Tullett Prebon plc

Remuneration Disclosure Statement – April 2012

As required under CRD3 and as set out in section 11.5 of the FSA's BIPRU Handbook for Tier Four firms:

- **Information concerning the decision-making process used for determining the remuneration policy, including if applicable, information about the composition and the mandate of the remuneration committee, the external consultant whose services have been used for the determination of the remuneration policy and the role of the relevant stakeholders.**

The Tullett Prebon plc Board ("the Board") approved a *Remuneration Policy Practice Statement* in June 2011 to ensure the firm was compliant with the Remuneration Code as required by 1st July 2011. A draft *Remuneration Policy Statement* was presented to the Board in July for consideration leading to the final 2011 Tullett Prebon plc *Remuneration Policy Statement* being approved by the Board on 9th December.

As a listed company subject to the Corporate Governance Code and the Listing Rules, Tullett Prebon plc has a Remuneration Committee of the Board, with published terms of reference which are periodically reviewed and approved by the Board. The Remuneration Committee is composed of five non-executive directors of the Company.

The Remuneration Committee terms of reference sets out how the Remuneration Committee ensures that remuneration decisions take into account the implications for risk and risk management of the firm.

As a UK company subject to the provisions of the Companies Act 2006, the directors must act in the way they consider would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard for, amongst other matters, the interests of the company's employees.

The Remuneration Committee has the ability to apply discretion to variable remuneration payments for senior management and the Remuneration Committee has exercised that discretion in the last three years.

Taking into account the fact that all broking subsidiaries are either Limited Licence or Limited Activity firms, the Board has not sought to use external consultants to determine remuneration policy as the drafting process has confirmed the view of the Remuneration Committee that the Company's remuneration policies reflect the low risk profile of the Company, are consistent with and promote sound and effective risk management, and do not encourage risk taking.

This 2012 Remuneration Disclosure Statement was approved by the Board on 1st March 2012.

- **Information on link between pay and performance**

Tullett Prebon's remuneration practices, policies and procedures ensure an employee's remuneration is consistent with and does not encourage excessive risk taking. They also reflect the fact that all broking entities are either Limited Activity or Limited Licence firms.

Variable remuneration is discretionary and its determination takes into account different factors including performance of the individual, desk/area and firm as appropriate.

Internal and external breaches are escalated to senior management by Compliance, HR, Legal and other control functions to allow these to be taken into consideration.

With very limited exceptions, all Code Staff variable remuneration is discretionary and is paid annually. The purpose of variable remuneration is firstly to reflect the performance of individuals in their roles during the previous year and secondly to incentivise them to remain with Tullett Prebon.

The Chief Executive and Finance Director are required to invest 50% of their net bonus in Tullett Prebon shares and to hold these for a period of at least two years.

The Company only has one Long Term Incentive Plan which was approved by shareholders in November 2006. The scheme has a 10 year life from the date of adoption of the rules of the Scheme by the Board in December 2007. Recent awards have been structured to reward growth in relative and absolute shareholder value.

The current participants under the LTIP are the two Executive Directors. Awards under the LTIP have been made annually to the Executive Directors, and the details of the awards are set out in the Report on Directors' Remuneration in the Annual Report.

Under the rules of the Scheme, awards are not normally exercisable until the third anniversary of the date of grant.

The performance measures used to determine the extent to which awards will vest are decided by the Remuneration Committee for each award. Of the currently outstanding awards the performance measures are a mix of absolute and relative TSR.

The Remuneration Committee has concluded that the provision of long term equity based incentives to Senior Management is not consistent with market practice in the Company's key competitor organisations and it is not intended that awards will be made to Code Staff other than the Executive Directors for the foreseeable future, except that in exceptional circumstances awards may be made to replace equity based incentives from previous employers for new certain members of Code Staff.

- **Aggregate quantitative information on remuneration, broken down by business area**

For the year ended 31st December 2011 (so including bonuses paid in 2012) total remuneration is broken down by business area as follows:

Broking staff: £472.1m

Non-broking staff: £97.6m

- **Aggregate quantitative information on remuneration, broken down by senior management and members of staff whose actions have a material impact on the risk profile of the firm**

For the year ended 31st December 2011 (so including bonuses paid in 2012) total remuneration is broken down as follows:

Code Staff: £44.7m

Non-Code staff: £525.0m