacity as holder of any such securities or as an underwriter or sub-underwriter;
- (5) the purchase or maintenance of insurance for the benefit of directors or for the benefit of persons including directors;
- (6) any arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not accord to him any privilege or benefit not generally accorded to the employees to whom the arrangement relates; and
- (7) any transaction or arrangement with any other company in which he is interested, directly or indirectly, provided that he is not the holder of or beneficially interested in 1 per cent. or more of any class of the equity share capital of that company and not entitled to exercise 1 per cent. or more of the voting rights available to members of the relevant company. (Article 79)

The Company may by ordinary resolution suspend or relax to any extent, in respect of any particular matter, any provision of the Articles of Association prohibiting a director from voting at a meeting of the directors or of a committee of the directors. (Article 79)

Directors' interests

If there arises a situation in which a director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company, the conflicted director must declare the nature and extent of that interest to the other directors. Such a declaration must be made as soon as is reasonably practicable except in relation to an interest in a proposed transaction, in which case such a declaration must be made before the transaction is entered into. A director will not be required to declare an interest if (i) it cannot reasonably be regarded as giving rise to a conflict of interest, (ii) the other directors are already aware or ought reasonably to be aware of the interest or (iii) it concerns terms of the director's service contract that have been or are to be considered by a meeting of the director or by a committee of the directors appointed for this purpose. (Articles 76, 77, 78)

The directors (other than the conflicted director who shall not be counted in the quorum for the meeting and shall not vote on the resolution) may authorise the conflict on such terms as they may determine. The conflicted director may be permitted to be counted in the quorum of the meeting and to vote on the resolution if the non-conflicted directors resolve that he should be able to do so. (Article 74)

Directors' remuneration and expenses

The non-executive directors shall be paid fees not exceeding in aggregate £700,000 per annum (or such larger sum as may be permitted by an ordinary resolution). Any fee payable under this article shall be distinct from any remuneration or other amounts payable to a director under other provisions of these articles and shall accrue from day to day. (Article 60)

Any director who performs, or undertakes to perform, services which the directors consider go beyond the ordinary duties of a director may be paid such additional remuneration (whether by way of fixed sum, bonus, commission, participation in profits or otherwise) as the directors may determine. (Article 61)

The directors may also be paid all reasonable expenses properly incurred by them in connection with their attendance at meetings of the directors or of committees of the directors or general meetings and any reasonable expenses properly incurred by them otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company. Subject to any guidelines and procedures established from time to time by the Board, a director may also be paid out of the funds of the Company all expenses incurred by him in obtaining professional advice in connection with the affairs of the Company or the discharge of his duties as a director. (Article 62)

Directors' gratuities and benefits

The Board may exercise all the powers of the Company to:

- (1) provide benefits, whether by the payment of allowances, gratuities or pensions, or by insurance or death, sickness or disability benefits or otherwise, for any director or any former director of the Company or of any body corporate which is or has been associated with the Company or a predecessor in business of the Company or of any such associated company, and for any member of his family or dependants;
- (2) establish and enable participation in any profit sharing or incentive scheme including shares, share options or cash or any similar schemes for the benefit of any director or employee of the Company or any associated body corporate, and to lend money to any such director or employee or to trustees on their behalf to enable any such schemes to be established or maintained; and
- (3) support and subscribe to any institution or association which may be for the benefit of the Company or of any associated body or any director or employees of the Company or associated body corporate or their relatives or dependants or connected with any town or place where the Company or associated body corporate carries on business, and to support and subscribe to any charitable or public object whatsoever. (Article 63)

Indemnity

To the extent permitted by the Statutes, the Company may:

- (1) indemnify any director of the Company (or of an associated body) against any liability;
- (2) indemnify a director of a company that is a trustee of an occupational pension scheme for employees (or former employees) of the Company (or of an associated body) against a liability incurred in connection with the Company's activities as trustee of the scheme;
- (3) purchase and maintain insurance against liability for any director referred to above; and
- (4) provide a director referred to above with funds (whether by loan or otherwise) to meet expenditure incurred or to be incurred by him in defending any criminal, regulatory or civil proceedings or in connection with an application for relief (or to enable any such director to avoid incurring such expenditure).

The powers given by the Articles of Association shall not limit any general powers of the company to grant indemnities, purchase and maintain insurance or provide funds (whether by way of loan or otherwise) to any person in connection with any legal or regulatory proceedings or applications for relief. (Article 131)

General Meetings

The directors may call general meetings. If there is no director, any two members of the Company may call a general meeting. (Articles 27, 65)

Subject to the Statutes, an annual general meeting shall be called by not less than 21 clear days' notice and all other general meetings shall be called by not less than 14 clear days' notice or by not less than such minimum notice period as is permitted by the Statutes. (Article 29)

The notice shall comply with all applicable requirements in the Statutes and shall specify whether the meeting will be an annual general meeting. Subject to the provisions of the Articles of Association and to any rights or restrictions attached to any shares, notices shall be given to all members of the Company, the directors and the auditor. (Article 29)

A member whose registered address is not within the UK shall not be entitled to receive any notice, document or information from the Company unless he gives the Company an address (not being an electronic address) within the UK at which notices, documents or information may be sent or supplied to him. (Article 122)

Where, by reason of any suspension or curtailment of postal services, the Company is unable effectively to give notice of a general meeting, the directors may decide that the only persons to whom notice of the affected general meeting must be sent are those directors and members to whom notice to convene the general meeting can validly be sent by electronic means. (Article 123)

No business shall be transacted at any meeting unless a quorum is present. Two qualifying persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation which is a member (except where the two persons are proxies or corporate representatives of the same member), shall be a quorum. (Article 31)

A member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at a meeting of the Company. The appointment of a proxy shall be deemed also to confer authority to demand or join in demanding a poll. The appointment of a proxy shall not preclude a member from attending and voting in person at the meeting or at any adjournment of it. (Articles 34, 38, 46)

A proxy need not be a member and a member may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. (Article 46)

An appointment of a proxy shall be in any form which the directors may approve and shall be executed by or on behalf of the appointor which in the case of a corporation may be either under its common seal or under the hand of a duly authorised officer or other person duly authorised for that purpose. (Article 47)

Any corporation (other than the Company itself) which is a member of the Company may, by resolution of its directors or other governing body, authorise such person(s) to act as its representative(s) at any general

meeting of the Company. The Board, any director or the secretary may require such person(s) to produce a certified copy of the resolution before permitting him to exercise his powers. (Article 41)

The directors may in relation to uncertificated shares (and shall if and to the extent that the Company is required to do so by the Acts) allow the appointment of a proxy to be sent or supplied in electronic form subject to any conditions or limitations as the directors may specify and approve supplements to, or amendments or revocations of, any such uncertificated proxy instruction by the same means. (Article 47)

Directors may attend and speak at any general meeting of the Company, whether or not they are members. (Article 34)

A resolution put to the vote of a general meeting shall be decided on a show of hands unless a poll is validly demanded. A poll on a resolution may be demanded either before a vote on a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared. A poll on a resolution may be demanded by:

- (1) the chairman of the meeting;
- (2) not less than five members present in person or by proxy having the right to vote at the meeting;
- (3) a member or members present in person or by proxy representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting (excluding any voting rights attached to any shares in the Company held as treasury shares); or
- (4) a member or members present in person or by proxy holding shares conferring a right to vote on the resolution on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right (excluding any shares in the Company conferring a right to vote at the meeting which are held as treasury shares). (Article 38)

The Board may direct that any person wishing to attend any general meeting should submit to and comply with such searches or other security arrangements as it considers appropriate in the circumstances. A director or the secretary may refuse entry to any person who refuses to comply with any such arrangements or to eject from a meeting any person who causes the proceedings to become disorderly. (Article 32)

A general meeting may be held at more than one place if (i) the notice convening the meeting specifies that it shall be held at more than one place or (ii) the Board resolves, after notice convening the meeting has been given, that the meeting shall be held at more than one place or (iii) it appears to the chairman that the place of the meeting specified in the notice thereof is inadequate to accommodate all persons entitled and wishing to attend. (Article 37)

A general meeting held at more than one place is duly constituted and its proceedings are valid if the chairman of the meeting is satisfied that facilities are available to enable each person present at each place to participate in the business of the meeting (Article 37).

7. DIRECTORS' AND PROPOSED DIRECTOR' INTERESTS

7.1 Other Directorships

In addition to their directorships of the Company and other members of the Tullett Prebon Group, the Directors hold, or have held, the following directorships and are or were members of the following

partnerships (excluding subsidiaries of the companies or partnerships of which those persons are or were also directors or members), within the past five years:

<u>Director</u>	<u>Current Directorships and Partnerships</u>	<u>Previous Directorships and Partnerships held in the previous five years</u>
John Phizackerley	The Lehman Brothers Foundation (Europe) Limited	Nomura Properties plc Nomura Bank International plc The Nomura Charitable Trust Nomura International plc Marex Spectron Group Ltd
Paul Mainwaring	—	—
Rupert Robson	Savills plc ExtraVert Limited EMF Capital Partners LLP Sanne Group plc	LME Holdings Limited Silkroute financial Group Ltd OJSC Nomos Bank ExtraVert Gardens LLP Charles Taylor plc EMF Capital (UK) Limited
Angela Knight	Brewin Dolphin Holdings plc Angela K Services Ltd Transport for London	BBA Enterprises Limited The Lending Standards Board Limited Financial Skills Partnership International Financial Services London William Cook Holdings Ltd Association of Electricity Producers (trading as Energy UK) RIB (UK) Limited
Roger Perkin	Electra Private Equity Investments plc Electra Private Equity plc Nationwide Building Society Bower Bequest Trustee Company Limited	The Evolution Group plc Friends Life Group Limited
Stephen Pull	Ravenshurst Partners LLP Evaluate Group Ltd Econiq Ltd	—
David Shalders	—	—
Carol Sergeant	Danske Bank A/S Threadneedle Solutions Ltd A2 Kingsway Limited	Secure Trust Bank plc Martin Currie Holdings Limited

In addition to his directorships of ICAP Group members, the Proposed Director holds, or has held, the following directorships and is or was a member of the following partnerships, within the past five years:

<u>Director</u>	<u>Current Directorships and Partnerships</u>	<u>Previous Directorships and Partnerships held in the previous five years</u>
Ken Pigaga	—	—

7.2 Interests of Directors and the Proposed Director in share capital

The interests of the Directors and the Proposed Director in the share capital of the Company are set out at paragraph 5.1 of Part XX (*Directors, Proposed Director and Corporate Governance*) of this document.

7.3 Confirmations and conflicts of interest

Confirmations

At the date of this document, none of the Directors or Proposed Director has during at least the previous five years to the date of this document:

- (1) any convictions in relation to fraudulent offences;
- (2) been a member of the administrative, management, supervisory body or senior management of a company associated with any bankruptcies, receiverships or liquidations; or
- (3) been subject to any official public incrimination or sanctions by any statutory or regulatory authorities (including designated professional bodies) or been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

There are no family relationships between any of the Directors or Proposed Director.

Conflicts of interest

Save as disclosed in paragraph 7.2 above and save as disclosed in (1) below, no Director or Proposed Director has any potential conflict of interest between his or her duties to the Company and his or her private interests or other duties:

- (1) Rupert Robson, Paul Mainwaring and Stephen Pull currently serve as trustees of the Tullett Prebon Pension Scheme.

Transactions with Directors and the Proposed Director

Save as disclosed at paragraph 5 of Part XX (*Directors, Proposed Director and Corporate Governance*) of this document, no Director or Proposed Director has, or has had, any interest in any transaction which is or was unusual in its nature or conditions or which is, or was, significant in relation to the business of the Tullett Prebon Group and which was effected by any member of the Tullett Prebon Group during the current or immediately preceding financial year, or during any earlier financial year, and remains in any respect outstanding or underperformed.

There are no outstanding loans granted by the Company or any Tullett Prebon Group company to any of the Directors nor has any guarantee been provided by the Company or any Tullett Prebon Group company for their benefit.

Director appointment arrangements

There are no arrangements or understandings with major shareholders, customers, suppliers or others pursuant to which any Director or Proposed Director is or was selected as a director.

8. EMPLOYEES

8.1 As at 26 February 2016 (being the last practicable date before the date of this document) Tullett Prebon Group had 2,694 employees globally.

8.2 For the last three financial years, the average number of Tullett Prebon Group employees was as follows:

31 December 2014—2,536 employees

31 December 2013—2,603 employees

31 December 2012—2,645 employees

9. EMPLOYEE SHARE SCHEMES

9.1 The Tullett Prebon Group has one active equity-based long term incentive plan (the “**Tullett Prebon Long Term Incentive Plan**”), for the granting of non-transferable awards to certain employees and executives.

9.2 Details of the Tullett Prebon Long Term Incentive Plan are set out in Note 28 of the Notes to the Consolidated Financial Statements on pages 91 to 92 of the Company’s 2014 Annual Report, which is

hereby incorporated by reference into this document. There have been no further awards under the Tullett Prebon Long Term Incentive Plan since 31 December 2014.

10. PENSIONS

Details of the Tullett Prebon Group's pension schemes are set out in Note 34 of the Notes to the Consolidated Financial Statements on page 97 of the Company's 2014 Annual Report, which is hereby incorporated by reference into this document.

11. SIGNIFICANT SHAREHOLDERS

11.1 As at 26 February 2016 (being the last practicable date prior to the date of this document), the following (not being Directors, the Proposed Director or their respective families or persons connected within section 252 of the Companies Act) had notified the Company in accordance with DTR 5 of their interest in the following voting rights of the issued ordinary share capital of the Company:

<u>Name of Shareholder</u>	<u>Number of Ordinary Shares and vested options</u>	<u>Percentage of issued share capital</u>
Schroders	28,983,139	11.9%
Jupiter Asset Management Limited	18,651,200	7.7%
Majedie Asset Management Limited	13,967,212	5.7%
OppenheimerFunds Inc	12,200,127	5.0%
Allianz Global Investors Europe GmbH	11,931,710	4.9%
Liontrust Investment Partners LLP	11,627,646	4.8%
Invesco	10,895,800	4.5%
Aberdeen Asset Managers Limited	10,772,958	4.4%
Terry Smith	9,382,152	3.9%
Norges Bank	6,466,116	2.7%

11.2 After the Transaction has been completed, the following (not being Directors, the Proposed Director or their respective families or persons connected within section 252 of the Companies Act) will hold an interest in the following voting rights of the issued ordinary share capital of the Company which will be notifiable to the Company in accordance with DTR 5:

<u>Name of Shareholder</u>	<u>Number of Ordinary Shares and vested options</u>	<u>Percentage of issued share capital</u>
ICAP NewCo	110,272,402	19.9%
Schroders	54,467,646	9.8%
Michael Spencer together with IPGL, IPGL Limited, INFBV and INCAP Overseas BV	33,025,075	6.0%
Silchester International Investors LLP	19,495,959	3.5%
Jupiter Asset Management Limited	18,651,200	3.4%
Majedie Asset Management Limited	13,967,212	2.5%
OppenheimerFunds Inc	12,200,127	2.2%
Allianz Global Investors Europe GmbH	11,931,710	2.2%
Liontrust Investment Partners LLP	11,627,646	2.1%
Invesco	10,895,800	2.0%

11.3 Save as disclosed in paragraphs 11.1 and 11.2, the Directors are not aware of any interest which will represent an interest in Company's share capital or voting rights which is currently notifiable under the Disclosure and Transparency Rules or which will be notifiable following the Transaction becoming effective and Admission occurring.

11.4 So far as the Company is aware, on the Transaction becoming effective, no person or persons, directly or indirectly, jointly or severally, will exercise or could exercise control over the Company.

11.5 There are no differences between the voting rights enjoyed by the shareholders described in paragraphs 11.1 and 11.2 and those enjoyed by any other holder of Ordinary Shares.

12. SIGNIFICANT SUBSIDIARIES

12.1 Tullett Prebon

The Company is the ultimate holding company of the Tullett Prebon Group. The purpose of the Company is to act as a holding company within the Tullett Prebon Group and to raise external financing for the Tullett Prebon Group. The principal trading subsidiaries of the Tullett Prebon Group are:

<u>Name</u>	<u>Country of Incorporation</u>
PVM Oil Associates Limited	Bermuda (operating in England)
Tullett Prebon Americas Corp	USA
Tullett Prebon (Europe) Limited	England
Tullett Prebon Financial Services LLC	USA
Tullett Prebon (Hong Kong) Limited	Hong Kong
Tullett Prebon Information Limited	Guernsey (operating in England)
Tullett Prebon (Securities) Limited	England
Tullett Prebon (Singapore) Limited	Singapore

12.2 IGBB

The following table contains a list of IGBB's principal trading subsidiaries:

<u>Name</u>	<u>Country of Incorporation</u>
ICAP Global Derivatives Limited	England
ICAP Energy Limited	England
ICAP Europe Limited	England
ICAP Securities Limited	England
ICAP Capital Markets LLC	USA
ICAP Corporates LLC	USA
ICAP Energy LLC	USA
ICAP Securities USA LLC	USA

Although ICAP Capital Markets LLC is a principal trading subsidiary of IGBB, in order that any liability relating to the ISDA Fix investigation is retained by the ICAP Group, under the terms of the Transaction, the business of ICAP Capital Markets LLC (excluding any liability relating to the ISDA Fix investigation) will be transferred to another subsidiary of IGBHL prior to Completion. The legal entity ICAP Capital Markets LLC will then be retained by the ICAP Group as it will not be a subsidiary of IGBB at Completion and, therefore, will not be acquired by Tullett Prebon.

13. WORKING CAPITAL

13.1 The Company is of the opinion that the working capital available to the Tullett Prebon Group is sufficient for its present requirements, that is for at least the next 12 months from the date of publication of this document.

13.2 The Company is of the opinion that the working capital available to the Enlarged Tullett Prebon Group is sufficient for its present requirements, that is for at least the next 12 months from the date of publication of this document.

14. NO SIGNIFICANT CHANGE

14.1 Tullett Prebon

There has been no significant change in the financial or trading position of the Tullett Prebon Group since 31 December 2015, being the date to which the most recent financial information has been prepared.

14.2 IGBB

Save for the 5% decrease in IGBB revenue from continuing businesses on a constant currency basis as described in Section 4 of Part XVII (*Operating and Financial Review of IGBB*) of this document, there has been no significant change in the financial or trading position of IGBB since 30 September 2015 being the date to which the most recent interim financial information has been prepared.

15. RELATED PARTY TRANSACTIONS

15.1 Tullett Prebon

Save as disclosed in the historical financial information of Tullett Prebon set out in Part XII of this document, there were no related party transactions entered into by the Company during the financial years ended 31 December 2014, 2013 and 2012.

The total amount owed to the Tullett Prebon Group by related parties and associates as at 31 December 2015, which also represents the value of transactions during the year, was £0.7 million. The total amount owed by the Tullett Prebon Group to related parties and associates at 31 December 2015 was £nil.

Directors who were the key management personnel during 2015 are related parties and in aggregate received short term benefits of £3.8 million with associated social security costs of £0.5 million.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

There have been no material changes in the nature or value of related party transactions since 31 December 2015.

15.2 IGBB

Save as disclosed in Note 20 of the historical financial information of IGBB set out in Part XVI (Historical Financial Information of IGBB) of this document, there were no related party transactions entered into by IGBB during the financial years ended 31 March 2015, 31 March 2014 and 31 March 2013, the half-year to 30 September 2015 or the period between 30 September 2015 and 26 February 2016 (being the last practicable date prior to the date of this document).

16. MATERIAL CONTRACTS

Tullett Prebon's Material Contracts

The following is a summary of each material contract, other than contracts entered into in the ordinary course of business, to which the Company or any member of the Tullett Prebon Group is a party, for the two years immediately preceding the date of publication of this document and a summary of any other contract (not being a contract entered into in the ordinary course of business) entered into by any member of the Tullett Prebon Group which contains any provision under which any member of the Tullett Prebon Group has any obligation or entitlement which is material to the Tullett Prebon Group as at 26 February 2016 (being the last practicable date prior to the date of this document):

16.1 Acquisition Agreement

The Company and ICAP entered into a conditional sale and purchase agreement dated 11 November 2015 governing the terms and conditions of the Transaction (the “**Acquisition Agreement**”). The Transaction has been structured as an acquisition by the Company of the entire share capital of IGBHL which, following an intra-group reorganisation of ICAP, will be the holding company of IGBB, as set out below.

Under the terms of the Acquisition Agreement: (a) subject to the satisfaction of certain conditions, the Company will first acquire approximately 64.5 per cent. of the issued share capital of IGBHL in consideration for the issue of New Tullett Prebon Shares to be issued directly to ICAP NewCo shareholders; and (b) the Company has granted ICAP a put option and ICAP has granted the Company a call option each of which will become exercisable following the acquisition of IGBHL shares noted at (a) (together the “**Options**”), such that if either Option is exercised, Tullett Prebon will acquire the remaining approximately 35.5 per cent. of the issued share capital of IGBHL in consideration for further New Tullett Prebon Shares being issued to ICAP NewCo.

Tullett Prebon intends, if ICAP does not exercise its put option, to exercise its call option in respect of the Option Shares. Following Completion, the enlarged share capital of Tullett Prebon will be owned approximately 44 per cent. by existing Tullett Prebon Shareholders, approximately 36.1 per cent. by ICAP NewCo shareholders and approximately 19.9 per cent. by ICAP NewCo.

(A) Sale and purchase

The Company is under an obligation to purchase, and ICAP is under an obligation to procure that ICAP NewCo shall sell approximately 64.5 per cent. of IGBHL (the “**Sale Shares**”) (“**Initial Completion**”). The Sale Shares will be sold free from encumbrances.

(B) Options

The Company and ICAP grant each other an option to require the purchase/sale of all (and not some only) of the remaining approximately 35.5 per cent. of IGBHL (the “**Option Shares**”). The Option Shares will be sold free from encumbrances.

An option can be exercised by serving of a notice by either party at any time during the ten business days after Initial Completion. The transfer of the Option Shares (“**Option Completion**”) is to take place on the business day after service of the relevant notice.

(C) Consideration

The consideration for the transfer of the Sale Shares is an issuance of New Tullett Prebon Shares comprising approximately 45.07 per cent. of Tullett Prebon’s share capital (calculated on a fully diluted basis and at the time of issuance) directly to ICAP NewCo shareholders. These New Tullett Prebon Shares will be issued at Initial Completion.

The consideration for the transfer of the Option Shares is an issuance of further New Tullett Prebon Shares comprising approximately 19.9 per cent. of Tullett Prebon’s share capital (calculated on a fully diluted basis and at the time of issuance) being issued to ICAP NewCo. These New Tullett Prebon Shares will be issued at Option Completion.

Accordingly, assuming no new Ordinary Shares are otherwise issued by Tullett Prebon (other than the 302,148 new Ordinary Shares that may be issued as a result of the exercise of a vested share option award under the Company’s long term incentive plan) between 26 February 2016 (being the last practicable date prior to the date of this document) and Admission, 310,314,296 New Tullett Prebon Shares are expected to be issued pursuant to the Transaction as follows:

- 200,041,894 New Tullett Prebon Shares to ICAP NewCo shareholders at the time of Initial Completion; and
- 110,272,402 New Tullett Prebon Shares to ICAP NewCo at the time of Option Completion.

At Completion, after the issuance of the New Tullett Prebon Shares issued in consideration for the transfers of both the Sale Shares and the Option Shares, the enlarged share capital of Tullett Prebon will be owned approximately 44 per cent. by existing Tullett Prebon Shareholders, approximately 36.1 per cent. by ICAP NewCo shareholders and approximately 19.9 per cent. by ICAP NewCo.

In addition, the Company is to procure the full repayment of a £330 million loan due from IGBHL to ICAP Group Holdings plc (the “**IGH Debt**”) at Option Completion.

(D) Conditions precedent

Key conditions precedents to Initial Completion include: (i) antitrust filings, approvals and clearances in the UK, US and other relevant jurisdictions (including but not limited to the expiry of certain waiting periods); (ii) regulatory approvals obtained or notifications sent (by both ICAP and the Company); (iii) FCA consolidation waiver being obtained by the Company; (iv) key third party joint venture (including iSwap) consents being obtained; (v) ICAP bondholder approval being obtained; (vi) approvals by the shareholders of both ICAP and the Company; (vii) approval of the ICAP Scheme (including approval by the shareholders of ICAP and sanction by the court); (viii) confirmation from the UK Listing Authority that the application for the re-admission of all of the existing shares in the capital of Tullett Prebon and the admission for the New Tullett Prebon Shares issued as consideration for the Transaction, in each case to the premium listing segment of the Official List, has been approved and will become effective as soon as the UK Listing Authority’s decision to re-admit the existing Tullett Prebon shares and admit the New Tullett Prebon Shares is announced; (ix) confirmation from the London Stock Exchange that all of the existing Tullett Prebon shares will be re-admitted and the New Tullett Prebon Shares will be admitted, in each case to trading on the main market for listed securities of the London Stock Exchange; and (x) the

revenues and key broker and non-broker headcount of IGBB and the Tullett Prebon Group each being greater than agreed thresholds shortly prior to Initial Completion.

The conditions in the Acquisition Agreement have been divided into three categories: (i) first conditions; (ii) second conditions; and (iii) third conditions. Under the terms of the Acquisition Agreement, the first conditions must be satisfied within a period of 18 months from the date of the agreement, the second conditions are to be satisfied on (and not before) the fifth business day after the date on which the last of the first conditions is satisfied or waived, and the third conditions must be satisfied within 50 business days after the date on which the second conditions are satisfied (in each, or by such later date as may be agreed between the Company and ICAP). If the relevant conditions are not satisfied (or waived in accordance with the Acquisition Agreement) on or before the relevant long stop date set out above, the provisions of the Acquisition Agreement shall lapse and cease to have effect.

In the event that the conditions are not satisfied by the Long Stop Date, ICAP is to pay the Company 50 per cent. of the amount of all rating and legal fees, upfront fees, agency and coordination fees and ticking and commitment fees that are paid by any member of the Tullett Prebon Group on or prior to such lapsing (to the extent that the facility under the bridge financing facility exceeds the value of the IGH Debt, such amounts in respect of which ICAP is liable to pay such 50 per cent. shall be pro rated to the aggregate principal amount of the IGH Debt), provided that the liability of ICAP is capped at agreed amounts calculated by reference to those expected fees over time.

The options can be exercised by the service of a notice by either party at any time during the ten business days following the date of Initial Completion. Subject to the exercise of either option, Option Completion is unconditional and is to take place on the business day after the service of the relevant notice.

(E) Pre-Completion covenants

The Acquisition Agreement contains certain covenants from ICAP and the Company in the period between signing and Initial Completion including, in particular, certain restrictions on ICAP in respect of the conduct of the IGBB business and restrictions on the Company in relation to the declaration of special dividends and the amount of gross third party debt (subject in each case to agreed exceptions).

(F) Termination rights

The Acquisition Agreement contains mutual termination rights based on the revocation or suspension of material licences, material litigation or material regulatory investigations.

(G) Protective covenants

The Acquisition Agreement contains certain restrictions (subject to certain exceptions) on ICAP, for a period of three years from Initial Completion, from engaging (owning securities or being involved in day-to-day management) in voice broking in a territory where IGBB operates or has business at the time of Initial Completion. The acquisition Agreement also contains mutual non-solicit obligation in respect of certain employees (subject to certain exceptions) for a period up to three years from Initial Completion.

(H) Warranties

The Acquisition Agreement contains customary warranties (subject to customary limitations) by ICAP, normal for this type of transaction (including those based on the outcome of a due diligence exercise). The majority of these warranties will be repeated at Initial Completion. The warranty claims are subject to customary limitations, including a de minimis, aggregate claims threshold and cap and time limits for bringing a claim.

Warranties by the Company cover its capacity to enter into the Acquisition Agreement and other related transaction documents, information and preparation of the Company's accounts and changes to the business since 31 December 2014 and compliance with disclosure obligations. The warranty claims are subject to a de minimis, aggregate claims cap and time limit for bringing a claim.

The Acquisition Agreement also contains warranties by each of the Company and ICAP in respect of certain statements, facts, forecasts, estimates and opinions contained in this document.

(I) Indemnities

ICAP has provided an indemnity for: (i) the re-organisation of the IGBB business prior to Completion; and (ii) certain known regulatory, litigation and employment claims, in each case subject to certain limitations. In addition, although it is intended that any liability in respect of the ISDA Fix investigation will be retained by ICAP, the Company has the benefit of an indemnity in the Acquisition Agreement for any residual liability as a result of ISDA Fix on any member of the Enlarged Tullett Prebon Group. Indemnity claims (other than those resulting from ISDA Fix) in respect of the indemnity provided by ICAP under the Acquisition Agreement are subject to a *de minimis*.

For further details of the ISDA Fix liability, please see paragraphs 17.12 to 17.14 of this Part XXII.

(J) True-ups

The Acquisition Agreement includes true-up mechanisms which oblige ICAP to make a payment to Tullett Prebon if, following Initial Completion, the amounts of regulatory capital, regulatory liquidity, liquid net assets, consolidated cash or consolidated net assets are less than certain pre-agreed amounts set out in the Acquisition Agreement, provided that the amount of any true-up payment made in respect of consolidated cash or consolidated net assets shall be reduced by the aggregate amount of true-up payments made in respect of regulatory capital, regulatory liquidity and liquid net assets.

16.2 Syndicated Multicurrency Revolving Credit Facility Agreement

The Company entered into a £150,000,000 multicurrency revolving credit facility (the “**RCF**”) and a £50,000,000 swingline facility (the “**Swingline Loans**”) dated 2 April 2015 as borrower with (i) TP Holdings Limited as guarantor, (ii) Bank of America Securities Limited, HSBC Bank plc, Lloyds Bank plc (previously known as Lloyds TSB Bank plc) and the Royal Bank of Scotland plc as mandated lead arrangers, (iii) Banc of America Securities Limited as facility agent, (iv) Bank of America, N.A. as swingline facility agent, and (v) Bank of America, N.A., HSBC Bank plc, Lloyds Bank plc and National Westminster Bank plc, acting through its agent the Royal Bank of Scotland plc, as original lenders (the “**Facilities Agreement**”).

The Facilities Agreement contains an accordion option which, when exercised by the Company, allows the Company to increase the RCF and the Swingline Loans. Such an option was exercised by the Company on 11 November 2015 pursuant to which the RCF was increased to £250,000,000 and the swingline facility was increased to £100,000,000, in each case on 16 December 2015.

(A) Purpose

The RCF is made available for (i) general corporate purposes of the Tullett Prebon Group, including acquisitions and to refinance, repay and/or prepay any outstanding amounts under a previous (now repaid) facilities agreement and (ii) refinancing the Swingline Loans.

Each Swingline Loan is made available only to fund margin calls and cannot be applied towards the repayment or prepayment of another Swingline Loan.

(B) Interest and fees

The rate of interest payable on borrowings under the RCF is the aggregate of LIBOR (or, in relation to any loan denominated in euro, EURIBOR) and the applicable margin. The Company may select interest periods for each loan of one, two, three or six months or any other period agreed with the lenders.

The rate of interest payable on each Swingline Loan for each day is the higher of, the prime commercial lending rate in US dollars announced by the swingline agent in force on that day, and the applicable margin over the rate per annum determined by the swingline agent to be the federal funds rate (weighted average of the rates on overnight Federal funds transactions with members of the US Federal Reserve System, published by Federal Reserve Bank of New York, or if a rate is not published, the average quotation for that day on those transactions received by the swingline agent from three Federal funds. The Company may select the interest period for a Swingline Loan in the relevant request for than loan.

Certain fees and expenses, including, facility agent’s fee, swingline agent’s fee, arrangement fee, RCF commitment fee and RCF utilisation fee, are also payable.

(C) Repayment

Each loan made under the RCF is repayable on the last day of its interest period but, subject to the terms of the Facilities Agreement, may be re-borrowed.

Each Swingline Loan is repaid by drawing down a loan under the RCF.

(D) Mandatory and voluntary prepayment

The Facilities Agreement allows for voluntary prepayments and requires mandatory prepayments in full in certain circumstances, including on a change of control of the Company. The Transaction will not be a change of control for the purposes of the Facilities Agreement.

(E) Representations, warranties and undertakings

The Facilities Agreement contains certain customary representations and warranties.

It requires the Company to comply with certain negative covenants, including covenants relating to creation of security, financial indebtedness, disposals, acquisitions and change in business.

In addition, the Facilities Agreement requires the Company to maintain specified financial ratios in relation to consolidated total net borrowings to consolidated EBITDA, and consolidated EBIT to consolidated net interest payable.

The Facilities Agreement also contains certain customary affirmative undertakings including, amongst others, undertakings in relation to delivery of financial statements, compliance with laws, insuring the business and assets and *pari passu* ranking.

(F) Final maturity

The final date of the Facilities Agreement is 2 April 2018.

(G) Events of default

The Facilities Agreement contains certain customary events of default including, amongst others, events relating to failure to pay, misrepresentation, cross default, breach of financial covenants, insolvency, insolvency proceedings and material adverse change.

(H) Miscellaneous

The Company must indemnify each lender against any loss or liability which that lender incurs as a consequence of receiving an amount in respect of the obligor's liability or that liability being converted into a claim, proof, judgement or order in a currency other than the currency in which the amount is expressed to be payable.

The Company is also required to pay break costs if a loan or an overdue amount is repaid / prepaid otherwise than on the last day of any term applicable to it.

16.3 Bridge Facility Agreement

The Company entered into a £470,000,000 term loan facility agreement (the "**Bridge Facility**") dated 11 November 2015 as borrower with (i) TP Holdings Limited as guarantor, (ii) Bank of America Merrill Lynch International Limited, HSBC Bank plc, Lloyds Bank plc and The Royal Bank of Scotland plc as mandated lead arrangers and original lenders, and (iii) Bank of America Merrill Lynch International Limited HSBC Bank plc, as facility agent (the "**Bridge Facility Agreement**").

(A) Purpose

The Bridge Facility is made available for (i) the payment of acquisition costs of the acquisition of ICAP Global Broking Holdings Limited, to refinance the debt of ICAP Global Broking Holdings Limited and its subsidiaries, to repay amounts due in respect of certain notes issued by Tullett Prebon Group Holdings plc and the Company and amounts outstanding under the Company's existing revolving facilities.

(B) Interest and fees

The rate of interest payable on borrowings under the Bridge Facility is the aggregate of LIBOR and the applicable margin. The Company may select interest periods for each loan of one, two, three or six months or any other period agreed with the lenders.

Certain fees and expenses, including, facility agent's fee, upfront fee, commitment fee and extension fee (if applicable), are also payable.

(C) Repayment

Each loan made under the Bridge Facility is repayable on the last day of its interest period.

(D) Mandatory and voluntary prepayment

The Bridge Facility Agreement allows for voluntary prepayments and requires mandatory prepayments in full in certain circumstances, including on a change of control of the Company.

(E) Representations, warranties and undertakings

The Bridge Facility Agreement contains certain customary representations and warranties.

It requires the Company to comply with certain negative covenants, including covenants relating to creation of security, financial indebtedness, disposals, acquisitions and change in business.

In addition, the Bridge Facility Agreement requires the Company to maintain specified financial ratios in relation to consolidated total net borrowings to consolidated EBITDA, and consolidated EBIT to consolidated net interest payable.

The Bridge Facility Agreement also contains certain customary affirmative undertakings including, amongst others, undertakings in relation to delivery of financial statements, compliance with laws, insuring the business and assets and *pari passu* ranking.

(F) Final maturity

The initial term of the Bridge Facility Agreement expires on 31 December 2016. The Company may submit an initial extension notice between 30 days and 10 days before 31 December 2016. If submitted within this time period, the term of the Bridge Facility Agreement will be extended by 6 months, to 31 June 2017. If the Company wishes to extend the term of the Bridge Facility Agreement for a further 6 months, it may submit another extension notice. If submitted between 30 days and 10 days before the 31 June 2017, the term of the Bridge Facility Agreement will be further extended to 6 months after 31 June 2017, being 31 December 2017. Each extension is at the Company's option.

(G) Events of default

The Bridge Facility Agreement contains certain customary events of default including, amongst others, events relating to failure to pay, misrepresentation, cross default, breach of financial covenants, insolvency, insolvency proceedings and material adverse change.

(H) Miscellaneous

The Company must indemnify each lender against any loss or liability which that lender incurs as a consequence of receiving an amount in respect of the obligor's liability or that liability being converted into a claim, proof, judgement or order in a currency other than the currency in which the amount is expressed to be payable.

The Company is also required to pay break costs if a loan or an overdue amount is repaid / prepaid otherwise than on the last day of any term applicable to it.

16.4 Relationship Agreement

On Option Completion, as a result of the issue of New Tullett Prebon Shares to ICAP NewCo, ICAP NewCo will hold 19.9 per cent. of the issued share capital of Tullett Prebon plc. The Relationship Agreement will be entered into between the Company and ICAP NewCo on Initial Completion, effective from Admission, to govern the relationship between the Company and ICAP NewCo as a shareholder of the Company following Completion. The principal purpose of the Relationship Agreement is to ensure

that the Company is capable of carrying on its business independently of ICAP NewCo and its associates. The Relationship Agreement contains customary terms and conditions, including those set out below.

(A) Term

The Relationship Agreement shall take effect on Admission becoming effective and shall continue for so long as ICAP NewCo and any of its associates, alone or together, are entitled to exercise, or to control, directly or indirectly, the exercise of 10 per cent. or more of the rights to vote at general meetings of the Company.

(B) Conduct of transactions and relationships

Pursuant to the Relationship Agreement, ICAP NewCo undertakes that it shall, and shall use all reasonable endeavours to procure that its Associates shall (i) not propose or procure the proposal of a shareholder resolution which is intended or appears to be intended to circumvent the proper application of the Listing Rules, (ii) not conduct any transactions and arrangements with any member of the Enlarged Tullett Prebon Group other than on an arm's length basis and on normal commercial terms, (iii) not take any action that would have the effect of preventing the Company from complying with its obligations under the Listing Rules, and (iv) not exercise any voting rights in relation to its Ordinary Shares in a manner that would prevent the Company from carrying on its business independently of ICAP NewCo and/or any of its associates and/or making decisions for the benefit of Tullett Prebon Shareholders as a whole. In addition, ICAP NewCo acknowledges that the Board of the Company (including any committees of the Board) and management team of the Company shall be independent of ICAP NewCo and its associates.

(C) Nominee director appointment rights

Pursuant to the Relationship Agreement, ICAP NewCo has the right to nominate one non-executive director for appointment to the Board of the Company for so long as ICAP NewCo's shareholding (together with its associates) in the Company remains at, or above, 10 per cent. The appointment of ICAP NewCo's nominee director will be subject to applicable regulatory approvals and ratification by the Nominations Committee of the Board of the Company.

16.5 The Transitional Services Agreements

On or before Initial Completion, IGBB and ICAP will enter into two Transitional Services Agreements pursuant to which (i) ICAP will provide IGBB with the use of or access to certain resources that will be retained by ICAP as at Initial Completion (the "TSA"), and (ii) IGBB will provide ICAP with the use of or access to certain resources that will be owned or controlled by IGBB as at Initial Completion (the "RTSA").

Transitional Services Agreement (TSA)

(A) Scope of services

The parties have agreed the scope of services that will be provided by ICAP to IGBB from Initial Completion (the "TSA Services"). ICAP has committed, under the Acquisition Agreement, to refining the scope of the TSA Services between signing and Initial Completion to reflect the actual TSA Service requirements as at Initial Completion. IGBB will have the right to add services not specified in the TSA if required to carry on the IGBB business and provided in the ordinary course by ICAP prior to Initial Completion. The TSA Services are:

- (1) access to ICAP premises in ICAP's London, New York, New Jersey and Singapore offices and typical office facilities such as postal and cleaning services;
- (2) IT infrastructure support comprising the monitoring of the IT network requirements to sustain availability, managing capacity, configuring and managing IT assets, IT change management and providing helpdesk support;
- (3) a help-desk facility providing IT systems functional, technical and end-user support for the IGBB business;
- (4) access to and support for three financial systems (Oracle Financials / Hyperion product suite (including OBIEE), Insight/GLWand and Cognos FSR);
- (5) network and data centre hosting in seven locations across Singapore, the UK and the USA;

- (6) support and information from ICAP personnel in relation to the transferring data distribution and licensing business (e.g. assistance in providing details of current product offerings and assistance with the migration of customer contracts);
- (7) access to benchmarking information and related support services for the following indices: ICAP US Treasury Index, iRepo, HEFFR, HEDDR and Tankard; and
- (8) certain market control, market support and client services support functions for the US GTN markets and iSwap US platform and for GTN, Options, Inflation, Scrapbook and Ilinked markets.

(B) Dependencies

Each TSA Service, where applicable, will list the dependencies that IGBB, as the service recipient, must perform to enable ICAP to provide that TSA Service. A failure by IGBB to perform a dependency will relieve ICAP from its obligation to provide the affected TSA Service(s) to the extent such failure prevents ICAP from doing so. ICAP will have the right to add dependencies not specified in the TSA, but only if that dependency was performed by IGBB during the 12 months prior to the date of the TSA and is a dependency that only IGBB can carry out. The TSA contains an acknowledgement that IGBB's ability to perform the dependencies is itself dependent on it having inherited the resources necessary to do so by Initial Completion. IGBB will be relieved from its obligations to perform a dependency to the extent its failure to do so is a result of it not having access to the required resources as at Initial Completion, and ICAP will, in such a situation, not be relieved from its duty to perform the affected TSA Service(s).

(C) Service levels / volumes

Services are to be provided on an "as is" basis, i.e. to the same standard as provided in the previous 12 months. ICAP is required to provide the services to meet the volumes consumed by the IGBB business in the 12 months prior to signing and as forecast in the business plans.

(D) Charges

The TSA charges are specified in each of the services schedules. ICAP warrants in the Acquisition Agreement that the charges applied are consistent with the ICAP Group's cost allocation model during the 12 month period prior to the date of the TSA. The total charges payable by IGBB under the TSA, taken together with the total cost of operating IGBB, may not exceed the total cost of operating IGBB as advised by ICAP under the Acquisition Agreement.

(E) Service terms / costs ratchet

Each TSA Service has a pre-determined "Initial Service Term" of either six or twelve months after Initial Completion (except in relation to facilities access and associated services, where the Initial Service Term will end twelve months after Initial Completion or on termination or expiry of the relevant underlying lease, whichever is earlier). If a TSA Service is extended beyond its Initial Service Term by more than three months, and the extension is because of IGBB's failure to comply with its TSA Migration Plan (defined below) obligations or due to changes IGBB has made to the TSA Migration Plan, a 2.5 per cent. costs ratchet will apply to the TSA Service from the fourth month after the expiry of the Initial Service Term, increasing monthly up to a 15 per cent. cap. IGBB will also be responsible for increased costs reasonably incurred by ICAP in extending the term of the relevant TSA Service(s).

(F) Migration / long-stop dates

The parties will be required to work co-operatively to facilitate migration away from the TSA Services in accordance with an agreed plan ("**TSA Migration Plan**"). ICAP will provide migration assistance to IGBB in respect of each TSA Service until IGBB has successfully migrated away from that TSA Service. IGBB has the right to extend any of the TSA Services up to a specific long stop date for the relevant service, which is 24 months after Initial Completion (except in relation to facilities access and associated services, where the long stop date is 36 months after Initial Completion or on expiry of the relevant underlying lease, whichever is earlier) ("**TSA Long-Stop Date**"). IGBB can request an extension of a TSA Service beyond TSA Long-Stop Date, unless the reason for the extension is wholly or mainly IGBB's failure to comply with its obligations under the TSA Migration Plan. If IGBB requests an extension of a TSA Service beyond the TSA Long-Stop Date, and ICAP reasonably believes that migration away from that service could have been achieved by IGBB by the TSA Long-Stop Date, the parties will meet to agree an extension

date and, if they are unable to do so, will refer the matter to an expert to decide whether or not the extension is due to IGBB's failure to comply with its TSA Migration Plan obligations or due to changes IGBB has made to the TSA Migration Plan (in which case the extension would not be permitted).

(G) Third party agreements / consents

ICAP is responsible for obtaining the third party consents required to provide the TSA Services, at its own cost. If a third party agreement expires or is terminated or revoked, ICAP shall be responsible at its own cost for implementing an alternative solution. If the term of a TSA Service is extended, and (further) third party consents are required, ICAP is responsible for obtaining these at its own cost unless the reason for the extension is wholly or substantially due to IGBB's failure to comply with its obligations under the TSA Migration Plan, in which case IGBB will reimburse ICAP for these costs. If ICAP is unable to obtain a third party consent required to provide a TSA Service by Initial Completion, the parties will meet and discuss the necessary changes to the TSA Services in good faith.

(H) Subcontracting / subcontractor risk

ICAP is not liable for the performance of third parties to whom the performance of the TSA Services is subcontracted. However, if it recovers amounts from a third party supplier following a breach it shall pass a pro rata amount to IGBB. If ICAP does not pursue a third party supplier for losses and it is subsequently established (by an expert) that such losses were recoverable, ICAP will be liable to IGBB for the recoverable losses (capped at £25 million).

(I) Liability caps

ICAP's liability under the TSA is capped at £5 million (excluding losses arising as a result of third party supplier failure). Subject to that overall cap, in respect of a claim by IGBB for loss of profits, ICAP's liability is capped at £2.5 million. IGBB's liability is capped at £1.5 million.

(J) Termination rights

Each service can be terminated by IGBB (in whole or in part) on an agreed notice period. Termination in part is only permitted to the extent the terminated part is not a dependent service for other services not terminated. The TSA may be terminated by one party if the other commits, and fails to remedy, a material breach.

Reverse Transitional Services Agreement (RTSA)

(A) Scope of services

The parties have agreed the scope of services that will be provided by IGBB to ICAP from Initial Completion (the "**RTSA Services**"). ICAP has committed, under the Acquisition Agreement, to refining the scope of the RTSA Services between signing and Initial Completion to reflect the actual RTSA requirements as at Initial Completion. ICAP will have the right to add services not specified in the RTSA, but only if that service was available to ICAP during the 12 months prior to the date of the agreement using resources that were available to IGBB as at Initial Completion. The RTSA contains an acknowledgement that IGBB's ability to provide the RTSA Services is dependent on it having access to the resources necessary to do so as at Initial Completion. IGBB will be relieved from its obligations to provide the services and meet the service levels to the extent its failure to do so is a result of it not having access to the required resources as at Initial Completion. The RTSA Services are:

- (1) access to IGBB premises in IGBB's Jersey City, London, Frankfurt, Hong Kong, Tokyo, Sydney and Makati offices and typical office facilities such as postal and cleaning services;
- (2) IT infrastructure support comprising the monitoring of the IT network requirements to sustain availability, managing capacity, configuring and managing IT assets, IT change management and providing incident and problem management through a helpdesk support function;
- (3) a help-desk facility providing IT systems functional, technical and end-user support for the IGBB business;
- (4) network and data centre hosting in seven locations across Australia, Hong Kong, Singapore, the UK and the USA;

- (5) data governance support services from IGBB's GCD (Global Customer Data) database, including managing, updating and distributing customer information;
- (6) support (including exchange operations and operations services) for BrokerTec Europe;
- (7) trade processing support for non-US Treasury Products through the RESET and ReMatch risk mitigation services; and
- (8) assistance from three employees transferring with IGBB (equating to 25% of their time) with the planning, implementation and execution of ICAP's annual charity event.

(B) Dependencies

Each RTSA Service, where applicable, will list the dependencies that ICAP, as the service recipient, must perform to enable IGBB to provide that service. A failure by ICAP to perform a dependency will relieve IGBB from its obligation to provide the affected RTSA Service(s) to the extent such failure prevents IGBB from doing so. IGBB will have the right to add dependencies not specified in the RTSA if required to be performed by ICAP to enable IGBB to provide an RTSA Service, where those dependencies were performed by the ICAP Group in the ordinary course during the 12 months prior to Initial Completion.

(C) Service levels / volumes

Services are to be provided on an "as is" basis, i.e. to the same standard as provided in the previous 12 months. IGBB is required to provide the RTSA Services to meet the volumes consumed by the services recipients' in the 12 months prior to signing.

(D) Charges

The RTSA charges are specified in each of the services schedules. ICAP warrants in the Acquisition Agreement that the charges applied are consistent with the ICAP Group's cost allocation model during the 12 month period prior to the date of the agreement, subject to an additional margin of 20 per cent. The total amount of charges payable by ICAP may not reduce below £2.3 million.

(E) Service terms / costs ratchet

Each RTSA Service has a pre-determined "Initial Service Term" of either six or twelve months after Initial Completion (except in relation to facilities access and associated services, where the Initial Service Term will end twelve months after Initial Completion or on termination or expiry of the relevant underlying lease, whichever is earlier). If an RTSA Service is extended beyond its Initial Service Term by more than three months, then unless the extension is required due to IGBB's failure to comply with its RTSA Migration Plan obligations (defined below), a 2.5 per cent. costs ratchet will apply to the receipt of that service from the fourth month after the expiry of the Initial Service Term, increasing monthly up to a 15 per cent. cap. ICAP will also be responsible for increased costs reasonably incurred by IGBB in extending the term of the relevant RTSA Service(s).

(F) Migration / long-stop dates

The parties will be required to work co-operatively to facilitate migration away from the RTSA Services in accordance with an agreed plan ("**RTSA Migration Plan**"). ICAP has the right to extend any of the RTSA Services beyond its Initial Service Term up to a specific long stop date for the relevant service, which is either 12, 18 or 24 months after Initial Completion (except in relation to facilities access and associated services, where the long stop date is 36 months after Initial Completion or on expiry of the relevant underlying lease, whichever is earlier) ("**RTSA Long-Stop Date**"). IGBB does not have to provide that service or migration assistance in respect of a service beyond its RTSA Long-Stop Date, unless the delay is wholly or mainly attributable to a failure of IGBB to meet its obligations under the RTSA Migration Plan.

(G) Third party agreements / consents

ICAP is responsible for obtaining the third party consents required for IGBB to provide the RTSA Services with effect from Initial Completion, at its own cost. IGBB is responsible for obtaining third party consents if IGBB changes the way that it provides the RTSA Services after Initial Completion. If a third party agreement is terminated by IGBB or IGBB elects not to renew it, and IGBB is at that time still providing RTSA Services to ICAP, then IGBB will be responsible at its own cost for implementing an

alternative solution. If a third party agreement is terminated or revoked by the third party supplier (other than as a result of IGBB breach), IGBB shall have no obligation to provide the affected service(s) but shall assist ICAP in finding an alternative (and may pass on a pro rata increase in the cost of implementing that alternative). If the term of an RTSA Service is extended because of changes IGBB has made to the RTSA Services, or because of IGBB's failure to comply with its obligations under the RTSA Migration Plan, and (further) third party consents are required, IGBB is responsible for obtaining these at its own cost. If ICAP is unable to obtain a third party consent required by the Company to provide an RTSA Service by Initial Completion, the parties will meet and discuss the necessary changes to the RTSA Services in good faith.

(H) Subcontracting / subcontractor risk

IGBB can subcontract the provision of the RTSA to a third party (i.e. including its existing supply chain as part of its business integration) provided that the third party has not been involved in material legal proceedings against a member of the ICAP Group in the past three years. IGBB is not liable for the performance of third parties to whom the performance of the RTSA Services is subcontracted. However, if it recovers amounts from a third party supplier following a breach it shall pass a pro rata amount to ICAP. If IGBB does not pursue a third party supplier for losses and it is subsequently established (by an expert) that such losses were recoverable, IGBB will be liable to ICAP for the recoverable losses (capped at £25 million).

(I) Liability caps

IGBB's liability under the RTSA is capped at £5 million (excluding losses arising as a result of third party supplier failure). Subject to that overall cap, in respect of a claim by ICAP for loss of profits, IGBB's liability is capped at £2.5 million. ICAP's liability is capped at £1.5 million.

(J) Termination rights

Each RTSA Service can be terminated by ICAP on an agreed notice period. The RTSA may be terminated by one party if the other commits, and fails to remedy, a material breach. ICAP cannot terminate an RTSA Service in part unless permitted to do so by IGBB.

16.6 Tax Deed

On Initial Completion, a Tax Deed will be entered into pursuant to which ICAP NewCo will indemnify the Company for any tax liabilities of IGBHL and its subsidiaries relating to the period on or before completion of the acquisition by the Company of the Sale Shares (grossed up for any tax thereon). The indemnity to be provided by ICAP NewCo would be subject to certain exclusions and financial limits. The financial limits are a de minimis of £500,000, a threshold of £10,000,000 (where the whole amount is payable when the threshold has been exceeded), and an overall cap of £300,000,000 (subject to certain adjustments) which applies to the aggregate of claims under the Tax Deed and warranty claims by the Company under the Acquisition Agreement.

If the Completion balance sheet overprovides for tax, ICAP NewCo will be entitled to the benefit of the overprovision, but only by way of set-off/repayment of amounts owing/paid under the Tax Deed or in respect of tax related warranties. Similar principles apply to tax refunds and tax benefits that only arise as a result of a matter that gives rise to a claim under the Tax Deed.

The Company will indemnify ICAP NewCo for secondary tax liabilities falling on the ICAP group, where the Tullett Prebon Group has the primary liability for such tax (excluding tax for which ICAP NewCo indemnifies the Company under the Tax Deed).

The Tax Deed also provides that the Company will generally be responsible for pre-completion tax affairs of IGBHL and its subsidiaries (such as the filing of returns). ICAP NewCo is entitled to take the conduct of matters that have the potential to give rise to a liability of ICAP NewCo under the Tax Deed.

16.7 Sponsor Agreement

On 1 March 2016, Tullett Prebon and Rothschild entered into a sponsor agreement, pursuant to which the Sponsor agreed to act as sponsor to Tullett Prebon in connection with the applications for Admission and the publication of this document (the "**Sponsor Agreement**"). Under the terms of the Sponsor Agreement, Tullett Prebon has agreed to provide the Sponsor with certain customary indemnities, undertakings, representations and warranties. The indemnities provided by Tullett Prebon indemnify the Sponsor and its affiliates against, *inter alia*, claims made against them or losses incurred by them, subject to certain exemptions. In addition, the Sponsor Agreement provides the Sponsor with the right to terminate the Sponsor Agreement before Admission in certain specified circumstances typical for a sponsor agreement of this nature. If such right is exercised by the Sponsor, the Sponsor Agreement will lapse.

IGBB's Material Contracts

16.8 The Transitional Services Agreements

See description of the Transitional Services Agreements in paragraph 16.5 above.

17. REGULATORY AND LITIGATION MATTERS

Tullett Prebon

- 17.1** Save as set out in paragraph 17.2 below, there are no government, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the previous 12 months which may have, or have had in the recent past, significant effects on the financial position or profitability of Tullett Prebon or the Tullett Prebon Group.
- 17.2** The Company is currently under investigation by the FCA in relation to certain trades undertaken between 2008 and 2011, including trades which are risk free, with no commercial rationale or economic purpose, on which brokerage is paid and trades on which brokerage may have been improperly charged. As part of its investigation the FCA is considering the extent to which during the relevant period (i) the Company's systems and controls were adequate to manage the risks associated with such trades and (ii) whether certain of the Company's managers were aware of, and/or managed appropriately the risks associated with, the trades. The FCA is also reviewing the circumstances surrounding a failure in 2011 to discover certain audio files and produce them to the FCA in a timely manner. As the investigation is on-going, any potential liability arising from it cannot currently be quantified.

IGBB

- 17.3** Save as set out in paragraphs 17.4 to 17.10 below, there are no government, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the previous 12 months which may have, or have had in the recent past, significant effects on the financial position or profitability of IGBB
- 17.4** On 25 September 2013, ICAP Europe Limited ("**IEL**"), a company within IGBB, reached settlement agreements with the FCA and the CFTC relating to the involvement of some of ICAP Europe Limited's brokers in the attempted manipulation of Yen LIBOR by bank traders between October 2006 and January 2011. Under the terms of the settlements, IEL agreed to pay penalties of £14 million to the FCA and \$65 million to the CFTC.
- 17.5** In February 2015 the European Commission imposed a fine of £11 million (€14.9 million) on ICAP for alleged competition violations in relation to Yen LIBOR, in respect of the same underlying matters that IEL settled with the FCA and the CFTC. ICAP has appealed and is seeking a full annulment of the Commission's decision.
- 17.6** ICAP continues to co-operate with government agencies in Europe and the US relating to their investigations into the setting of Yen LIBOR. This includes ICAP having worked closely and co-operated fully with an investigation by the US Department of Justice. The US Department of Justice has not taken action against IEL nor any other IGBB company to date and based on ICAP's present assessment of this matter, no provision has been made. It is not possible to predict the ultimate outcomes of these inquiries or to provide an estimate of any potential financial impact on IGBB.

In addition, in April 2013 ICAP plc was added as a defendant to an existing civil litigation originally filed in April 2012 against certain Yen LIBOR and Euroyen TIBOR panel banks in the US District Court for the Southern District of New York. The complaint alleges that the plaintiff, who traded positions in Euroyen TIBOR futures contracts, was injured as a result of the purported manipulation of Yen LIBOR and Euroyen TIBOR by certain panel banks and interdealer brokers. The Court dismissed the plaintiff's antitrust and unjust enrichment claims, but upheld the plaintiff's claim for purported manipulation under the Commodities Exchange Act. ICAP was subsequently dismissed from the litigation for lack of personal jurisdiction in March 2015. The Court issued an order permitting the plaintiff to add new defendants to the action, including IEL. The plaintiff was then required to submit a request to the Court proposing amendments to the complaint no later than 28 January 2016. Defendants are permitted to respond to that request prior to 18 February 2016. Other plaintiffs have filed a related complaint, also alleging injury as a result of the purported

manipulation of Yen LIBOR and/or Euroyen TIBOR by panel banks and interdealer brokers. That complaint names ICAP and IEL as defendants and alleges claims including violations of federal antitrust laws and of the RICO statute. The plaintiffs amended their complaint on 18 December 2015. Defendants, including ICAP and IEL, filed motions to dismiss for lack of personal jurisdiction, lack of subject matter jurisdiction and failure to state a claim on 1 February 2016. A conference is scheduled before the Court for 7 April 2016 to address a motion filed by plaintiffs seeking preliminary approval of settlements reached with two defendants and conditional certification of a settlement class of plaintiffs. Conferences are currently scheduled before the Court for 14 April 2016 and 5 May 2016 to discuss the motions and status for both cases. It is not possible to predict the outcome of these litigations or to provide an estimate of any potential liability or financial impact on IGBB.

- 17.7** ICAP was named, amongst several LIBOR panel banks and two other interdealer brokers, as a defendant in two civil filings made in August 2013 in the United States District Court for the Southern District of Iowa, primarily concerning US dollar LIBOR. The cases were subsequently transferred to the United States District Court for the Southern District of New York for coordination with a pre-existing multi-district litigation regarding alleged manipulation of US dollar LIBOR. Amended complaints were filed on 6 October 2014 and ICAP was removed as a defendant to the actions. However, plaintiffs in a different, but related, class action in the multi-district litigation in the Southern District of New York are now seeking leave to amend their complaint to include new defendants, including ICAP and IEL. ICAP along with several other new and existing defendants have filed letters with the court opposing this amendment. On 12 January 2016, the Judge issued an order directing the plaintiffs to create and provide to the Court by 19 January 2016, a defendant-by-defendant compilation of all new allegations proposed to be added to the complaint along with additional materials in order to provide clarity as to which claims and allegations have already been dismissed. Defendants provided a letter response to the Court on 29 January 2016. It is not possible to predict the outcome of these litigations or to provide an estimate of any potential liability or financial impact on IGBB.
- 17.8** In 2013, a civil class action was filed in the United States District Court for the Southern District of New York against a number of banks asserting claims of EURIBOR manipulation. On 13 August 2015, the plaintiffs filed a fourth amended complaint adding new defendants including ICAP and IEL. Defendants have briefed motions to dismiss for failure to state a claim and lack of jurisdiction, which were fully submitted as of 23 December 2015. It is not possible to predict the outcome of this litigation or to provide an estimate of any potential liability or financial impact on IGBB.
- 17.9** On 25 November 2015, a civil class action was filed in the United States District Court for the Southern District of New York against a number of banks, Tradeweb Markets LLC and ICAP Capital Markets LLC alleging that the defendants together colluded to prevent buy-side customers from accessing the interest rate swaps market on electronic, exchange-like platforms. ICAP will be filing a motion to dismiss the complaint for failure to state a claim. It is not possible to predict the outcome of this litigation or to provide an estimate of any potential liability or financial impact on IGBB. While the Company does not benefit from a specific indemnity from ICAP in respect of this class action, the legal entity ICAP Capital Markets LLC and the liability relating to this class action will be retained by the ICAP Group following Completion.
- 17.10** On 18 February 2016, a civil class action was filed in the United States District Court for the Northern District of Illinois against a number of banks, Tradeweb Markets LLC and ICAP Capital Markets LLC alleging that the defendants boycotted and collusively targeted a series of new electronic, exchange-like trading platforms that would have allowed access to buy-side customers. The action asserts claims of violation of antitrust laws and unjust enrichment. ICAP has not yet been formally served with the complaint. It is not possible to predict the outcome of this litigation or to provide an estimate of any potential liability or financial impact on IGBB. While Tullett Prebon does not benefit from a specific indemnity from ICAP in respect of this class action, the legal entity ICAP Capital Markets LLC and the liability relating to this class action will be retained by the ICAP Group following Completion.
- 17.11** From time to time ICAP is engaged in litigation in relation to a variety of matters that relate to IGBB, and is also frequently required to provide information to regulators and other government agencies as part of informal and formal inquiries or market reviews. It is not possible to determine the final outcome of these litigations or to provide an estimate of any potential liabilities, but

currently there are none that are expected to have a significant effect on IGBB's financial position or profitability.

17.12 It is expected that the litigation disclosed in paragraphs 17.5 to 17.8 will be retained by the entities to which they relate and will transfer to the Enlarged Tullett Prebon Group on Completion. However, the Company has the benefit of an indemnity from ICAP in respect of certain known regulatory, litigation and employment claims (in each case subject to certain limitations), including those disclosed in paragraphs 17.6 to 17.8.

ISDA Fix

17.13 US government agencies have requested information from the ICAP Group in relation to the setting of the US dollar segment of a benchmark known as ISDA Fix. ICAP continues to cooperate with the agencies' inquiries into the setting of that rate. ICAP Capital Markets LLC was the collection agent for ISDA Fix panel bank submissions in US dollars, but was not a panel member itself. It is not possible to predict the ultimate outcome of this investigation or to provide an estimate of any potential financial impact.

17.14 Subsequently, in September and October 2014, ICAP Capital Markets LLC was named along with several ISDA Fix panel banks as a defendant in five class actions alleging injury due to purported manipulation of the USD ISDA Fix rate. The cases were filed in the US District Court in the Southern District of New York and have been consolidated into a single case. The defendants filed a motion to dismiss the complaint for failure to state a claim, and the parties are awaiting a decision on the motion.

17.15 It is intended that any liability arising as a result of the ISDA Fix investigation or the resulting litigation or class actions will be retained by the ICAP Group. Although ICAP Capital Markets LLC is a principal trading subsidiary of IGBB, in order that any liability relating to the ISDA Fix investigation is retained by the ICAP Group, under the terms of the Transaction, the business of ICAP Capital Markets LLC (excluding any liability relating to the ISDA Fix investigation) will be transferred to another subsidiary of IGBHL prior to Completion. The legal entity ICAP Capital Markets LLC will then be retained by the ICAP Group as it will not be a subsidiary of IGBB at Completion and, therefore, will not be acquired by Tullett Prebon.

17.16 Under the terms of the Acquisition Agreement, Tullett Prebon also has the benefit of an indemnity for any liability on any member of the Enlarged Tullett Prebon Group arising out of ISDA Fix.

18. PROPERTY, PLANT AND EQUIPMENT

18.1 Tullett Prebon

Details of the Company's principal properties are as set out below:

<u>Location</u>	<u>Tenure</u>	<u>Utilisation</u>
Tower 42, Level 37, 25 Old Broad Street, London, EC2N 1HQ, United Kingdom	Existing lease expires on 11 December 2023	Registered Office
Level 2 and part of Level 3, 155 Bishopsgate, London, EC2M 3YX, United Kingdom	Existing lease for Level 2 and parts of Level 3 expires on 3 October 2025	Offices
Suites 1001 – 1003 and Suites 1010 – 1016, 10th floor of CITIC Tower, No 1, Tim Mei Avenue, Central, Hong Kong	Existing lease expires on 7 September 2016	Offices
50 Raffles Place, #39-01/06, #40-06 and #42-04, Singapore Land Tower, Singapore 048623	Existing lease expires on 30 April 2018	Offices
23rd, 24th and 12th Floors, 101 Hudson Street, Jersey City, New Jersey	Existing lease expires on 30 November 2023	Offices
17th Floor and part of 16th Floor 199 Water Street, New York, NY 10038	Existing lease expires on 31 December 2026	Offices

18.2 IGBB

Details of IGBB's principal properties are as set out below:

<u>Location</u>	<u>Tenure</u>	<u>Utilisation</u>
3rd Floor, 4th Floor, 5th Floor, 6th Floor, 1 Broadgate, London EC2M 7UR*	Existing leases expire on 1 July 2019	Office with Data Centre
Ground Floor, 3rd Floor, 4th Floor, 5th Floor, 6th Floor, 2 Broadgate, London EC2M 7UR*	Existing leases expire on 1 July 2019	Office with Data Centre
Level 2, City Reach, 5 Greenwich View Place, Millharbour, Isle of Dogs, London, E14 9NN	Existing lease expires on 17 October 2017	Office with Technology Room
Harborside Financial Center, 11th Floor, 12th Floor, 13th Floor, 15th Floor (FBS) and 15th Floor (ICAP), 1100 Plaza Five, Jersey City, NJ 07311	Existing leases for 11th Floor, 12th Floor, 13th Floor and 15th Floor expire on 15 November 2017	Office with Data Centre
Metroview Office Building, 333 Thornall Street, 10th Floor, Edison, New Jersey*	Existing lease expires on 31 October 2025	DR site
Marina Bay Financial Centre, Tower 2, 10 Marina Boulevard ~21-01, ~20-01 & 20-02, and ~20-03, Singapore 018983*	Existing leases expire on 14 November 2022	Office with Data Centre
29th Floor, The Center, 99 Queens Road Central, Hong Kong	Existing lease expires on 30 June 2017	Office with Data Centre
Level 27, 9 Castlereagh Street, Sydney NSW 2000	Existing lease expires on 31 August 2017	Office with Data Centre
Stephanstrasse 14 – 16, 60313 Frankfurt am Main	Existing lease expires on 30 November 2020	Office with Technology Room

* the offices and data centres at these locations are being retained by ICAP but will be sublet to IGBB under the terms of the Transitional Services Agreement.

19. AUDITORS

Deloitte LLP, a member firm of the Institute of Chartered Accountants in England a Wales, is the Company's auditor and audited the accounts of the Company for the financial years ended 31 December 2014, 31 December 2013 and 31 December 2012. Deloitte LLP's address is Hill House, 1 Little New Street, London, EC4A 3TR, United Kingdom.

20. CONSENTS

- 20.1** Deloitte LLP has given and not withdrawn its written consent to the inclusion in this document of its report included in Section B of Part XIX (*Unaudited Pro Forma Financial Information of the Enlarged Tullett Prebon Group*) of this document, and the references to its name, in the form and context in which they appear, and has authorised the contents of those parts of this document which comprise its reports for the purposes of rule 5.5.3R(2)(f) of the Prospectus Rules.
- 20.2** Rothschild has given and not withdrawn its written consent to the inclusion in this document of its name and references thereto in the form and context in which they appear.
- 20.3** PricewaterhouseCoopers LLP has given and not withdrawn its written consent to the inclusion in this document of its report on the IGBB historical financial information as set out in Section A of Part XVI (*Historical Financial Information of IGBB*) of this document in the form and context in which it appears and has authorised the contents of that part of this document which comprises its report for the purpose of rule 5.5.3R(2)(f) of the Prospectus Rules.

21. THE CITY CODE ON TAKEOVERS AND MERGERS

The City Code on Takeovers and Mergers (the “**Takeover Code**”) applies, among other things, to offers for public companies which have their registered office in the United Kingdom, the Channel Islands or the Isle of Man if any of their securities are admitted to trading on a regulated market in the United Kingdom. As a company incorporated under the laws of England and Wales with shares being admitted to the main market of the London Stock Exchange, the Company is subject to the provisions of the Takeover Code, including those provisions concerning mandatory takeover bids and compulsory acquisition.

21.1 Under Rule 9 of the Takeover Code, if:

- (A) a person acquires an interest in shares of the Company which, when taken together with shares already held by him or persons acting in concert with him, carry 30 per cent. or more of the voting rights of the Company; or
- (B) a person who, together with persons acting in concert with him, is interested in not less than 30 per cent. and not more than 50 per cent. of the voting rights in the Company acquires additional interests in shares which increase the percentage of shares carrying voting rights in which that person is interested,

the acquirer and, depending on the circumstances, its concert parties, would be required (except with the consent of the UK Panel on Takeovers and Mergers (the “**Panel**”), to make a cash offer for the outstanding shares in the Company at a price not less than the highest price paid for any interests in the shares by the acquirer or its concert parties during the previous 12 months.

- 21.2** Under Rule 37 of the Takeover Code, an increase in the percentage of voting shares held by a person or group of persons acting in concert as a result of the Company redeeming or purchasing its own shares, will be treated as an acquisition for the purpose of Rule 9. Subject to prior consultation, the Panel will normally waive any resulting obligation to make a general offer if there has been a vote of the independent shareholders and the procedure outlined in Appendix 1 to the Takeover Code has been followed.
- 21.3** Under the Companies Act, an offeror in respect of a takeover offer for the Company has the right to purchase compulsorily the shares of minority shareholders where the offeror has acquired at least 90 per cent. in value of the shares to which the offer relates. Additionally, where there has been a takeover offer for the Company, minority shareholders can require the offeror to purchase their shares provided that at any time before the end of the period within which the offer can be accepted the offeror has acquired at least 90 per cent. in value of all voting shares in the Company, which carry not less than 90 per cent. of the voting rights of all shares in the Company.
- 21.4** The Companies Act also gives minority shareholders a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer relates to all the shares of a company and at any time before the end of the period within which the offer could be accepted the offeror holds or has agreed to acquire not less than 90 per cent. of such shares to which the offer relates, any holder of shares to which the offer relates who has not accepted the offer may by a written communication to the offeror require it to acquire those shares. The offeror is required to give any shareholder notice of his right to be bought out within one month of that right arising.

The offeror may impose a time limit on the rights of the minority shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a shareholder exercises his or her rights, the offeror is bound to acquire those shares, on the terms of the offer or on such other terms as may be agreed.

- 21.5** Other than as provided in Part 28 of the Companies Act and the Takeover Code, there are no rules or provisions relating to mandatory bids and/or squeeze-out and sell-out rules in relation to the Ordinary Shares.

22. GENERAL

The total costs and expenses payable by the Company in connection with the Transaction and the Admission are estimated to be approximately £29.2 million (inclusive of VAT). There are no amounts payable to financial intermediaries.

23. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the Company's registered office, Tower 42, Level 37, 25 Old Broad Street, London, EC2N 1HQ during normal business hours on Monday to Friday of each week (public holidays excepted) for a period from and including the date of publication of this document until the date of Admission:

- (A) Memorandum of Association and the Articles;
- (B) the audited accounts of the Company for the financial years ended 31 December 2014, 31 December 2013 and 31 December 2012 together with the accompanying auditor's reports for the financial years ended 31 December 2014, 31 December 2013 and 31 December 2012;
- (C) the Company's 2015 Preliminary Results, the Company's 2014 Annual Report, the Company's 2013 Annual Report and the Company's 2012 Annual Report;
- (D) the Acquisition Agreement; and
- (E) this document.

PART XXIII

DOCUMENTS INCORPORATED BY REFERENCE

The following information, available free of charge in electronic format through Tullett Prebon plc's website www.tullettprebon.com or in printed format from Tullett Prebon plc's registered office at Tower 42, Level 37, 25 Old Broad Street, London, EC2N 1HQ, is incorporated by reference into this document:

(A) the extracts from the consolidated financial statements of Tullett Prebon plc for the financial year ended 31 December 2015, as detailed in the Company's 2015 Preliminary Results:

	<u>Page(s)</u>
Consolidated Income Statement	21
Consolidated Statement of Comprehensive Income	22
Consolidated Balance Sheet	23
Consolidated Cash Flow Statement	25
Consolidated Changes in Equity	24
Notes to the Accounts	26-33

(B) the consolidated financial statements of Tullett Prebon plc for the financial year ended 31 December 2014, as detailed in the Company's 2014 Annual Report:

	<u>Page(s)</u>
Independent Auditor's Report	50-54
Consolidated Income Statement	55
Consolidated Statement of Comprehensive Income	56
Consolidated Balance Sheet	57
Consolidated Changes in Equity	58
Consolidated Cash Flow Statement	59
Notes to the Accounts	60-103

(C) the consolidated financial statements of Tullett Prebon plc for the financial year ended 31 December 2013, as detailed in the Company's 2013 Annual Report:

	<u>Page(s)</u>
Independent Auditor's Report	45-48
Consolidated Income Statement	49
Consolidated Statement of Comprehensive Income	50
Consolidated Balance Sheet	51
Consolidated Changes in Equity	52
Consolidated Cash Flow Statement	53
Notes to the Accounts	54-94

(D) the consolidated financial statements of Tullett Prebon plc for the financial year ended 31 December 2012, as detailed in the Company's 2012 Annual Report:

	<u>Page(s)</u>
Independent Auditor's Report	45
Consolidated Income Statement	46
Consolidated Statement of Comprehensive Income	47
Consolidated Balance Sheet	48
Consolidated Changes in Equity	49
Consolidated Cash Flow Statement	50
Notes to the Accounts	51-88

(E) information relating to the Tullett Prebon Group's risk profile, as detailed in the Company's 2014 Annual Report in the following sections on pages 16 – 19:

	<u>Page(s)</u>
Market Risk	
Credit Risk (including the sub-headings of Pre-settlement risk, Settlement risk, Cash deposits, Name Passing brokerage receivables and Concentration risk)	
Liquidity Risk	
Other Financial Risks (including the sub-headings of Interest rate risk, Currency risk, Taxation risk and Pension obligation risk)	

(F) information relating to the amount of fixed remuneration paid to the Directors and benefits in kind, as detailed in the Company's 2014 Annual Report on page 43;

(G) information relating to the terms and conditions of the Executive Directors' employment, as detailed in the Company's 2014 Annual Report on page 41;

(H) information relating to the interests of the Directors in the ordinary share capital of the Company, as detailed in the Company's 2014 Annual Report on page 45;

(I) information relating to the outstanding share options awarded to the Directors under the Company's long term incentive plan, as detailed in the Company's 2014 Annual Report on page 44;

(J) information relating to the Company's principal subsidiaries and associated undertakings, as detailed in Note 37 to the Consolidated Financial Statements in the Company's 2014 Annual Report on page 102;

(K) information relating to the Company's equity-based long term incentive plan for the granting of non-transferable awards to certain employees and executives, as detailed in Note 28 to the Consolidated Financial Statements in the Company's 2014 Annual Report on pages 91 to 92;

(L) information relating to the Company's pension schemes, as detailed in Note 34 of the Notes to the Consolidated Financial Statements in the Company's 2014 Annual Report on pages 97 – 100;

(M) information relating to the Company's corporate governance policies as set out in the Corporate Governance Report in the Company's 2014 Annual Report on pages 25 – 31;

(N) information relating to the Company's key financial and performance indicators as set out in the Company's 2014 Annual Report on page 1;

(O) information relating to the Company's operating and financial reviews for the year ended 31 December 2014, as set out in the Company's 2014 Annual Report on pages 10 – 16;

(P) information relating to the Company's operating and financial reviews for the year ended 31 December 2013, as set out in the Company's 2013 Annual Report on pages 8 – 13; and

(Q) information relating to the Company's operating and financial reviews for the year ended 31 December 2012, as set out in the Company's 2012 Annual Report on pages 8 – 15.

To the extent that any information incorporated by reference itself incorporates any information by reference, either expressly or impliedly, such information will not form part of this document for the purposes of the Prospectus Rules, except where such information is stated within this document as specifically being incorporated by reference or where this document specifically includes such information.

Any statement which is deemed to be incorporated by reference into this document shall be deemed to be modified or superseded for the purpose of this document to the extent that any statement contained in this document (or by a later document which is incorporated by reference into this document) modifies or supersedes such earlier statement (whether expressly or impliedly). Any statement so modified or superseded shall not be deemed, except as so modified, to constitute a part of this document.

Except as set out above, no other portion of these documents is incorporated by reference into this document and those portions which are not specifically incorporated by reference in this document are either not relevant for prospective investors or the relevant information is included elsewhere in this document.

PART XXIV
DEFINITIONS

The following definitions shall apply throughout this document unless the context requires otherwise:

“Acquisition Agreement”	the conditional sale and purchase agreement between Tullett Prebon and ICAP governing the terms and conditions of the Transaction dated 11 November 2015
“Admission”	a) the re-admission of the existing Ordinary Shares to the premium listing segment of the Official List and to trading on the London Stock Exchange’s main market for listed securities; and b) the admission of the New Tullett Prebon Shares to the premium listing segment of the Official List and to trading on the London Stock Exchange’s main market for listed securities, in each case, becoming effective in accordance with paragraph 3.2.7 of the Listing Rules and the Admission and Disclosure Standards
“Admission and Disclosure Standards”	the requirements contained in the publication “Admission and Disclosure Standards” dated 1 October 2008 containing, among other things, the admission requirements to be observed by companies seeking admission to trading on the London Stock Exchange’s main market for listed securities
“APAC”	Asia Pacific
“Articles of Association” or “Articles”	the articles of association of the Company
“Audit Committee”	the audit committee established by the Board <i>inter alia</i> to monitor financial risks in the Company’s businesses, as described in paragraph 6.6 of Part XX (<i>Directors, Proposed Director and Corporate Governance</i>) of this document
“BEIP”	the NJ State’s Business Employment Incentive Program
“BGC”	BGC Partners, Inc.
“Board” or “Directors”	the board of Directors of the Company
“business day”	a day (other than a Saturday or Sunday) on which banks are open for general business in London
“CFTC”	the United States Commodity Futures Trading Commission
“Companies Act”	the Companies Act 2006
“Company” or “Tullett Prebon”	Tullett Prebon plc, a company registered in England and Wales with registered number 05807599
“Company’s 2012 Annual Report” . . .	the annual report and accounts of the Company for the year ended 31 December 2012
“Company’s 2013 Annual Report” . . .	the annual report and accounts of the Company for the year ended 31 December 2013
“Company’s 2014 Annual Report” . . .	the annual report and accounts of the Company for the year ended 31 December 2014
“Company’s 2015 Preliminary Results”	the extracts from the consolidated financial statements of the Company for the financial year ended 31 December 2015

“Completion”	the completion of the Transaction (following both Initial Completion and Option Completion)
“Control Function”	employees engaged in functions such as compliance, legal, HR, finance, operations and risk control
“Court”	High Court of Justice of England and Wales
“Court Meeting”	the meeting of the ICAP Shareholders convened by order of the Court to consider and, if thought fit, to approve the ICAP Scheme with or without modification (including any adjournment or postponement thereof)
“CREST”	the system of paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)
“CREST Proxy Instruction”	the CREST message in order to make a valid proxy appointment or instruction in relation to the Tullett Prebon General Meeting
“CRD”	the EU Capital Requirements Directive
“CRD IV”	the Capital Requirements Directive IV package which transpose, via a regulation and a directive, the new global standards on bank capital (the Basel III agreement) into EU law
“CRR”	the Capital Requirements Regulation No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012
“Directors”	the directors of the Company whose names appear under the heading “Directors” in Part IV (<i>Directors, Proposed Director, Company Secretary, Registered Office and Advisers</i>) of this document
“Disclosure and Transparency Rules” or “DTR”	the disclosure and transparency rules made by the FCA under Part 6 of the FSMA
“DOJ”	the United States Department of Justice
“DTCC”	Depository Trust & Clearing Corporation
“EBIT”	earnings before interest and tax
“EBITDA”	earnings before interest, tax, depreciation and amortisation
“EMIR”	the European Markets Infrastructure Regulation—Regulation (EU) No.648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories
“Enlarged Tullett Prebon Group”	the Tullett Prebon Group as enlarged by the acquisition of IGBB following Completion
“EU”	the European Union
“EURIBOR”	Euro Interbank Offered Rate
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“Executive Directors”	John Phizackerley and Paul Mainwaring
“Facilities Agreement”	the Company’s facilities agreement as described in paragraph 16.1 of Part XXII (<i>Additional Information</i>) of this document
“FCA”	the Financial Conduct Authority

“FICC”	fixed income, currencies and commodities
“Form of Proxy”	the personalised form of proxy for use by Tullett Prebon Shareholders in relation to the Tullett Prebon General Meeting
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“FX”	Foreign exchange
“Governance Code”	the UK Corporate Governance Code issued by the Financial Reporting Council in September 2014
“Group”	prior to Completion, the Tullett Prebon Group and, following Completion, the Enlarged Tullett Prebon Group
“HM Revenue and Customs”	Her Majesty’s Revenue and Customs
“IASB”	International Accounting Standards Board
“ICAP”	ICAP plc, a company registered in England and Wales with registered number 03611426
“ICAP General Meeting”	the general meeting of ICAP to be convened in connection with the Transaction and the ICAP Scheme
“ICAP Group”	ICAP and its subsidiary undertakings (as defined in the Companies Act) from time to time
“ICAP NewCo”	a new group holding company which will hold 100 per cent. of the issued share capital of ICAP following the ICAP Scheme becoming effective
“ICAP Scheme”	the scheme of arrangement proposed to be made under Part 26 of the Companies Act between ICAP and the ICAP Shareholders, with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by ICAP, and set out in full in the ICAP Scheme Document
“ICAP Scheme Document”	a document dated 1 March 2016 to be despatched to ICAP Shareholders containing, among other things, details of the ICAP Scheme, the explanatory statement in compliance with section 897 of the Companies Act, and the notices of the Court Meeting and the ICAP General Meeting
“ICAP Shareholders”	holders of ordinary shares in the capital of ICAP
“ICAAP”	Internal Capital Adequacy Assessment Process
“IFRS”	International Financial Reporting Standards as adopted by the European Union
“IGBB”	ICAP’s global broking business, including ICAP’s associated technology and broking platforms (including iSwap and Fusion), ICAP’s associated information services businesses and certain of ICAP’s joint ventures and associates
“IGBB Global Broking”	ICAP’s three regionally managed hybrid voice broking businesses in EMEA, the Americas and APAC, including all e-trading products and services developed by ICAP’s e-Commerce team (including Fusion)
“IGBB Information Services”	information services directly attributable to IGBB Global Broking and iSwap
“IGBHL”	ICAP Global Broking Holdings Limited, a company registered in England and Wales with registered number 09080531, which will own the business of IGBB at Completion

“Initial Completion”	the completion of the acquisition by Tullett Prebon of approximately 64.5 per cent. of the issued share capital of IGBHL
“ISIN”	International Security Identification Number
“LIBOR”	London Inter-Bank Offer Rate
“Listing Rules”	the listing rules made by the UKLA pursuant to Part 6 of the FSMA
“London Stock Exchange”	London Stock Exchange plc
“Long Stop Date”	the date (if any) on which the Acquisition Agreement lapses or is terminated in accordance with its terms (as modified, varied, revised, waived, extended, added to or amended from time to time)
“Memorandum of Association”	the memorandum of association of the Company
“MiFID”	the Markets in Financial Instruments Directive—Directive 2004/39/EC of the European Parliament and the Council
“MiFID II”	Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU
“MiFIR”	Regulation (EU) No.600/2014 of the European Parliament and of the Council on markets in financial instruments and amending Regulation (EU) No.648/2012
“Model Code”	the Model Code published by the UKLA at Annex 1 of Listing Rule 9 of the Listing Rules
“MTF”	Multilateral Trading Facility
“New Tullett Prebon Shares”	the Ordinary Shares to be issued to: (i) ICAP NewCo shareholders at Initial Completion; and (ii) ICAP NewCo at Option Completion, in each case, pursuant to the Acquisition Agreement
“NJ State”	the State of New Jersey
“Non-executive Directors”	Angela Knight, Roger Perkin, Stephen Pull, Rupert Robson and Carol Sergeant
“Nominations Committee”	the director nomination committee established by the Board to consider and make recommendations to the Board concerning the composition of the Board, as described in paragraph 6.8 of Part XX (<i>Directors, Proposed Director and Corporate Governance</i>) of this document
“Notice of Tullett Prebon General Meeting”	the notice of the Tullett Prebon General Meeting as set out in Part XXV (<i>Notice of General Meeting</i>) of this document
“Official List”	the Official List of the Financial Conduct Authority
“Option Shares”	the remaining approximately 35.5 per cent. of the issued share capital of IGBHL not transferred at Initial Completion
“Option Completion”	the completion of the acquisition by Tullett Prebon of the Option Shares, as described in paragraph 16.1 of Part XXII (<i>Additional Information</i>) of this document
“Options”	the put option granted by Tullett Prebon to ICAP and the call option granted by ICAP to Tullett Prebon, in each case, in respect of the Option Shares

“Ordinary Shares”	the ordinary shares of nominal value £0.25 in the capital of the Company as at the date of this document and/or the New Tullett Prebon Shares (as the context requires)
“OTC”	over the counter
“OTF”	organised trading facility
“Overseas Shareholders”	Shareholders of the company who are not resident in the United Kingdom
“Panel”	the UK Panel on Takeovers and Mergers
“Proposed Director”	the Proposed Director of Tullett Prebon to be appointed on Completion (subject to regulatory approval), being Ken Pigaga.
“Prospectus Directive”	Directive 2003/71/EC of the European Parliament and of the Council
“Prospectus Rules”	the prospectus rules made by the FCA under Part 6 of the FSMA
“RCF”	the Company’s revolving credit facility as described in paragraph 16.1 of Part XXII (<i>Additional Information</i>) of this document
“Registrar”	Capita Asset Services of 34 Beckenham Road, Beckenham, Kent BR3 4ZF
“Relationship Agreement”	the relationship agreement to be entered into on Completion between Tullett Prebon and ICAP NewCo to govern the relationship between the Enlarged Tullett Prebon Group and ICAP NewCo as a shareholder of the Enlarged Tullett Prebon Group
“Remuneration Committee”	the committee established by the Board to <i>inter alia</i> develop and maintain formal and transparent policies on remuneration for the Company’s employees, as described in paragraph 6.7 of Part XX (<i>Directors, Proposed Director and Corporate Governance</i>) of this document
“Resolutions”	the resolutions proposed to be passed by Tullett Prebon Shareholders at the Tullett Prebon General Meeting as set out in the Notice of Tullett Prebon General Meeting
“Risk Committee”	the committee established by the Board to <i>inter alia</i> oversee the development, implementation and maintenance of the Tullett Prebon Group’s overall risk management and compliance framework, as described in paragraph 6.9 of Part XX (<i>Directors, Proposed Director and Corporate Governance</i>) of this document
“Risk Management Services business”	has the meaning attributed to it in paragraph 1.5 of Part IX (<i>Business Overview of the Tullett Prebon Group</i>) of this document
“RTSA”	the reverse transitional services agreement to be entered into between ICAP and IGBB on or before Initial Completion
“Sale Shares”	such number of ordinary shares of £1.00 each in the capital of IGBHL as equal approximately 64.5 per cent. of the entire issued and to be issued share capital of IGBHL (provided that no Option Shares shall count towards such number)
“SDRT”	Stamp Duty Reserve Tax
“SEC”	the United States Securities and Exchange Commission

“Second Request”	the request for additional information and documentary material from the DOJ
“Securities Act”	the United States Securities Act of 1933 (as amended)
“SEF”	Swap Execution Facility
“Sponsor” or “Rothschild”	NM Rothschild & Sons Limited, New Court, St. Swithin’s Lane, London EC4N 8AL
“Statutes”	has the meaning attributed to it in the Company’s Articles of Association, meaning the Companies Act, the Uncertificated Securities Regulations 2001 and every other statute, statutory instrument, regulation or order for the time being in force concerning the Company
“Swingline Loans”	the Company’s swingline facility as described in paragraph 16.1 of Part XXII (<i>Additional Information</i>) of this document
“Takeover Code”	the City Code on Takeovers and Mergers issued from time to time by or on behalf of the Panel
“Tax Deed”	the tax deed to be entered into between ICAP Newco and Tullett Prebon pursuant to which ICAP Newco will indemnify Tullett Prebon for any tax liabilities of IGBHL and its subsidiaries relating to the period on or before Initial Completion
“TIBOR”	Tokyo Interbank Offered Rate
“Transaction”	the proposed acquisition by Tullett Prebon of all of IGBB
“Transitional Services Agreements”	the transitional services agreements to be entered into by each of IGBHL and ICAP pursuant to which ICAP and IGBB will each provide the other with the use of or access to certain resources that will be retained by ICAP, or transferred to IGBB pursuant to the Acquisition Agreement
“TSA”	the transitional services agreement to be entered into between ICAP and IGBB on or before Initial Completion
“Tullett Prebon General Meeting”	the general meeting of Tullett Prebon to be convened in connection with the Transaction, notice of which is set out in Part XXV (<i>Notice of General Meeting</i>) of this document, including any adjournment thereof
“Tullett Prebon Group”	the Company and its subsidiary undertakings (as defined in the Companies Act) from time to time prior to Completion (excluding, for the avoidance of doubt, IGBHL and its subsidiary undertakings)
“Tullett Prebon Information” or “Information Sales business”	the Tullett Prebon Group’s information sales business, as described in paragraph 1.5 of Part IX (<i>Business Overview of the Tullett Prebon Group</i>) of this document
“Tullett Prebon Long Term Incentive Plan”	the Tullett Prebon Group’s long term incentive plan as described in paragraph 9 of Part XXII (<i>Additional Information</i>) of this document
“Tullett Prebon Pension Scheme” or “Scheme”	the Tullett Prebon Group’s pension scheme described in paragraph 10 of Part XXII (<i>Additional Information</i>) of this document
“Tullett Prebon Shareholders”	the holders of Ordinary Shares

“UK Listing Authority” or “UKLA”	the FCA when it is exercising its powers under Part 6 of the FSMA
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“United States” or “US”	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia
“Waiver”	the investment firm consolidation waiver which took effect on 25 September 2014

For the purpose of this document, references to one gender include the other gender and references to the singular include the plural.

PART XXV
NOTICE OF GENERAL MEETING
TULLETT PREBON PLC

*(Incorporated and registered in England and Wales under the Companies Acts 1985 and 2006 with
registered number 05807599)*

NOTICE IS HEREBY GIVEN that a GENERAL MEETING of TULLETT PREBON plc (the “**Company**”) shall be held at 12:15 p.m. on 24 March 2016 at the offices of Allen & Overy LLP, One Bishops Square, London, E1 6AD, to consider and, if thought fit, pass the following resolutions, which will be proposed as ordinary resolutions of the Company.

THAT:

1. subject to and conditional upon the passing of Resolution 2, the proposed acquisition by the Company of the issued and to be issued share capital of ICAP Global Broking Holdings Limited (the “**Transaction**”), substantially on the terms and subject to the conditions set out in the share purchase agreement dated 11 November 2015 between the Company and ICAP plc (the “**Acquisition Agreement**”), as described in the combined prospectus and circular to the shareholders of the Company dated 1 March 2016 of which this notice forms part (the “**Combined Prospectus and Circular**”), and all other agreements and ancillary arrangements contemplated by the Acquisition Agreement be and are approved and the directors of the Company (the “**Directors**”) (or any duly constituted committee of the Directors) be and are authorised to:
 - (a) take all such steps and/or do or procure to be done all such acts and things on behalf of the Company and/or any of its subsidiary undertakings as the Directors (or any such committee of the Directors) may consider necessary, expedient, appropriate or desirable in connection with, and to implement, any or all of the Transaction; and
 - (b) agree such modifications, variations, revisions, waivers, extensions, additions or amendments to any of the terms and conditions of any or all of the Transaction and/or to any documents and/or arrangements relating thereto, as they may in their absolute discretion think fit, provided that such modifications, variations, revisions, waivers, extensions, additions or amendments are not of a material nature.
2. subject to and conditional upon the passing of Resolution 1 the Directors be authorised in accordance with Article 7 of the Company’s Articles of Association (in addition, to the extent unutilised, to any existing authority granted to the Directors at the Company’s annual general meeting held on 6 May 2015, which remains in full force and effect) to allot shares in the Company or grant rights to subscribe for, or convert any security into, shares in the Company up to a maximum nominal amount of £81,356,558 pursuant to the terms and subject to the conditions set out in the Acquisition Agreement (as modified, varied, revised, waived, extended, added to or amended from time to time) and with authority to deal with fractional entitlements arising out of such allotments as they think fit and to take all such other steps as they may in their absolute discretion deem necessary, expedient, appropriate or desirable to implement such allotments, and which authority shall expire at the conclusion of the next Annual General Meeting of the Company after Completion or, if earlier, at the close of business on the Long Stop Date (in each case, as defined in the Combined Prospectus and Circular).

By order of the Board

Tiffany Brill
Company Secretary

1 March 2016

Registered office:
Tower 42, Level 37
25 Old Broad Street
London
EC2N 1HQ
United Kingdom

NOTES:

1. Every member who is entitled to attend and vote at this meeting is entitled to appoint one or more proxies to exercise all or any of his rights to attend and to speak and vote instead of him at the meeting. A member may appoint more than one proxy in relation to a meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. A proxy need not be a member of the Company. Appointment of proxies does not preclude members from attending and voting at the meeting should they wish to do so in which case any votes of the proxy will be superseded. A form of proxy is enclosed; alternatively if you hold shares in uncertificated form, i.e. in CREST, you may vote using the CREST system (please see the notes below).
2. To be valid, an instrument appointing a proxy in hard copy form (together with a power of attorney or other authority (if any) under which it is signed or a certified copy thereof) must be deposited at the office of the Company's registrars, Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF not less than 48 hours before the time of the meeting, excluding non-business days. Alternatively, if you submit your proxy electronically through CREST, to be valid, the appropriate CREST message (regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy) must be transmitted so as to be received by the Company's registrars, Capita Asset Services (ID RA10) no later than 48 hours before the time of the meeting, excluding non-business days. The time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Capita Asset Services are able to retrieve the message by enquiry to CREST. A member must inform the Company's registrars in writing of any termination of the authority of a proxy.
3. Changes to entries in the register of members after 6:00 p.m. on 22 March 2016 or on the date two days before any adjourned meeting (as the case may be) shall be disregarded in determining the rights of any member to attend and vote at the meeting or adjourned meeting (as the case may be). Accordingly, only a member registered in the register of members of the Company as at 6:00 p.m. on 22 March 2016 or, in the event of any adjournment, on the date two days before the time of any adjourned meeting, excluding non-business days, shall be entitled to attend and vote at the meeting or any adjourned meeting in respect of the number of shares registered in his name at that time.
4. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using procedures described in the CREST manual (available via www.euroclear.com/CREST). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
5. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual, available via www.euroclear.com/CREST.
6. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
7. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
8. A person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "**Nominated Person**") may, under an agreement between him and the shareholder by whom he was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Tullett Prebon General Meeting. If a Nominated Person has no such

proxy appointment right or does not wish to exercise it, he may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

9. The statements of the rights of members in relation to the appointment of proxies in paragraphs 1, 2, 4 and 5 above do not apply to a Nominated Person. The rights described in these paragraphs can only be exercised by registered members of the Company.
10. Nominated Persons are reminded that they should contact the registered holder of their shares (and not the Company) on matters relating to their investments in the Company.
11. As at 26 February 2016 (being the last business day prior to publication of this Notice), the Company's issued share capital amounted to £60,879,057 consisting of 243,516,227 ordinary shares carrying one vote each. Therefore the total voting rights in the Company as at 26 February 2016 are 243,516,227.
12. Voting on all resolutions will be conducted by way of a poll rather than on a show of hands. This will result in a more accurate reflection of the views of shareholders by ensuring that every vote is recognised, including the votes of all shareholders who are unable to attend the meeting but who appoint a proxy for the meeting. On a poll, each shareholder has one vote for every share held.
13. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
14. A member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
15. A member entering a "vote withheld" on a proxy form should note that votes withheld are not votes in law and will not be counted in the calculation of the proportion of votes for and against a resolution.
16. A copy of this Notice, and other information required by section 311A of the Companies Act 2006 can be found at www.tullettprebon.com.
17. You may not use any electronic address provided either in this Notice of Meeting or any related document to communicate with the Company for any purposes other than those expressly stated.

Recommendation

The Directors consider that the proposals in Resolutions 1 and 2 are in the best interests of the Company and shareholders as a whole. Accordingly, they unanimously recommend that shareholders vote in favour of each resolution as they intend to do in respect of their own beneficial holdings.

